American Airlines passenger jets prepare for departure, Wednesday, July 21, 2021, near a terminal at Boston Logan International Airport, in Boston. (AP)

American expects to post Q3 profit on federal aid

American Airlines expects to ramp up for the holidays and operate a busier schedule than it flew during the peak summer vacation season.

The airline said Tuesday that it will operate more than 6,100 flights on the busiest days around the holidays.

American gave the outlook in a regulatory filing in which it also said it expects to post a profit in the third quarter due to federal pandemic relief. The airline expects a loss of $620 million to $675 million excluding the federal help.

The airline said third-quarter revenue will be down about 25% from the same period in 2019. That is a slightly better than American's previous forecast of a decline between 24% to 28% compared with two years ago.

The shares gained less than 1% in midday trading.

Air travel in the U.S. has recovered to nearly 80% of the pre-pandemic level, although revenue is down more dramatically because lucrative business travel is lagging. American's aggressive schedule for the Christmas period reflects expectations that leisure travel will remain strong.

Airlines measure passenger-carrying capacity by multiplying the number of seats by the miles flown. By that measure, American flew 61.1 billion seat miles in the third quarter. It expects to fly 62.2 billion seat miles in the fourth quarter. (AP)

Market Movements 12-10-2021

			Change	Closing pts
SAUDI	-	Tadawul	+30.77	11,542.88
UAE	-	DFM	+17.64	2,787.72
EGYPT	-	EGX 30	+69.14	10,783.92
INDIA	-	Sensex	+148.53	60,284.31
PAKISTAN	-	KSE 100	+53.73	43,883.08

			Change	Closing pts
JAPAN	-	Nikkei	-267.59	28,230.61
UK	-	FTSE 100	-16.62	7,130.23
EUROPE	-	Euro Stoxx 50	-17.43	4,055.09
PHILIPPINES	-	PSEi	-16.19	7,107.82
SINGAPORE	-	Straits Times STI	-1.44	3,112.05

Business

US growth seen at 6% for 2021, China expected to grow 8% this year

IMF foresees a slight drop in global growth from pandemic

WASHINGTON, Oct 12, (AP): The International Monetary Fund is slightly downgrading its outlook for the global recovery from the pandemic recession, reflecting the persistence of supply chain disruptions in industrialized countries and deadly disparities in vaccination rates between rich and poor nations.

In its latest World Economic Outlook being released Tuesday, the IMF foresees global growth this year of 5.9%, compared with its projection in July of 6%.

"The global recovery continues but the momentum is hobbled by the pandemic," IMF Chief Economist Gita Gopinath told reporters at a briefing.

For the United Sates, the world's largest economy, the IMF predicts growth of 6% for 2021, below its July forecast of 7%. The downward revision reflects a slowdown in economic activity resulting from a rise in COVID-19 cases and delayed production caused by supply shortages and a resulting acceleration of inflation.

The IMF predicts that for the world's advanced economies as a whole, growth will amount to 5.2% this year, compared with a meager predicted gain of 3% for low-income developing countries.

"The dangerous divergence in economic prospects across countries," the IMF said, "remains a major concern."

The monetary fund expects the total output from advanced economies to recoup the losses they suffered during the pandemic by 2022 and to exceed their pre-pandemic growth path by 2024.

But in emerging and developing countries outside of China, the IMF warns, output will remain an estimated 5.5% below the output growth path that the IMF had been forecasting before the pandemic struck in March of last year. That downgrade poses a serious threat to living standards in those countries, the monetary fund said.

The IMF attributed that economic divergence to the sizable disparities in vaccine access between wealthy and low income countries. It said the outlook for poorer countries had "darkened considerably," reflecting the surge in cases of the delta variant that has elevated the COVID death toll worldwide to nearly 5 million.

While nearly 60% of the population in advanced economies are fully vaccinated, only about 4% of the population in the poorer countries are.

Gopinath said it should be a top priority to meet the goal of vaccinating at last 40% of the population in every country by the end of this year and 70% of the population in every country by the middle of next year.

She said to achieve these levels, wealthy countries such as the United States would have to fulfill the commitments they have made to supply vaccines to poorer nations.

"Recent developments have made it abundantly clear that we are all in this together and the pandemic is not over any where until it is over everywhere," Gopinath said. She said the IMF projected that if COVID were to continue to have a prolonged impact it would reduce global output by $5.3 trillion over the next five years compared to the IMF's current forecast.

Along with lagging vaccination levels, poorer nations face headwinds from a spike in inflation, with food prices rising the most in low-income countries, the IMF said.

The 5.9% rise in global output being forecast in the IMF outlook would represent a sizable gain after a 3.1% decline in output because of the pandemic last year. For 2022, the IMF foresees an expansion of 4.9%, unchanged from its July forecast.

The 6% gain in U.S. growth this year follows a deep 3.4% contraction in 2020. The IMF expects solid U.S. growth of 5.2% in 2022. For the 19 nations that use the euro currency, the IMF predicts a 5% expansion this year and 4.3% in 2022.

China, the world's second-largest economy, is expected to register growth of 8% this year, down slightly from the IMF's forecast of 8.1% in July, with growth of 5.6% in 2022.

The new World Economic Outlook was prepared for this week's fall meetings of the 190-nation IMF and its sister lending organization, the World Bank, as well as of finance ministers and central bank presidents of the Group of 20 major industrial countries.

It was released hours after the IMF expressed confidence in its managing director, Kristalina Georgieva, in response to allegations that while serving as a senior World Bank official, she and others pressured staffers to change business rankings in an effort to placate China.

In this file photo, Muslim headscarf sellers wait for customers at their stalls at Tanah Abang Market, Southeast Asia's biggest textile bazaar, in Jakarta, Indonesia. (AP)

Americans quit their 'jobs' at a record pace in August

Hiring slows sharply during month

WASHINGTON, Oct 12, (AP): One reason America's employers are having trouble filling jobs was starkly illustrated in a report Tuesday: Americans are quitting in droves.

The Labor Department said that quits jumped to 4.3 million in August, the highest on records dating back to December 2000, and up from 4 million in July. Hiring also slowed in August, the report showed, and the number of jobs available fell to 10.4 million, from a record high of 11.1 million the previous month.

The data helps fill in a puzzle that is looming over the job market: Hiring slowed sharply in August and September, even as the number of posted jobs was near record levels. In the past year, open jobs have increased 62%. Yet overall hiring, as measured by Tuesday's report, has actually declined slightly during that time.

The government said Friday that job gains were weak for a second straight month in September, with only 194,000 jobs added, though the unemployment rate fell to 4.8% from 5.2%. Friday's hiring figure is a net total, after job gains and quits, retirements and layoffs are taken into account. Tuesday's report, known as the Job Openings and Labor Turnover Survey, or JOLTS, includes raw figures, and showed that total hiring in August fell sharply, to 6.3 million from 6.8 million in July.

The data is "highlighting the immense problems businesses are dealing with," said Jennifer Lee, an economist at BMO Capital Markets, in an email. "Not enough people. Not enough equipment and/or parts. Meantime, customers are waiting for their orders, or waiting to place their orders. What a strange world this is."

The jump in quits strongly suggests that fear of the delta variant is partly responsible for the shortfall in workers. In addition to driving quits, fear of the disease likely caused plenty of those out of work to not look for, or take, jobs.

As COVID-19 cases surged in August, quits soared in restaurants and hotels from the previous month and rose in other public-facing jobs, such as retail and education.

Compared with a year ago, the number of people quitting their restaurant and hotel jobs has almost doubled.

Quits also rose the most in the South and Midwest, the government said, the two regions with the worst COVID outbreaks in August.

When workers quit, it is typically seen as a good sign for the job market, because people usually leave jobs when they already have other positions or are confident they can find one. The large increase in August does include some goods news: It likely reflects the fact that with employers desperate for workers and raising wages, many workers feel they can get better pay elsewhere.

A sign in the parking lot of Mariano's grocery store advertises the availability of jobs Friday, Oct. 8, 2021, in Chicago. One reason America's employers are having trouble filling jobs was starkly illustrated in a report Tuesday, Oct. 12: Americans are quitting in droves. (AP)

Distribution forms part of Zain's annual dividend policy minimum commitment of 33 fils per share

Zain holds Ordinary General Assembly; agrees to distribute a semi-annual cash dividend of 10 fils, totaling US$150 million

Zain Group, a leading mobile telecom operator in seven markets across Middle East and Africa announces the company's Ordinary General Assembly met today in Kuwait and approved the recommendation of the Board of Directors to distribute semi-annual cash dividends of 10 fils per share, for the first half of the current fiscal year.

These cash dividends form part of the company's commitment to distribute annual dividends of a minimum 33 fils per share annually that commenced in 2019, in a move described as unprecedented at the time.

The Ordinary General Assembly was held electronically with an attendance rate of 66.4%, approved cash distributions of 10 fils per share to shareholders registered in the company's shareholder records as at Wednesday, October 27, with the distribution to eligible shareholders commencing Tuesday, November 2.

Today's approval by the Ordinary General Assembly represents a cash dividend distribution of KD 43 million (US$150 million) and signifies Zain as the first listed company in Boursa Kuwait's 'Premier' market to pay out semi-annual cash dividends.

Bader Al-Kharafi: "Zain's FinTech aspirations are aimed at obtaining a digital banking license and be the first Telco-led challenger bank across the Middle East"

Zain Cash first digital platform in Jordan to receive approvals to offer credit solutions

Zain Vice-Chairman and Group CEO, Bader Al-Kharafi said, "The dividend policy decision is one of the most important taken by the company's Board. This step gave a clear indication to the strength of our financial solvency, and the company's ability to execute on its strategic investment and financial plans. Moreover, Zain's FinTech aspirations are aimed at obtaining a digital banking license and be the first Telco-led challenger bank across the Middle East."

"Additionally, the semi-annual dividend enhances Boursa Kuwait and Zain's position on the world equity stage, enriching and stimulating investment as the global investor community consider it a key factor when determining investment destinations, given interim dividends reflect favorable operational performance."

Al-Kharafi continued, "This step also highlights executive management's growth strategy of modernization and seeking new lucrative verticals especially in the digital services sector, which has seen Zain establishing structures to support the startup ecosystem and entrepreneurs to enter markets across the region and beyond. These opportune investments will ensure Zain achieves healthy cash flows and sustainable returns for shareholders."

Zain views the opportunities presented by the digital economy in the Middle East as brimming with potential, as digital capabilities offer greater levels of innovation and direct positive impact on economic and social development.

"One area we are keen on fostering are innovations in the Fintech space and becoming a telco led challenger bank, given the success and exponential growth we have had to date with 'Tamam' in Saudi Arabia and 'Zain Cash' in Iraq and Jordan. Notably, Tamam was the first entity in region to be licensed by a regulator -the Saudi Central Bank (SAMA) to offer consumer micro-loans via a digital mobile app, with Zain Cash leading the Fintech revolution in Iraq and Jordan. Notably, Zain Jordan recently received approvals to offer credit solutions," commented Al Kharafi.

First listed company in Boursa Kuwait's 'Premier' market to pay out semi-annual cash dividends

Recently, Zain Group announced the creation of Zain Ventures, formalizing Zain's startup investments under a single entity. At the same time Zain announced the closing of investments and signing a Memorandum of Understanding (MoU) with two promising startups 'Pipe', a US based Fintech that is the world's first trading platform for recurring revenues and 'Swvl', a Middle East originated entity that is transforming the US$1 trillion global mass transit market. Zain will support their growth across its's regional footprint and beyond.

Tamam in Saudi Arabia, first entity in region to be licensed by a regulator to offer consumer micro-loans via a digital mobile app

Furthermore, Al-Kharafi noted that Zain has achieved strong growth in the B2B sector that serve enterprises and government entities, given the huge investments it has made in data center infrastructure, cloud hosting, and cybersecurity, including the recent launch of several new entities across its footprint.

Al-Kharafi concluded, "Markets in the region now enjoy a greater appetite for digital services, as transformation projects in areas including health, education, financial services, artificial intelligence and public governance gain pace. Telcos are witnessing the creation of new investment opportunities in smart cities, cloud computing and the Internet of Things as a result of the rise in digitization."

Massive expansion in fiber-optic services and development of 4G and 5G networks paying off

Bader Al-Kharafi

For the first six months of 2021 (H1), Zain Group recorded net income of KD 86 million (US$ 285 million), up 5% year-on-year, reflecting earnings per share of 20 fils (US$ 0.07) with consolidated revenue of KD 750 million (US$ 2.5 billion). EBITDA for the period reached KD 310 million (US$ 1.03 billion), reflecting an EBITDA margin of 41%.

Despite the challenging conditions wrought by the Covid-19 pandemic, Zain showcased its resilience as it focused on improving the synergies between its operations, while taking advantage of its expansive geographical footprint. Zain also invested in the further development of its digital channels and supply chain, benefiting from a surge in the demand for broadband services, supported by its investments in fiber-optics, and the development of 4G and 5G networks.