

A Citibank office is open on Jan 13, 2021 in New York. (AP)



Citigroup profit triples in Q1, tops estimates; revenue down

Citigroup's profits more than tripled in the first quarter, in the same period a year earlier. The banking conglomerate said, helped by the release of billions of dollars from its loan-loss reserves. The bank also announced plans to scale back its global consumer banking franchise outside the US.

The New York-based company said it earned a profit of \$7.94 billion, or \$3.62 per share, compared to a profit of \$2.54 billion,

or \$1.06 a share, in the same period a year earlier. The bank's profits were well above the \$2.60 per share that analysts had been looking for, according to FactSet.

Like its major Wall Street competitors, Citigroup was able to release billions from its loan-loss reserves this quarter, which directly benefited its bottom line. The big banks collectively set aside tens of billions of dollars a year ago to cover the potential

losses they might incur as the economy nosedived in the early months of the pandemic. Now that the economy is recovering, banks are able to release those funds.

Citi had a \$3.85 billion one-time gain from releasing its loan-loss reserve, which the bank said "reflects the improving economic outlook."

Citigroup saw lower revenue and interest income in its global

banking division, as its customers more aggressively paid down their debts in the past year during the pandemic. Citi has a substantial credit card business that leans toward "revolving" customers — those who keep a steady balance on their cards — and a significant chunk of Americans used their government stimulus payments to pay down debt. Revenues from credit cards fell 18% from a year ago. (AP)

Market Movements

16-04-2021

	Change	Closing pts		Change	Closing pts
↑ AUSTRALIA - All Ordinaries	+36.83	7,317.46	PAKISTAN - KSE 100	-81.04	45,230.18
↑ JAPAN - Nikkei	+21.70	29,642.69	↓ CHINA - Shanghai SE	-17.73	3,398.99
↑ S. KOREA - KRX 100	+34.07	6,878.54			
↑ PHILIPPINES - PSEI	+16.75	6,539.96			
↑ INDIA - Sensex	+259.62	48,803.68			

Business

CEO says group kicking 2021 off to a relatively strong start

Mideast's largest mall operator to expand amid vaccine hopes

DUBAI, April 18, (AP) — The Middle East's largest operator of malls expects revenue and earnings to climb back to pre-pandemic levels by the end of next year and is moving full steam ahead with plans to develop its biggest mall ever.

In a wide-ranging interview with The Associated Press on Thursday, Majid Al Futtaim CEO Alain Bejjani said business is steadily rebounding amid vaccine rollouts in some countries of the region, kicking 2021 off to a relatively strong start.

"We're not out of the woods across the markets, but things are improving," Bejjani said. "Going back to the pre-pandemic levels — to 2019 level — in my opinion, will happen by the end of 2022 in terms of financial results."

The company's plethora of retail and leisure holdings include the iconic Mall of the Emirates in Dubai, hundreds of VOX cinema screens and more than 350 Carrefour grocery stores in the Middle East and beyond. Named after its Emirati billionaire founder, the company's largest markets are the United Arab Emirates, Saudi Arabia and Egypt, but its reach extends as far as Pakistan, Kenya and Uzbekistan.

The company's projections of a rebound and its plans for expansion reflect the faster than anticipated recovery of Middle East economies from the coronavirus pandemic, though uneven vaccine distribution remains a concern.

Majid Al Futtaim, which employs some 43,000 people regionally, saw its revenue plummet by 7% to \$8.9 billion last year and earnings drop by 19% to around \$1 billion due to coronavirus lockdowns and restrictions. The hardest-hit side of the business was its leisure and entertainment arm, where revenue fell by 49% to \$380 million and

earnings plummeted by 122%, resulting in losses of \$25 million.

Despite last year's slump, Majid Al Futtaim plans to unveil 30 new movie theater screens this year in Saudi Arabia, is developing its biggest mall project ever in Riyadh, and is opening what will be the largest mall in Oman at the end of 2021.

"Every country has had their own set of challenges to deal with. The reality is the fastest recovery is the UAE... and we expect very fast recoveries in other markets like Saudi Arabia," Bejjani said. "We have also seen Egypt being very resilient."

The United Arab Emirates has rapidly rolled out COVID-19 vaccines, which are free of charge for citizens and residents. Saudi Arabia is also expanding its vaccination rollout and has offered all residents free coronavirus treatment since the start of the pandemic.

It's not back to business as usual just yet, though. Majid Al Futtaim — like many businesses globally — is having to adjust to new realities, including the potential imposition of so-called "digital passports." In Bahrain, for example, where Majid Al Futtaim operates 30 cinema screens, only people who've been vaccinated or recently recovered from COVID-19 will be allowed into cinemas, gyms and other select spaces soon.

Bejjani said the company is "very supportive of any measure" that gives customers the feeling of being safe.

"Whenever there is an additional regulation, that actually gives people even more certainty, I think this is a plus, whether it is the vaccine passport, whether it is something else," he said. "At the end of the day, what's important is that people want to go back to normal. People want to go back to consumption."

Home construction rebounds in March after frigid February

US jobless claims plunge to 576,000, lowest since pandemic

WASHINGTON, April 18, (AP) — US housing construction rebounded strongly in March with home builders recovering from an unusually frigid February that shut down projects.

Builders began construction on new homes and apartments at a seasonally adjusted annual rate of 1.74 million units in March, the Commerce Department reported Friday, a 19.4% increase over February when housing construction fell by 11.3%.

Severe storms raked several regions of the country in February, setting construction back.

According to the report, applications for building permits, a good sign of future activity, increased by 2.7% to a seasonally adjusted annual rate of 1.77 million units.

Economists expect housing construction to remain strong this year given the record low level of homes for sale. A new report from mortgage giant Freddie Mac concluded that the housing market is 3.8 million single-family homes short of what's needed to meet demand — a 52% increase from a significant housing shortage in 2018.

"We expect the pace of housing starts to moderate slightly over the balance of 2021 but still look for starts to increase more than 6% this year," Nancy Vanden Houten, lead economist at Oxford Economics, said in a research note.

Housing was one of the star performers last year in an economy struggling with a global pandemic. Housing construction rose 6.9% to 1.38 million units for the year.

Builders are currently grappling with lumber prices, which have tripled in the past year, and supply chain shortages for such things as appliances while home buyers are facing higher housing prices because of the low inventories. However, builder confidence remains strong. The latest National Association of Home Builders/Wells Fargo survey saw an increase in its confidence index to 83 in April, up from 82 in March. Any reading above 50 shows builders are optimistic about the future.

Construction

The Commerce report Friday showed that construction of single-family homes was started at a seasonally adjusted annual rate of 1.24 million units in March, up 15.3% from February. Construction in the smaller and often more volatile apartment sector jumped 30% to an annual rate of 477,000 units.

By region of the country, construction was up in all parts of the country except the West which saw a 12.6% decline. Construction activity surged 122.8% in the Midwest and posted gains of 64% in the Northeast and 13.5% in the South.

In a separate report, the number of Americans applying for unemployment benefits tumbled last week to 576,000, a post-COVID low and a hopeful sign that layoffs are easing as the economy recovers from the pandemic recession.

The Labor Department said Thursday that applications plummeted by 193,000 from a revised 769,000 a week earlier. Jobless claims are now down sharply from a peak of 900,000 in early January and well below the 700,000-plus level they had been stuck at for months.

The decline in unemployment claims coincides with other evidence that the economy is strengthening as vaccinations accelerate, pandemic business restrictions are lifted in many states and Americans appear increasingly willing to travel, shop, eat out and otherwise spend again. In March, employers added a healthy 916,000 jobs, the most since August, and the unemployment rate fell to 6%, less than half the pandemic peak of 14.8%.

Other healthy economic data was reported Thursday, underscoring that a potential boom, much-anticipated by economists, may be getting under way. Trillions of dollars of government stimulus, including \$1,400 checks largely distributed last month, have maintained overall household income despite widespread job losses in the pandemic.

Those checks, supplemented by higher savings that many households have managed to build, drove retail sales sharply higher in March. Sales at stores, car dealers, restaurants and bars jumped 9.8%. It was the biggest gain since retail sales soared 18% in May of last year in a partial bounce-back from the virus' initial blow.

Spending

"Today's report shows just how willing American consumers are to spend when the means and options are available," said Maria Solovieva, an economist at TD Bank. "Fast vaccination and removal of restrictions burst the spending floodgates wide open."

For the week ending March 27, 16.9 million people were continuing to collect unemployment benefits, down from 18.2 million in the previous week. That decline suggests that some of the unemployed are being called back to jobs.

Yet the still-high number of ongoing recipients shows that even as the economy has improved in recent weeks, millions are facing a loss of a job or income and have been struggling to pay bills or rent. The last time the jobless rate was this low, weekly claims were around 350,000, still well below their current level.



In this file photo, a hiring sign shows outside of a restaurant in Prospect Heights, Illinois. The number of Americans applying for unemployment benefits fell sharply last week to 576,000, a hopeful sign that layoffs are easing as the economy recovers from the pandemic recession. (AP)

Turkish CB keeps key rate unchanged

Turkey to ban cryptocurrencies for buying 'goods and services'

ANKARA, Turkey, April 18, (AP) — Turkey's central bank is banning the use of cryptocurrencies such as bitcoin in payments for goods and services, according to a decision published in the country's Official Gazette on Friday.

The decision comes as many in Turkey have turned to cryptocurrencies to shield their savings from rising inflation and the Turkish currency's slump.

In a statement explaining its reasons, the bank said transactions carried out through the use of cryptocurrencies presented "irrevocable" risks. Crypto assets are "neither subject to any regulation and supervision mechanisms nor a central regulatory authority. Their market values can be excessively volatile," the bank stated.

It also cited their use in "illegal actions due to their anonymous structures," and their possible use "illegally without the authorization of their holders."

The restriction would come into effect on April 30, the bank said.

Also:

ANKARA: Turkey's central bank kept a key interest rate unchanged at 19%, in its first rate decision since the surprise appointment of a new governor that shook confidence in the country's economy.

President **Recep Tayyip Erdogan** last month fired his third central bank head in less than two years, raising concerns about a possible return to unconventional monetary policy as the country struggles with persistent inflation.

The Turkish currency plummeted against the dollar, following the appointment of **Sahap Kavcioglu** who, like Erdogan, has argued for lower interest rates. Typically, higher interest rates shore up a currency and help combat inflation. Erdogan has argued the contrary, that high rates cause inflation.

Kavcioglu however, has since reassured investors by indicating that the bank will follow a tight monetary policy until inflation is brought under control.

"The Monetary Policy Committee has decided to keep the policy rate (one-week repo auction rate) constant at 19%," the bank said following its closely watched meeting. "The (Central Bank) will continue to use decisively all available instruments in pursuit of the primary objective of price stability."

Before he was fired last month, **Naci Agbal**, the previous central bank governor, had raised interest rates by a more-than-expected 2 percentage points, taking the rate to 19%.

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NBK Offers Its Customers up to 8% Discount on Mercedes-Benz Cars

Diab: Our long-standing relationships with leading brands are reflected in providing our customers with the best offers and discounts

Our policy is to provide our customers with an exceptional banking experience packed with exclusive services that reflect our leadership



Bahaa Diab



National Bank of Kuwait (NBK) is keen to provide the best financing solutions and exclusive offers to its customers all year round. In this context, and as part of its cooperation with Al Mulla Motors, NBK provides Privilege Banking and Thahabi Package Customers and a discount of up to 5% on Mercedes-Benz cars from Al Mulla Motors (2021 models), and up to 8% on Mercedes-Benz cars (2020 models).

The offer includes providing free service for the first two years, and allows replacing used cars with new ones, in

addition to providing car insurance for 3 years, without a preset maximum mileage.

On this occasion, Mr. Bahaa Diab, Premium Segment Manager, Consumer Banking Group at National Bank of Kuwait commented: "We have strong and long-standing relationships with most car

dealerships in Kuwait, which we seek to reflect on enriching NBK Customers' banking experience, and providing them with the best offers, benefits, and discounts."

Diab affirmed that NBK is constantly striving to provide flexible financing solutions that suit all its customers'

needs, in addition to launching many new products and services that meet all their banking requirements, in cooperation with key car dealerships in Kuwait.

NBK Privilege Banking Customers are eligible to NBK Home Banking Service, which NBK was the first bank to launch it in Kuwait. The service helps ensure customers' safety and convenience by delivering cash and non-cash statements/certificates to their doorsteps. They are also eligible to Family Banking Services which allow Privilege Banking and Thahabi Package Customers to share with their families their rich banking experience, where all family members can obtain exceptional benefits and services as well as a distinguished range of products and solutions designed to meet their various banking needs.

NBK recently launched a variety of offers and products for Privilege Banking Customers including NBK Visa Infinite Credit Card free of charge for the first year, entitling them to NBK Miles Program, free access to more than 1,000 airport lounges worldwide, Local and Global Concierge, Free Travel Insurance, Free Valet Parking in Kuwait, as well as exclusive offers globally covering retail, travel, dining, leisure and much more.