

BUSINESS

Kuwait oil price up

The price of Kuwaiti oil went up by 77 cents to USD 84.30 per barrel Friday as oppose to USD 83.53 pb the day before, said the Kuwait Petroleum Corporation (KPC) Saturday.

As for the Brent crude and West Texas Intermediate, the global prices of both closed upward with the first gaining 86 cents to reach USD 84.86 per barrel and the latter going up 97 cents to reach USD 82.28 pb. The OPEC daily basket price rose by 71 cents to USD 82.50 a barrel on Thursday, compared with USD 81.79 the day before, said the organization on Friday. (KUNA)

Canadian firm reveals plan for \$2.8b North Dakota gas plant

A Canadian energy company announced Thursday a plan to build North Dakota's first factory designed to turn natural gas into liquid fuels, a move that also is aimed at curbing the wasteful burning of the gas that's a by-product of oil production.

Calgary-based Cerilon Inc. and Gov. Doug Burgum said the \$2.8 billion project in Trenton in western North Dakota is intended to convert natural gas to fuels such as low-sulfur diesel and military-grade jet fuel.

North Dakota Commerce Commissioner James Leiman said the state approved a \$3 million loan for the project Thursday.

The project would produce about 1 million gallons (4.5 million liters) of liquid fuels daily, officials said.

North Dakota, the nation's No. 3 oil producer behind Texas and New Mexico, produced an average of 2.7 billion cubic feet of natural gas per day in August, the latest figures available. State regulators reported that 92% of the gas

was captured but the remainder went up in flames due to flaring. Leiman said the proposed plant has the "potential to drastically lower that."

Less than 1% of natural gas is flared from oil fields nationwide, and less than 3% worldwide, according to the U.S. Energy Department.

Cerilon Chairman Nico Duursema said in a statement the plant would be the "lowest carbon footprint facility of its kind in the world." (AP)

North Dakota Pipeline Authority Director Justin Kringstad said the state has 32 natural gas processing facilities, but the project announced Thursday would be the first natural gas-to-liquids plant.

Leiman said the plant would employ "thousands" during its construction phase that would begin in 2023 and about 100 people when completed in 2026. The facility is planned near existing rail and pipelines, and product would be shipped to domestic and global markets, he said. (AP)

US equities climb, S&P 500 posts 'best week' since July



In this file photo, Robert Charmak, (left), works with fellow traders on the floor of the New York Stock Exchange. Wall Street added to its recent gains Friday as stocks closed higher, driving the S&P 500 to its best week since July. (AP)

NEW YORK, Oct 16, (AP): Wall Street added to its recent gains Friday as stocks closed higher, driving the S&P 500 to its best week since July.

The S&P 500 rose 0.7% for its third straight gain and ended the week 1.8% higher. The Dow Jones Industrial Average rose 1.1% and the Nasdaq composite gained 0.5%.

The latest rally came as investors welcomed encouraging quarterly report cards from several companies. Leading the way for the S&P 500 was freight deliverer J.B. Hunt Transport Services, which jumped 8.7% after reporting stronger profits for the summer than Wall Street expected. Goldman Sachs rose 3.8% and Alcoa surged 15.2% after it beat earnings expectations and announced a dividend payment and buyback of its stock.

The positive company earnings dovetailed with a report showing people spent much more at U.S. retailers last month than Wall Street expected. Sales at stores, restaurants and other retail establishments rose 0.7% from August instead of falling, as economists forecast.

"We saw retail sales this morning

come in pretty strong," said Sameer Samana, senior global market strategist at Wells Fargo Investment Institute. "(Stocks) are still at pretty reasonable valuations with another earnings season having just ticked on, and thus far at least, some pretty good results."

The S&P 500 rose 33.11 points to 4,471.37. The Dow gained 382.20 points to 35,294.76, and the Nasdaq rose 73.91 points to 14,897.34.

Friday's gain follows up on a 1.7% jump for the S&P 500 Thursday, its best day since March, which was driven by stronger-than-expected earnings reports and encouraging data on the job market.

It's a turnaround from a shaky few weeks, when the benchmark index fell as much as 5.2% from its record set on Sept. 2. Worries about stubbornly high inflation, reduced support for markets from the Federal Reserve and a slowing economy helped to knock stock prices around. The S&P 500 is back within 1.5% of its all-time high.

Indicators

Earnings reporting season has just begun, but early indicators are encouraging. All but one of the 19 companies in the S&P 500 that reported quarterly results this week topped analysts' profit forecasts. Such strength is crucial after climbing interest rates heightened wor-

ries that stock prices had grown too expensive relative to profits.

The stronger-than-expected reports on the economy also help calm chatter about "stagflation," which is the feared marriage of a stagnating economy and high inflation. Of course, all is not clear yet. A report on Friday showing consumer sentiment was weaker than expected amid inflation worries helped limit the market's gains.

Still, stocks of companies whose profits are most closely tied to the strength of the economy, including retailers, automakers and travel-related businesses, led the way higher Friday. Amazon rose 3.3%, Tesla added 3% and Marriott International gained 3.1%.

Other than financial companies, which benefited from the better-than-expected profit reports from several big-name banks, industrial and health care businesses were also among the strongest gainers. Caterpillar rose 2.4%, while UnitedHealth added 1.8%.

Johnson & Johnson gained 0.7% after a Food and Drug Administration panel endorsed booster doses of the company's single-shot COVID-19 vaccine. The panel said Friday that the booster should be offered at least two months after immunization but didn't suggest a firm time.

Treasury yields also rose following

the much stronger-than-expected report on retail sales. The yield on the 10-year note climbed to 1.57% from 1.52% late Thursday. "The biggest surprise on rates continues to be how low they are relative to all the anecdotal evidence and all the data about inflation that we see," Samana said.

Higher Treasury yields in recent weeks have been holding back technology and other high-growth stocks recently. When bonds are paying more in interest, investors aren't as willing to wait as long a time for big profit growth expectations to come to fruition or to pay as high prices for them.

Tech stocks in the S&P 500 fared a little better Friday, matching the broader market with a 0.8% gain, while the communication-services sector that includes many internet companies slipped 0.1%.

Shares were mostly higher in Europe and Asia on Friday after technology companies powered the biggest rally on Wall Street since March.

Investors have been encouraged by strong earnings reports, as every S&P 500 company that has reported earnings this week has beaten forecasts.

Safe

"Overall, it is safe to say that the U.S. equity market is fully in a risk-on mode and traders aren't afraid in backing riskier assets," Naem Aslam of Avatrade said in a commentary.

Germany's DAX edged 0.2% higher to 15,493.34 and the CAC 40 in Paris climbed 0.4% to 6,712.55. Britain's FTSE 100 added 0.2% to 7,224.41.

In Asian trading, Tokyo's Nikkei 225 added 1.8% to 29,068.63 and the Hang Seng climbed 1.5% to 25,330.96. In Seoul, the Kospi advanced 0.9% to 3,015.06.

Taiwan shares jumped 2.4% on news that computer chip maker TSMC had upgraded its profit outlook.

TSMC, the world's biggest chip maker, climbed 4.7% after its CEO confirmed reports it plans to open a semiconductor fabrication plant in Japan.

The Shanghai Composite index picked up 0.4% to 3,572.37.

China will report its last quarter growth on Monday in another indicator of how the recovery from the pandemic downturn is progressing.

The S&P/ASX 500 in Australia gained 0.7% to 7,362.00. India's markets were closed for a holiday.

Businesses are still facing pressure from rising costs. The Labor Department said inflation at the wholesale level rose 8.6% in September compared to a year ago, the largest advance since the 12-month change was first calculated in 2010.

Bond yields held steady. The yield on the 10-year Treasury edged up to 1.54% from 1.53% late Thursday.

In other trading on Friday, U.S. benchmark crude oil topped \$82 per barrel, gaining 72 cents to \$82.03 per barrel in electronic trading on the New York Mercantile Exchange. It surged 87 cents to \$81.31 per barrel on Thursday.

Brent crude, the standard for international pricing, added 83 cents to \$84.83 per barrel.

Bukele promises cheap energy

El Salvador eyes volcano powered 'bitcoin mining'

BERLIN, El Salvador, Oct 16, (AP): At a geothermal power plant near El Salvador's Tecapa volcano, 300 computers whir inside a trailer as they make complex mathematical calculations day and night verifying transactions for the cryptocurrency bitcoin.

The pilot project has inspired a rash of volcano emojis from President Nayib Bukele, who made bitcoin legal tender in September, and promises of cheap, renewable energy for so-called bitcoin "mining." Such operations, including ones industrial in scale, have been harshly criticized elsewhere in the world for the massive amounts of electricity they use and the resulting carbon footprint.

Bukele and others say El Salvador's geothermal resources - generating electricity from high-pressure steam produced by the volcano's subterranean heat - could be a solution. But the picture in the tiny Central American country is more complicated.

Resources

"We don't spend resources that contaminate the environment, we don't depend on oil, we don't depend on natural gas, on any resource that isn't renewable," Daniel Álvarez, president of the Rio Lempa Hydroelectric Executive Commission, which oversees the plant, said during a tour Friday.

Cheap power and a supportive government are the two critical factors for attracting bitcoin mining operations, said Brandon Arvanaghi, a bitcoin mining consultant.

Two years ago, China provided about three-quarters of all the electricity used for crypto mining, with operations flocking to take advantage of its cheap hydroelectric power. But the government began restricting mining and in September declared all transactions involving bitcoin and other cryptocurrencies illegal.

That has led to a scramble to set up mining operations in other countries.

It would appear to be fortuitous for Bukele, who shocked the nation and many around the world with his announcement last summer that bitcoin would become legal tender beside the US dollar in El Salvador. The president sold the plan in part as a way for Salvadorans living overseas - mostly in the US - to send money home to their families more cheaply. It also made him a darling of the bitcoin world.

Launch

But the launch has been rocky. The digital wallet Salvadorans were expected to use to perform basic transactions had a glitchy rollout. Some users said they just wanted the \$30 the government offered as an incentive. There continue to be concerns that the digital currency, which touts being controlled by no government, will invite criminal activity.

So far, the United States has been a big winner in attracting more bitcoin mining operations, especially the state of Texas, which has bountiful renewable energy and a deregulated market.

Bitcoin mining in El Salvador would appear to have a supportive government in Bukele, but cheap electricity is so far just a promise.

El Salvador imports about one-fifth to one-quarter of its electricity. The rest of production is divided

among hydroelectric, geothermal and plants fired by fossil fuels.

Geothermal accounts for about a quarter of the country's energy. El Salvador has 23 volcanoes.

"When you add these renewable sources like these vast abundant areas, a ton of renewable sources and a friendly regime it can be very attractive and El Salvador may very well fit that model," Arvanaghi said.

Right now, El Salvador's electricity is not considered particularly cheap.

Retail

The website GlobalPetrolPrices.com, which publishes retail energy prices around the world, puts electricity costs to households and businesses in El Salvador well above the global average.

Arvanaghi said that bitcoin mining incentivizes the expansion of renewable energy production by providing high demand for cheap power and that miners have shown themselves to be willing to pause a portion of their machines at times when there is less power available from the grid.

Bukele's promise of cheap power for bitcoin mining then would have to involve a subsidy, at least until renewable capacity expanded and rates declined.

Luis González, public policy director at the nongovernmental organization Salvadoran Ecological Unit (UNES), said if El Salvador can manage to provide cheaper, renewable power it should go to the country's families, not cryptocurrency mining operations.

"The ideal would be that the cheapest, cleanest, most national energy would be for the people," González said.

He also warned that advertising geothermal as clean has caveats. It is cleaner than burning fossil fuels, he said, but comes with its own impacts. The sites where wells are dug to tap into the subterranean heat impact the local habitat. He also expressed concerns that aquifers could become contaminated at geothermal sites.

Access

"We're the country with the least access to water in Central America," he said, noting that was the main reason El Salvador banned metals mining four years ago.

Many bitcoin mining operations have concentrated in cooler climates too, because beyond the electricity to power the machines more is the need to keep them cool, González said. El Salvador has a tropical climate.

At the Berlin Geothermal plant, two hours drive east of the capital, Gustavo Cuellar, special projects adviser for the Rio Lempa Hydroelectric Executive Commission, is overseeing the mining operation. He said the specialized mining machines on the site are using 1.5 megawatts of the 102 megawatts the plant produces. El Salvador's other geothermal plant in Ahuachapan produces another 95 megawatts.

Together the plants provide power to 1.5 million of El Salvador's 6.5 million citizens.

Alvarez said that the project will grow over time "because we have the renewable energy resource, we have a lot of potential to continue producing energy to mine."

Investors buoyed by encouraging quarterly earnings

Legal wrangling over intellectual property

Nippon Steel sues Toyota over patent

TOKYO, Oct 16, (AP): Nippon Steel Corp. is suing Toyota Motor Corp. over a patent for a technology used in electric motors in a rare case of legal wrangling between Japan's top steelmaker and top automaker over intellectual property.

Tokyo-based Nippon Steel filed the lawsuit Thursday in Tokyo District Court, demanding compensation for damages totaling 20 billion yen (\$177 million). Also named in the lawsuit is Baoshan Iron & Steel Co., or Baosteel,

a Chinese steelmaker that produces and supplies the steel that allegedly violates the patent.

Toyota said it learned of the lawsuit "with great regret," stressing it had checked on possible patent conflicts with Baosteel. Toyota sees Nippon Steel as an "important business partner," supporting the Japanese auto industry for years, the maker of the Prius hybrid and Lexus luxury models said in a statement.

Baosteel said it disagreed with Nip-

pon Steel's claim, stressing it repeatedly tried to communicate with the steelmaker.

"We believe that patent identification should be based on rigorous and scientific technical exchange and verification between the two sides," it said in a statement.

"Baosteel will actively respond to the technical patent lawsuit filed by Nippon Steel to resolutely defend the rights and interests of the company."

At the center of the lawsuit is the Japanese patent for non-oriented electrical steel sheets, an indispensable component in electric motors used in EVs, power plants and mobile phones, according to Nippon Steel.

Nippon Steel officials said its prized technology is critical to its competitiveness, as the world shifts to "a carbon neutral society" and innovations that reduce emissions are increasingly needed in steel manufacturing.

Nippon Steel is also demanding a court injunction against Toyota from manufacturing and selling electric vehicles and hybrid models in Japan with the motors that allegedly infringe the patent. Nippon Steel said there is no change to its plans to continue working with Toyota overall.

It said it was unable to resolve the dispute despite repeated discussions with both Baosteel and Toyota.

"Nippon Steel is taking these legal actions to protect its intellectual property rights," the company said.



The company logo of Nippon Steel Corp., is seen at the building housing its headquarters in Tokyo, May 1, 2019. Nippon Steel Corp. is suing Toyota Motor Corp. over a patent for technology key for electric motors. (AP)



A journalist takes a photo of the cooling systems at La Geo Geothermal Power Plant in Berlin municipality, Usulután department, El Salvador, Friday, Oct 15, 2021. The government announced that it is using geothermal resources from the country's volcanoes to run the computers that perform the calculations to verify transactions in bitcoin, recently made legal tender. (AP)

Turkey, Azerbaijan sign gas trade deal

ANKARA, Oct 16, (KUNA): Turkey has signed an additional trade agreement for 11 billion cubic meters of natural gas with Azerbaijan, Turkish Energy and Natural Resources Minister Fatih Donmez announced on Friday.

Donmez said in a statement that the gas would be transferred from the

Baku-Tbilisi-Erzurum (BTE) pipeline, also known as the South Caucasus Pipeline, until the end of 2024, said Turkey's Anadolu News Agency.

The 692-km-long BTE pipeline, constructed in 2006, has been carrying natural gas from the Shah Deniz gas field situated in the Caspian Sea in Azerbaijan to Turkey.