

Business

European equities extend gains as Omicron fears fade

Markets wavered in Asia after a tepid Wall Street lead

LONDON: Europe's major stock markets advanced yesterday as investors drew strength from easing Omicron virus concerns and shrugged off a mixed performance in Asia. London firmed 0.2 percent around midday, while Frankfurt jumped 0.7 percent and Paris won 0.5 percent in early afternoon euro-zone trade. Markets wavered in Asia after a tepid Wall Street lead, with inflation and expected interest rate hikes returning to the fore as Omicron fears ease. In foreign exchange, the dollar slid versus the euro before minutes from the US Federal Reserve's latest interest rate meeting.

Oil steadied after climbing Tuesday, when OPEC and its allies agreed as expected to raise output by 400,000 barrels per day in February. "Overall, risk appetite remains positive," said ThinkMarkets analyst Fawad Razaqada. "The biggest driver behind this is relief that Omicron is not as deadly as Delta, which is fuelling expectations that travel restrictions and lockdowns will be lifted soon."

Omicron relief rally

While the new COVID variant continues to spread rapidly around the world, forcing governments to maintain containment measures, its apparently milder symptoms have also allowed traders to focus more on future economic policies and plans to rein in surging prices.

Later yesterday sees the release of minutes from

the Fed's December rate meeting, which dealers hope will provide a clearer idea about officials' policy plans. That is followed by Friday's US jobs data for last month that could play a key role in their next deliberations. With the bank due to end its vast bond-buying stimulus programme by March, commentators are debating when and how many times the Fed will hike US borrowing costs as it tries to overcome inflation running at a pace not seen in decades.

After ringing up new record highs on Monday, the S&P 500 fell on Wall Street, while the Nasdaq sank more than one percent as tech firms—which generally rely on debt and low rates to fuel growth—took a hit. However, the Dow edged upward to strike a new all-time high.

China tech sector weighs

Chinese technology firms, which have been hit by a crackdown from China's government, were a big drag on Hong Kong as it sank more than one percent. Concerns about a new COVID outbreak in the city that has led to the reimposition of containment measures added to the glum mood.

Shanghai stocks also slid but Tokyo clung onto positive territory. In company news, China Mobile briefly soared around 10 percent on its debut in Shanghai after the telecoms giant was delisted in New York under a standoff between Beijing and



FRANKFURT, Hesse: The European Central Bank (ECB) headquarters building is pictured in Frankfurt am Main, western Germany. — AFP

Washington. It ended only slightly higher, however. The share offer is expected to raise \$8.8 billion after the company exercises an over-allotment

option, according to Bloomberg News, making it the largest on China's domestic stock markets for more than a decade. — AFP

Theranos verdict sends a chill through startups

WASHINGTON: Fraud convictions this week for Theranos founder Elizabeth Holmes will send a chill through Silicon Valley entrepreneurs, insiders say, now they know there is the threat of jail for airy promises that come to nothing. But with billions of dollars washing around the tech industry in search of the next big thing, the fake-it-til-you-make-it ethos is here to stay.

"Any startup founder who believed that their technology wasn't there yet, but had faith that it ultimately would be should be very nervous," said Aron Solomon, chief legal analyst at Esquire Digital, a marketing firm for attorneys.

"I'll bet you there are a lot of founders ... right now who watched the trial and thought they have probably done some of the same things Elizabeth Holmes did," he said. The 37-year-old was found guilty of four counts of fraud for lying to investors over a blood testing device she claimed would disrupt the medical testing industry—and make them fabu-

lously rich in the process.

She claimed to have a machine that would analyze just a few drops of blood for a gamut of diseases, allowing doctors to pounce early enough to save their patients from cancer or HIV. Her tests were supposed to be fast and cheap, replacing the expensive, slow lab tests offered by established names.

Hundreds of millions of dollars poured into what blue chip names were convinced could be the next Apple or Google. Except that it wasn't. Holmes's months-long trial shone a spotlight on the blurred line between chutzpah and cheating that some say marks modern-day Silicon Valley.

Startup founders have to sell visions of wild success to get backing, said Solomon. They often speak in the present tense about things that are really in a hoped-for future—if only they have enough time and money. "You are always faking it; you are just trying to get your product better and better by constantly iter-



SAN JOSE: Elizabeth Holmes (2L) walks with her partner Billy Evans (L) and her parents Christian (R) and Noel (2R) Holmes, outside of federal court after she was found guilty on 4 of 11 accounts faced in her fraud trial. — AFP

ating," he said.

Holmes testified at her trial that a new generation of her blood testing machine on the verge of completion would have performed as promised. The problem with the model, says analyst Patrick Moorhead, is when-as in Holmes's case—the promised success is a chimera. "There is a difference between setting a bold vision and lying to investors," he said. "That

is what I think we see here."

Silicon Valley has a long history of creating billionaires out of college dropouts in possession of a good idea. Modern-day titans of capitalism, from Microsoft's Bill Gates, to Amazon's Jeff Bezos to Google's Larry Page and, perhaps most famously of all, Apple's Steve Jobs, have all turned a brainwave into untold riches. — AFP

AUB re-launches Al Hassad Islamic account with additional features

KUWAIT: Following the huge success of Al-Hassad Islamic Account, Ahli United Bank (AUB) announced the re-launching of the account after adding a suite of additional unique features that are more apt for customer aspirations. These new features come in line with the Bank's commitment to constantly developing its services, and its keenness to maintain customer satisfaction. The Bank also aims to meet customer different banking needs, and develop its existing saving schemes and create new products and services tailored to these needs.

In its new design, Al-Hassad Islamic Saving Account presents a broader variety of rewards. Customers can now participate in the draw to win monthly KD 100,000 prize, in addition to 4 quar-

terly mega prizes of KD 250,000 that will help the lucky winners realize their life dreams. There are also 10 weekly prizes of KD 1,000 each. In addition to this attractive package, there will be the annual expected profits on the basis a Wakala contract that increases the attractiveness of the Al-Hassad Islamic Saving Account to customers.

To be eligible to participate in the draw, the customer should have a minimum balance of KD 100, whereby the customer has two chances to participate, with up to 30,000 chances per draw, in addition to rewarding annual profits. Every KD 50 invested entitles the customer to one chance in the draws, provided that to maintain his balance for at least fifteen days before the draw date. The longer the customer keeps his balance the bigger the chances of participation in the draw with every KD 50 in the account. Draws are held every Wednesday based on the draw scheme. On religious and national holidays, the draw is postponed to the next business day.

On this occasion, Mrs Hanadi Khazal, Head of Retail Distribution at AUB said that as part of AUB's commitment to provide the best banking experience to its customers, we continue to

enhance our products and services to meet their expectations. We review and boost our offers on a continuous basis. We strive to make Al-Hassad program the simplest and easiest savings account. Moreover, Al-Hassad Account provides a unique account opening feature online with all ease with instant deposit option. These advances are in line with AUB's leading role in presenting the latest technologies and services to present its customers a convenient banking experience.

Mrs Khazal said that Al-Hassad Islamic Saving Account had achieved a huge success over the past several years and brought a life-changing shift in the lives of an increasing number of AUB customers who became able to realize their dreams thanks to the mega prizes provided by Al-Hassad.

Mrs Khazal reiterated that Ahli United Bank is proud to re-launch Al-Hassad Islamic Saving Account in a new, more sophisticated version designed to reward our present customers for the trust they have placed in the Bank, with a view to attracting new customers and promote commitment to the culture of saving within all segments of society, thereby encouraging all members of society to become part of Al-Hassad Islamic Saving Account.

'Far from paradise': Albanian youth find hardship abroad

TIRANA: Alma had hoped her teenage son would find a better life after he left his native Albania for Germany, but he disappeared days after leaving. "The worry is stabbing my soul. I'm the guilty one. I'm the one who encouraged him to leave. Where is he? What is he doing?" cried the 38-year-old widow, whose last name has been withheld to protect her identity.

The 16-year-old left by car heading for Germany with three others in early December, but hasn't been heard from since. Alma poured her life savings from her work as a cleaner to pay for the trip, hoping he would find a better future.

"He has talent, he sings very well, he could study and have the life I never had," she said as tears streamed down her face. Faced with persistent unemployment and deepening poverty at home, an untold number of parents across Albania begrudgingly send their children abroad, including through illicit means, hoping for a better future in Europe.

Some rely on forged documents to travel, while

others are accompanied by relatives or an adult who drops them off before returning to Albania.

There are no official estimates on the number of unaccompanied children who attempt to migrate to Europe in a year, but officials stopped hundreds at the border in 2020 alone. Once in Europe, life is usually far from ideal. Unable to speak the local language, the children grapple with isolation while many are forced to live in group homes.

'Massive delusion'

Following four decades of iron-fisted rule that ended in the 1990s, Albanians flocked abroad en masse, desperate to escape hardship and isolation after weathering brutal oppression at the hands of the country's communist dictatorship.

Over the past 30 years, approximately 1.7 million people—or 37 percent of the population—have left Albania, where the average salary is 420 euros (\$475) a month and one in three young people are unemployed, according to official statistics.

"For many Albanians, the West is still a paradise that will solve all their family's economic and social problems," Drita Teta, a sociologist in Tirana, told AFP. "This is a massive delusion".

To combat the scourge, Albanian police have cracked down, tightening controls at departure points hoping to stop young people who do not have the necessary documents. Between January



TIRANA, Qarku i Tiranës: Photo shows Manjola (L), mother of Florim and his father (R), posing in their own home in Tirana. Faced with persistent unemployment and deepening poverty at home, an untold number of parents across Albania begrudgingly send their children abroad, including through illicit means, hoping a life in Europe will provide a better future. — AFP

and November last year, 309 minors were prevented from leaving Albania, compared to the 239 who were stopped during the same period in 2020.

Experts noted that the coronavirus pandemic also appears to have slowed the movement of Albanian children to Europe significantly as borders closed. — AFP

News in brief

Rolls-Royce completes sale

LONDON: British aircraft engine maker Rolls-Royce has completed the sale of Norwegian unit Bergen Engines to UK industrial group Langley Holdings for 91 million euros (\$103 million), it said Tuesday. The company said in a brief statement that it would use the proceeds, together with 16 million euros held by Bergen and retained by Rolls-Royce, to "help rebuild" its balance sheet. Rolls-Royce scrapped its original plan last year to sell Bergen to Russia's privately-owned TMH after Norway threatened to veto the deal on national security grounds. The British group had announced the Langley deal in August 2021 after halting its planned sale to TMH in March. Bergen has been part of Rolls-Royce since 1999, servicing engines for Norwegian Navy vessels — and for top-secret intelligence gathering ship Marjata according to local media reports. — AFP

Huarong plunges 50% as trading resumes

BEIJING: Shares in China's state-owned debt collector Huarong Asset Management plummeted 50 percent yesterday as trading resumed in Hong Kong after a \$6.6 billion state-orchestrated bailout of the embattled company. The company's Hong Kong-traded shares were suspended in April last year after it delayed its annual report, spooking Asian markets. When Huarong published its results in August, it revealed a record \$15.9 billion loss for 2020 and outlined a rescue plan. Yesterday, its share price slid from HK\$1.02 (\$0.13) to HK\$0.51 by day-end, closing 50 percent down. The plunge follows a filing late Tuesday in which Huarong said it would return to its core business, adjust its structure, cut capital consumption and boost returns. — AFP

Sony to explore making electric cars

LAS VEGAS: Electronics giant Sony unveiled Tuesday a new prototype of its Vision-S electric vehicle and announced the founding of a company to explore jumping into the rapidly growing market. The Japanese firm, better known for its TVs and video game consoles, will create the Sony Mobility subsidiary in spring 2022 as it weighs entering the field. Sony chief executive officer Kenichiro Yoshida unveiled at the CES tech show in Las Vegas the Vision-S 02, a new version of the firm's first prototype that has begun road testing. Through this new branch, the electronics giant "intends to explore entry into the EV market," it said in a statement. The Vision-S is packed with internal and external sensors and is used by Sony to test its autonomous driving technologies. — AFP

Swedish banker to face trial

STOCKHOLM: The former chief executive of Swedish bank Swedbank, Birgitte Bonnesen, will face trial on fraud and market manipulation charges, law enforcement officials said Tuesday. Bonnesen was sacked in 2019 following allegations that the bank engaged in money-laundering in the Baltic state of Estonia. Authorities believe Bonnesen attempted to cover up money-laundering by the bank in Sweden by diffusing "intentionally or by aggravated negligence ... false information about the bank's measures to prevent, detect, block and signal suspicions about money-laundering in (its) operations," the prosecutor in charge of the investigation, Thomas Langrot, said in a statement. In 2019, a documentary made by an investigative news programme for Swedish broadcaster SVT. — AFP