

The Activision Blizzard Booth is shown on June 13, 2013 during the Electronic Entertainment Expo in Los Angeles. Microsoft is buying Activision Blizzard, Tuesday, Jan 18, 2022, for \$68.7 billion to gain access to blockbuster games including Call of Duty and Candy Crush. The all-cash deal will let Microsoft accelerate mobile gaming and provide it building blocks for the metaverse, or a virtual environment. (AP)



Andersen Global broadens footprint in Asian market

Andersen Global continues to expand its platform in the Asian market through a Collaboration Agreement with Varners, one of the largest full-service law firms in Sri Lanka.

Led by Managing Partner Mahinda Haradasa, Varners specializes in banking and finance, commercial, intellectual property, litigation, real estate and telecommunications, international trade and

dispute resolution. Located in Colombo, the firm operates with eight Partners and more than 50 professionals, serving clients at the local and international level.

"Our professionals' extensive industry knowledge and commitment to stewardship has allowed our firm to continually meet the demands of the ever-evolving legal landscape," Mahinda said. "Our

collaboration with Andersen Global is a milestone for us as we look to increase our global reach and meet our clients' cross-border needs."

"Varners' commitment to investing in its people and providing clients with best-in-class solutions resonates with our organization's values and culture," said Andersen Global Chairman and Andersen CEO Mark

Vorsatz. "Mahinda and his team's qualifications and expertise sets them apart from other firms in the market and positions us for future growth as we continue to strengthen our resources in the region."

Andersen Global is an international association of legally separate, independent member firms comprised of tax and legal professionals around the world. (Agencies)

Market Movements

18-01-2022

| | Change | Closing pts | | Change | Closing pts |
|-------------|--------|-------------------|---------|-----------|-------------|
| SAUDI | - | Tadawul | +27.91 | 12,193.75 | |
| EGYPT | - | EGX 30 | +17.32 | 11,876.44 | |
| PHILIPPINES | - | PSEI | +120.13 | 7,343.96 | |
| | | | | | |
| JAPAN | - | Nikkei | -76.27 | 28,257.25 | |
| UK | - | FTSE 100 | -47.68 | 7,563.55 | |
| EUROPE | - | Euro Stoxx 50 | -44.32 | 4,257.82 | |
| UAE | - | DFM | -1.47 | 3,177.88 | |
| INDIA | - | Sensex | -554.05 | 60,754.86 | |
| PAKISTAN | - | KSE 100 | -104.79 | 45,507.41 | |
| SINGAPORE | - | Straits Times STI | -7.91 | 3,280.04 | |

Business

Nation's commerce will grind to a halt unless service is blocked near major airports: CEOs

Airlines again warn of potential disruption from 5G rollout



A passenger walks past a Southwest Airlines plane at Sky Harbor International Airport in Phoenix, March 26, 2021. AT&T and Verizon have agreed to delay the launch of a new slice of 5G service by two weeks after airlines and the nation's aviation regulator complained about potential interference with systems on board planes. (AP)

WASHINGTON, Jan 18, (AP) — The airline industry is raising the stakes in a showdown with AT&T and Verizon over plans to launch new 5G wireless service this week, warning that thousands of flights could be grounded or delayed if the rollout takes place near major airports.

CEOs of the nation's largest airlines say that interference from the wireless service on a key instrument on planes is worse than they originally thought.

"To be blunt, the nation's commerce will grind to a halt" unless the service is blocked near major airports, the CEOs said in a letter Monday to federal officials in-

cluding Transportation Secretary Pete Buttigieg, who has previously taken the airlines' side in the matter.

AT&T and Verizon plan to activate their new 5G wireless service Wednesday after two previous delays from the original plan for an early December rollout.

The new high-speed 5G service uses a segment of the radio spectrum that is close to that used by altimeters, which are devices that measure the height of aircraft above the ground.

Two weeks ago, the companies struck a deal with the Federal Aviation Administration to delay

the service for two more weeks and reduce the power of 5G transmitters near airports. That delay ends Wednesday.

AT&T and Verizon say their equipment will not interfere with aircraft electronics, and that the technology is being safely used in many other countries.

Critics of the airline industry say the carriers had several years to upgrade altimeters that might be subject to interference from 5G.

The CEOs of 10 passenger and cargo airlines including American, Delta, United and Southwest said 5G will be more disruptive than they originally thought be-

cause dozens of large airports that were to have buffer zones to prevent 5G interference with aircraft will still be subject to flight restrictions announced last week by the FAA, and because those restrictions won't be limited to times when visibility is poor.

"Unless our major hubs are cleared to fly, the vast majority of the traveling and shipping public will essentially be grounded."

This means that on a day like yesterday, more than 1,100 flights and 100,000 passengers would be subjected to cancellations, diversions or delays," the CEOs said.

US industrial output falls 0.1 pct unexpectedly amid supply issues

Revenue rises

Goldman Sachs Q4 profits drop

NEW YORK, Jan 18, (AP) — Goldman Sachs said its fourth-quarter profits fell by 13% from a year earlier, largely due to the bank preparing to pay out hefty pay packages to its well-compensated employees.

It's the latest sign that wages are increasing sharply, particularly on Wall Street. Most of the major banks who have reported their results so far have indicated plans to pay employees more in the upcoming year.

The New York-based investment bank earned a profit of \$3.94 billion, or \$10.81 a share. That's down from \$4.51 billion, or \$12.08 a share, in the same period a year earlier. The results missed analysts' expectations, who were looking for an average profit of \$11.80 a share, according to FactSet.

While Goldman was able to grow revenues in the quarter, those gains were more than wiped out by the firm's compensation expenses. The bank set aside \$3.25 billion to cover compensation and benefits in the quarter, up 31% from a year earlier.

Goldman typically has high compensation expenses, particularly in the last quarter of the year as the bank prepares to pay out its annual bonuses to its employees. These bonuses can often be multiple times an employee's salary, particularly the firm's best-paid traders and investment bankers.

But rising inflation, as well as rising competition for employees among the investment banks, has pushed wages significantly higher at the banks. Bloomberg News reported late last week that the firm was preparing to pay out special one-time bonuses to keep its most valuable employees.

"It is clear that employees are able to demand significantly higher pay without necessarily having to justify the increase through greater productivity," said Octavio Marenzi, CEO of consulting firm Opimas LLC, in an email.

Pay at the firm is tied directly into how well the overall company does in the year, and this year was incredibly good for Goldman. The firm made \$21.64 billion in profits last year, more than double what it earned in 2020.

Dealmaking and trading remained mostly strong last quarter for the firm, which helped drive profits. Investment banking revenues were 45% higher than they were the prior year. Trading revenues were down a modest 7%.

The firm's return on equity — a measurement of how well a bank performs with the assets it holds — was 23% last year, more than double where it was a year earlier. Banks like Goldman aim for their return on equity to be above 10%.

December retail sales slip after a record holiday season

WASHINGTON, Jan 18, (AP) — U.S. industrial production fell 0.1% in December, the first decline since September, with manufacturers still struggling with snarled supply chains.

Many economists had expected a small increase in production last month as factories recovered.

Yet manufacturing output actually fell by 0.3%, with output at auto plants down 1.3%. Automakers have been hurt by supply chain problems, especially shortages of crucial computer chips.

Output from utilities fell 1.5% last month, reflecting unusually warm December weather reduced heating demand. Output from mining, which covers oil and gas production, was the only major category showing an increase, a gain of 2% last month.

Economists believe that industrial production will struggle to meet strong demand as long as problems affecting supply chains persist. There is concern that the surge in COVID-19 cases because of the omicron variant will result in shortages of factory workers, which could intensify supply chain problems.

"The latest surge in cases looks to be exacerbating labor problems," said Oren Klachkin, lead U.S. economist at Oxford Economics. "While we expect bottlenecks to eventually loosen, we shouldn't discount the risk that supply chain conditions could still worsen before they improve."

Meanwhile, Americans overlooked shortages, spiking prices and uncertainty over the omicron variant to break spending records during the critical holiday shopping season. But figures released Friday show that after spending robustly early in the holiday season, consumers sharply slowed their purchases from November to December.

The National Retail Federation, the nation's largest retail trade group, said that sales surged by a record 14.1% from November and December 2020 to the same months in 2021. Those figures blew away the federation's projections for growth of between 8.5% to 10.5%, and more than tripled the average gain over the past five years of 4.4%.

"After a dispiriting holiday season in 2020, most shoppers were absolutely determined to enjoy themselves come what may," said Neil Saunders, managing director of GlobalData.

Yet data issued by the Commerce Department showed that by the end of December, spending had trailed off sharply enough to catch economists off guard and raise doubts about the sustainability of retail sales in the face of omicron, inflation and persistent shortages of labor and supplies. Retail sales fell a seasonally adjusted 1.9% from November to December.

Spending fell broadly across numerous sectors: Department store sales fell 7%, restaurant 0.8% and online purchases 8.7% compared

with November.

Many economists expect the caution that consumers displayed last month to carry over into this year and potentially slow the economy. Still, with average hourly pay rising and unemployment rate steadily dropping, analysts say spending and growth could pick up, at least modestly, once omicron fades.

"American consumers closed 2021 on a very sour note," said Sal Guatieri, senior economist at BMO Capital Markets. "That said, high household savings, strong job growth, and improved confidence once the latest COVID wave crests should put consumers back on a high-spending track in the second quarter."

Retailers warned for months that their supply chains had become snarled as the nation swiftly emerged from the pandemic recession, and they urged consumers to shop early for their holiday purchases. It appears that many Americans took heed and, in effect, moved up the usual holiday shopping period by a month or so.

Commerce Department figures show retail sales jumped 1.8% in October, and on Friday it reported that year-over-year numbers show that retail sales surged 16.9% last month compared with December 2020. For all of 2021, sales spiked 19.3% compared with the previous year.

Some economists caution that the seasonal adjustment of retail sales has been thrown off by the pandemic. Seasonal adjustment is intended to account for the normal spike in shopping in December for the holiday season. This year, though, because many Americans started shopping so early, the seasonal adjustment might have exaggerated any December spending retreat.

Some analysts also suspect that shoppers who waited until the end of the holiday season and didn't find what they wanted and took a pass or they bought gift cards. That spending won't show up in retail data until those cards are redeemed.

All told, Americans appear to be spending their money differently — and spending more, not less, collectively.



The logo for Goldman Sachs appears above a trading post on the floor of the New York Stock Exchange, Tuesday, July 13, 2021. Goldman Sachs said, Tuesday, Jan 18, 2022, its fourth-quarter profits fell by 13% from a year earlier, largely due to the bank preparing to pay out hefty pay packages to its well-compensated employees. It's the latest sign that wages are increasing sharply, particularly on Wall Street. (AP)

Deal worth about \$68.7 billion

Microsoft buys Activision Blizzard

NEW YORK, Jan 18, (AP) — Microsoft CEO Satya Nadella said in a conference call with investors "the culture of our organization is my number one priority" and that "it's critical for Activision Blizzard to drive forward on its commitments to improve its workplace culture."

Activision disclosed last year it was being investigated by the Securities and Exchange Commission over complaints of workplace discrimination.

Activision CEO Bobby Kotick will retain his role, and he and his team will maintain their focus on

driving efforts to further strengthen the Santa Monica, California, company's culture and accelerate business growth.

The deal Tuesday follows Microsoft's \$7.5 billion acquisition last year of ZeniMax Media, the parent company of video game publisher Bethesda Softworks, which is behind popular video games The Elder Scrolls, Doom and Fallout.

Microsoft said in both cases that the deals will help beef up its Xbox Game Pass game subscription service.



Shoppers walk through Macy's on Nov 26, 2021, in New York. Americans slowed their spending from November to December as a trifecta of product shortages, surging prices and a surge of the highly contagious omicron curtailed spending. Retail sales fell 1.9% in December compared with the previous month when sales increased 0.3%, the US Commerce Department said Friday, Jan 14, 2022. (AP)

Lebanese judge freezes assets of cbank gov

BEIRUT, Jan 18, (AP) — An investigating judge in Beirut on Tuesday froze some assets belonging to the country's central bank governor, who is accused of corruption and dereliction of duties during Lebanon's unprecedented economic meltdown.

Judge Ghada Aoun said she ordered the freeze "as a precautionary measure" while an investigation into allegations against Gov. Riad Salameh continues. The governor filed to show up for questioning Tuesday in a lawsuit filed by a Lebanese anti-corruption group.

Last week, Aoun issued a travel ban for Salameh in the same case. The long-serving central bank governor is also being investigated in a handful of European countries on

suspicion of money laundering. The deeply divided Lebanon is going through its worst economic meltdown, with the value of the national currency plunging, foreign reserves running low and the highly indebted government unable to agree on an economic recovery plan.

Many hold Salameh responsible for the financial crisis, blaming him for policies that only drove national debt up and caused the currency to tumble. But Salameh, 71, has been in the post for nearly three decades and enjoys backing from most politicians, including the country's prime minister.

Salameh dismissed the lawsuit against him — filed by a group of lawyers known by the name "The

People Want to Reform the Regime" — as political, saying it lacked evidence. He called for Judge Aoun to be dismissed from the case and accused her of bias.

It was not immediately clear how authorities could implement the order, which includes seven residential units owned by Salameh and four luxury cars.

Salameh was touted as the guardian of Lebanon's monetary stability and praised for steering the country's finances after recovery from the 15-year civil war that ended in 1990 and other bouts of unrest. But he has come under intense scrutiny since the economic meltdown began in late 2019, with many experts now questioning his monetary policies.