

# US stocks slide, S&P 500 dips over 10 pct

Investors continue to fret over Fed interest rate hike

**NEW YORK, Jan 24, (AP):** Stocks sank on Wall Street Monday, putting the benchmark S&P 500 on track for what the market considers a correction - a drop of 10% or more from its most recent high.

The S&P 500 fell 2.5% to 4,287.22 as of 10:15 a.m. Eastern, and is now down about 10.7% from the high it set on Jan 4. A close of 4,316.90 or lower will put it into a correction.

The declines in the market extend a recent run of losses that have left major indexes in a January slump. The Dow Jones Industrial Average fell 712 points, or 2.1%, to 33,544 and the Nasdaq fell 3%.

Investors have been growing increasingly worried about how aggressively the Federal Reserve, which holds a policy meeting this week, might act to cool rising inflation. Wall Street anticipates the first increase in interest rates as early as March, and investors have grown increasingly concerned the Fed will have to raise rates more quickly and more often than the central bank originally indicated.

The Fed's benchmark short-term interest rate is currently in a range of 0% to 0.25%. Investors now see a nearly 70% chance that the Fed will raise the rate by at least one percentage point by the end of the year, according to CME Group's Fed Watch tool.

Federal Reserve policymakers will release their latest statement on Wednesday.

On Monday, the energy and raw materials sectors lead the decline. Mining concern Freeport McMoRan slipped 4.6% and General Motors fell 4%.

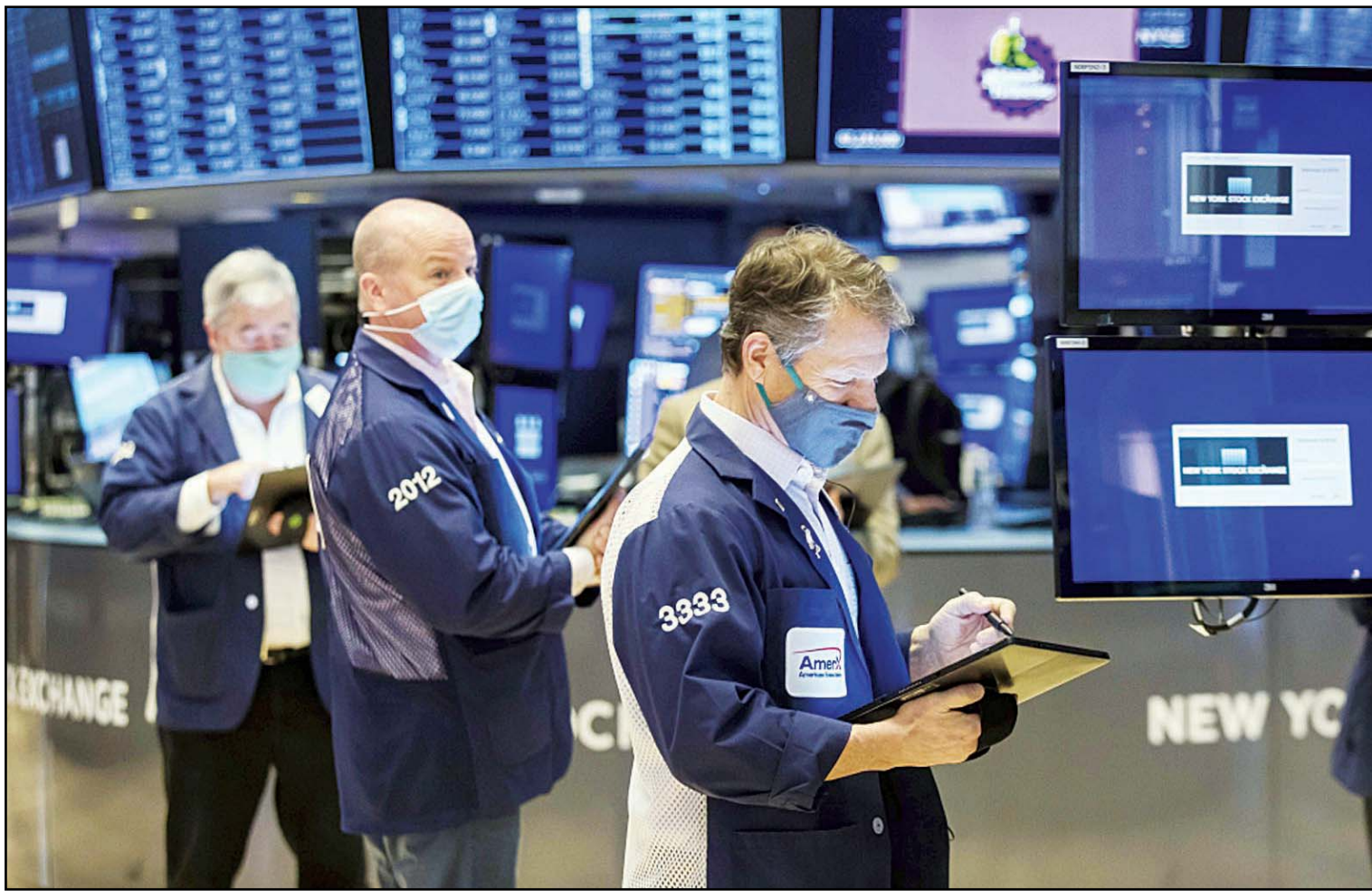
Technology stocks were among the heaviest weights on the market as investors shift money away from pricier stocks in anticipation of rising interest rates. Higher rates make shares in high-flying tech companies and other expensive growth stocks relatively less attractive.

Apple fell 1.7% and Microsoft shed 1.8%.

A wide range of retailers, travel-related companies and others that rely on direct consumer spending also fell broadly and weighed down the broader market. Target fell 1.1% and Carnival fell 5%.

Bond yields edged lower. The yield on the 10-year Treasury fell to 1.72% from 1.74% late Friday.

Falling yields also weighed on banks, which rely on higher yields to charge more lucrative interest on loans.



In this file photo provided by the New York Stock Exchange, Robert Charmak (right), works with fellow traders on the floor of the New York Stock Exchange. Stocks sank in morning trading on Wall Street Monday, putting the benchmark S&P 500 on track for what the market considers a correction - a drop of 10% or more from its most recent high. (AP)

Bank of America fell 3.8%.

Inflation is putting pressure on businesses and consumers as demand for goods continues to outpace supplies. Companies have been warning that supply chain problems and rising raw materials costs could crimp their finances. Retailers, food producers and others have been raising prices on goods to try and offset the impact.

Rising costs are raising concerns that consumers will start to ease spending because of the persistent pressure on their wallets.

Investors are monitoring the latest round of corporate earnings, in part, to gauge how companies are dealing with higher prices and what they plan to do as inflation continues pressuring operations.

Monday is a relatively quiet day for earnings, but the pace picks up on Tuesday with American Express, Johnson & Johnson, and Microsoft reporting results. Boeing and Tesla report

their results on Wednesday. McDonald's, Southwest Airlines and Apple report results on Thursday.

Wall Street also has several key economic reports to look forward this week. Investors will get more data on how consumers feel with the release on Tuesday of The Conference Board's Consumer Confidence Index for January. The Commerce Department releases its report on fourth-quarter gross domestic product on Thursday and its report on personal income and spending for December on Friday.

Shares were mostly lower in Europe and Asia on Monday after Wall Street logged its worst week since the pandemic began in 2020.

Shares fell in Paris, London and Frankfurt but rose in Tokyo. Shanghai was little changed.

Investors have been growing increasingly worried about how aggressively the Federal Reserve, which holds a policy meeting this week, might act to

cool rising inflation.

Germany's DAX shed 1.1% to 15,431.03 while the CAC 40 in Paris gave up 1.4% to 6,971.19. In London, the FTSE 100 fell 0.7% to 7,447.03. Some economists believe the Fed and other central banks need to move faster to tamp down surging prices by raising rates. U.S. consumer prices rose 7% in December compared to a year earlier, the biggest increase in nearly four decades.

Rising costs are raising concerns that consumers will start to ease spending because of the persistent pressure on their wallets. At the same time, outbreaks of the omicron variant of the coronavirus are threatening to slow recoveries from the crisis.

Tokyo's Nikkei 225 index edged 0.2% higher to 27,588.37.

Shares in electronics and energy giant Toshiba Corp. fell 1.6% after the company said it was suspending production at a factory in southern Japan

that makes semiconductors for vehicles and machinery after a strong earthquake hit the region.

The Hang Seng in Hong Kong shed 1.2% to 24,656.46. In Australia, the S&P/ASX 200 lost 0.5% to 7,139.50 and India's Sensex dropped 2.7% to 57,419.98.

South Korea's Kospi dropped 1.5% to 2,792.00 on heavy selling of big technology companies like Samsung and LG Chemical. Thailand's SET lost 0.7%.

The Shanghai Composite index gained less than 0.1%, to 3,524.11.

In other trading, U.S. benchmark crude oil gained 21 cents to \$85.35 per barrel in electronic trading on the New York Mercantile Exchange. It gave up 41 cents to \$85.14 per barrel on Friday.

Brent crude, the basis for pricing international oils, added 26 cents to \$88.15 per barrel.

The U.S. dollar fell to 113.62 Japanese yen from 113.68 yen. The euro slipped to \$1.1327 from \$1.1346.

## Washington justices uphold \$18 mln fine

**SEATTLE, Jan 24, (AP):** The Washington Supreme Court has narrowly upheld an \$18 million fine levied against an association of large food brands that funneled dark money into a state political campaign.

The 5-4 decision Thursday found that the penalty against the Grocery Manufacturers Association - now known as the Consumer Brands Association - did not violate the U.S. Constitution's ban on excessive fines. The association said it would petition the U.S. Supreme Court to review the case.

The group, which included companies like Coca-Cola and Nestle, in 2013 collected \$14 million from its members. It then contributed \$11 million of that to help defeat a Washington state ballot initiative that would have required labeling of genetically engineered ingredients on food packaging.

The association failed to register as a political committee in the state, did not disclose which companies contributed the campaign money and filed no campaign-finance reports until after Attorney General Bob Ferguson sued.

As part of the lawsuit, the state uncovered evidence that one association executive noted during a meeting that having a pooled campaign account would "shield individual companies from public disclosure and possible criticism."

"The GMA's offense struck at the core of open elections," Chief Justice Steven González wrote for the state supreme court's majority. "The grave nature and broad extent of GMA's offense suggests the penalty is not grossly disproportionate."

The dissenting justices, led by Justice Sheryl Gordon McCloud, said that the association's failure to file campaign disclosure reports was serious for a reporting violation but that it was only a reporting violation. She called the \$18 million penalty "grossly disproportionate" to that offense.

The justices previously found that the Grocery Manufacturers Association's violations were intentional, but sent the case back to a lower court to determine whether the fine was excessive. The 8th Amendment to the U.S. Constitution prohibits excessive fines.

"This is a victory for fair and transparent elections in Washington, and a defeat of special interest dark money," Ferguson said in a statement.

NBK Group Deputy CEO in her lecture at "Tamakan" program's panel discussion

## Al-Bahar: We Are Proud of Our Achievements in the Journey Towards Digitization and Sustainability



*As part of the activities of "Tamakan" career readiness program sponsored by it, National Bank of Kuwait (NBK) held a panel discussion in which Mrs. Shaikha Al-Bahar, NBK Group Deputy CEO gave a lecture and answered a number of questions raised by the participants.*

Al-Bahar started her meeting by addressing the participants: "I would like to welcome you all to the program, this program is exceptionally close to my heart, and it makes me so happy to be talking to young talents like yourselves, and to see your commitment to further developing and learning more as you grow." An endless journey

Al-Bahar stated: "Personally, I am a very big fan of education and a great believer that we live to learn. Learning and education is a journey that is not age linked and should never stop. Especially in today's fast-paced world, it is very important to never stop acquiring knowledge or else we become less competitive."

Al-Bahar urged the participants to never give up saying: "If you don't make mistakes you won't learn and if we don't evolve, we lose our abilities, creativity and intelligence."

Keeping up with a rapidly changing world  
Giving her tips to the participating youth for career progression, Al-Bahar mentioned: "When you join the

“NBK has evolved into a full-fledged digital world developing every day, and we continue to educate ourselves on cloud computing, artificial intelligence and machine learning

workforce and regardless of what you will be doing, you will realize how things change and progress very fast and we need to keep up with that. We have seen through history industries disappearing and businesses failing because they stopped learning and refused to transform and advance."

"As you continue to develop yourselves, you will be the driving force behind the success of your organizations and your country," Al-Bahar emphasized. In this regard, she highlighted the Singaporean example in focusing on education as a strategic priority, working to develop individuals and their behaviors and enhancing their knowledge, and how this was enabled such Asian country suffering from lack of resources to make significant achievements and leaps in economic growth rates and technological advancement to emerge as an international financial hub.

Transformations in banking  
Al-Bahar shared with the participants her own real life experience and how the banking sector has significantly changed in the past 10 years, saying: "Banks are facing major challenges and rapid developments in the industry, therefore, at NBK we placed the learning drive at the core of our strategy and strides towards a sustainable growth in the future."

“If we were not eager to continue learning and developing ourselves, we would not have been able to maintain NBK's leading position under these changes

"Two main themes that are dominating the world nowadays barely existed 10 years ago: digitization and sustainability. However, now, our daily discussions involve a lot of meetings and debates around these two topics," Al-Bahar indicated.

"It is all because of our eagerness to continue learning and developing ourselves, otherwise, we would not have been able to maintain our leading position and survive those rapid changes. We never stop attending seminars, and industry conferences around the world, we regularly attend training and continued education programs. This helps every one of us to be up to date with the latest industry trends, emerging challenges and how the world is changing around us," she added. Sustainability and digitization

Al-Bahar mentioned that NBK developed a digital transformation strategy many years ago, which included learning and self-development as one of its key pivots. "We learned and educated ourselves on cloud computing, artificial intelligence, machine learning and many other topics, to evolve as a full-fledged digital world that is developing every day," she noted.

"Similarly, we are also learning the business sustainability world and how it affects banking. A

lot of new topics emerged like climate change risks, biodiversity, financial inclusion and so many others that have significant impact on our banking operations," she explained.

Concluding her speech, Al-Bahar said: "At NBK, learning and education is a journey that never stops or comes to an end. Many years ago, we started our journey towards digital transformation and business sustainability to keep up with the changes taking place in the banking industry, during which we learned a lot, and we are very proud of what we have achieved."

It is worth mentioning that the new edition of "Tamakan" training program for fresh Kuwaiti university graduates offered by Creative Confidence Consulting Company was recently launched with the strategic sponsorship of National Bank of Kuwait (NBK) for the third consecutive year.

In this hands-on training experience, NBK hosts 34 trainees at different training locations at its headquarters for 3 months, starting from 18 January until 27 March 2022, during which the bank provides them with courses aimed to develop their skills and qualify them to the labor market.

Tips for personal and professional excellence:

During the discussions in this session, Mrs. Shaikha gave the participating youth a number of tips representing the synthesis of her practical and personal experience:

- Challenge your comfort zones and always think outside the box
- Learning and education is a journey that is not age linked and should never stop
- If you don't make mistakes you won't learn
- Failing to transform and advance is a prelude to failure, especially in today's fast-paced world
- As you continue to develop yourselves, you will be the driving force behind the success of your organizations and your country

"Weyay" team are young innovators always thinking outside the box

Al-Bahar mentioned that NBK's recent launch of "Weyay" as the first digital bank in Kuwait was a milestone in reaping the fruits of the bank's continuous learning and development strategy.

"Behind this launch were so many efforts of and great thinkers who have refused to surrender to their comfort zones and always think outside the box," she explained. Al-Bahar stressed that technological advancement is rapid and incessant, which necessitates continuous learning and development, especially on new topics like cloud computing, artificial intelligence and

