

Sudden crypto drop sends bitcoin to three-week low

Reuters | Singapore

Cryptocurrencies fell sharply yesterday, with sudden selling dragging bitcoin to a three-week low.

Bitcoin fell as much as 7.7% to \$21,404 over a few minutes during the European morning, at around 0640 GMT. It recovered slightly then continued its downward trajectory to trade around \$21,400 at 1138 GMT, down 8.2% on the day.

Ether also dropped around the same time and was last down 8.8% at \$1,685.

The reason for the drop was not clear.

"It's not showing the pattern of a flash crash, as the assets didn't immediately rebound sharply but sank even lower in the hours that followed," said Susannah Streeter, senior in-



Representations of cryptocurrencies

vestment and markets analyst at Hargreaves Lansdown.

"It seems likely that this was as a result of a large sale transaction."

Streeter said it appeared the cryptocurrency cardano had

been the first to move, followed by bitcoin and ether, and then others such as the altcoin dogecoin.

Cryptocurrencies have fallen dramatically so far this year, as Federal Reserve rate hikes

and ultra-high inflation prompt investors to ditch riskier assets. Craig Erlam, senior market analyst at Oanda, said bitcoin's failure to recover its losses "suggests there is substance to the move".

Such sharp moves are common in the highly volatile cryptocurrency market. On June 15, bitcoin plunged more than 15% as investors were spooked by the collapse of a so-called stablecoin, TerraUSD, and a major crypto lender freezing customer withdrawals.

Friday's move put bitcoin on track for its worst day since the June meltdown.

"Speculating in cryptocurrencies is extremely high risk and is not suitable for the vast majority of people," Hargreaves Lansdown's Streeter said.

UAE bourses in red on weak oil, growth worries



Investors speak in front of a screen displaying stock information at the Abu Dhabi Securities Exchange, United Arab Emirates

Reuters

Closing Bell

ABU DHABI ▼ 0.1% to 10,083

DUBAI ▼ 0.3% to 3,420

although it only inched 0.1% lower on Friday.

Crude prices, a key driver of the Gulf's financial markets, slipped after two days of gains and were heading for weekly losses, also under pressure from a strong dollar.

Dubai's main share index (DFMG.DU) fell 0.4%, with top lender Emirates NBD (ENBD.DU) down 1.4% and sharia-compliant lender Dubai Islamic Bank (DISB.DU) down 0.7%.

The index still managed to eke out a weekly gain of 0.7%, however.

Abu Dhabi's index (FTFADGI) ended five weeks of gains with a weekly drop of 1.6%,

Telecoms firm e& (ETISALAT.AD), formerly known as Emirates Telecommunications, retreated 1.1%, while a 0.3% rise in conglomerate International Holding Co (IHC) (IHC.AD) helped support the broader index.

Shares of IHC, the most valuable company on the Abu Dhabi bourse with a market capitalisation of around \$167 billion, have risen by more than 120% so far this year.

IHC, which straddles sectors from healthcare and real estate to IT and utilities, made 70 acquisitions worth 10 billion dirhams (\$2.72 billion) this year.

China sentences tycoon Xiao Jianhua to 13 years, fines his company \$8.1 billion

Reuters | Beijing

A Shanghai court yesterday sentenced Chinese-Canadian billionaire Xiao Jianhua, not seen in public since 2017, to 13 years in jail and fined his Tomorrow Holdings conglomerate 55.03 billion yuan (\$8.1 billion), a record in China.

Xiao and Tomorrow Holdings were charged with illegally siphoning away public deposits, betraying the use of entrusted property, and the illegal use of funds and bribery, the Shanghai First Intermediate Court said.

It added the punishment was mitigated because both had admitted their crimes and cooperated in recovering illegal gains and in restoring losses.

China-born Xiao was last seen whisked away in a wheelchair from a luxury Hong Kong hotel in the early hours with his head covered, a source close to the tycoon told Reuters at the time.

Xiao and Tomorrow have "severely violated a financial management order" and "hurt state financial security", the court said.



People walk past the building with the listed address of Tomorrow Holdings' Beijing office, China

said, with the tycoon additionally fined 6.5 m yuan for the crimes.

From 2001 to 2021, Xiao and Tomorrow gave shares, real estate, cash and other assets to government officials totalling more than 680 m yuan, to evade financial supervision and seek illegitimate benefits, the court said.

In July 2020, nine of the group's related institutions were

seized by Chinese regulators as part of a crackdown on risks posed by financial conglomerates.

The court said that from 2004, Xiao and Tomorrow controlled multiple financial institutions and internet financial platforms, including the failed Baoshang Bank, via multiple layers of indirect shareholders and anonymous ownership.

It said Xiao used the illegal gains for the acquisition of financial institutions, securities trading and overseas investment. But it acknowledged his attempts to make amends.

"Xiao Jianhua has taken commendable actions, so he was given a mitigated punishment in accordance with the law," it said.

When asked about Xiao's right to consular access as a Canadian citizen during a regular briefing on Friday, Chinese foreign ministry spokesperson Wang Wenbin said that because Chinese law does not recognise dual nationality, Xiao was not entitled to such rights.

India's Adani Power to buy DB Power for \$879 million

Reuters | Bengaluru

Adani expand its operations in the state.

Adani Power Ltd (ADAN.NS) said yesterday it will buy thermal power plant operator DB Power for an enterprise value of 70.17 billion rupees (\$879.14 million) as India's largest private thermal power producer looks to expand operations.

DB Power owns and operates a thermal power plant in the central Indian state of Chhattisgarh and the deal will help

Adani Power is a unit of billionaire and Asia's richest person Gautam Adani's conglomerate Adani Group.

DB Power has long- and medium-term power purchase agreements for 923.5 megawatt of its capacity, backed by fuel supply agreements with Coal India Ltd (COAL.NS) and has been operating its facilities profitably, Adani Power said.

Oil rises about \$1/bbl on prospect of subdued US rate hikes



Crude oil storage tanks are seen from above at the Cushing oil hub, in Cushing, Oklahoma

Both crude benchmarks on track for 1% weekly loss

Fed has 'a lot of time' before next rate decision, Barkin says

OPEC chief optimistic on demand

Reuters | New York

Oil prices rose about \$1 a barrel yesterday after the US Federal Reserve signalled a more subdued rate hike path that helped to ease fears about an economic slow-

down that would weaken crude demand.

Brent crude futures gained 96 cents, or 1%, to \$97.55 a barrel by 12:20 p.m. EDT (1620 GMT). U.S.

West Texas Intermediate crude was up 1.24, or 1.4%, at \$90.52 a barrel.

Both benchmark contracts were headed for weekly losses

of less than 1%.

U.S. central bank officials have "a lot of time still" before they need to decide how large an interest rate increase to approve at their September policy meeting, Richmond Federal Reserve President Thomas Barkin told reporters on the sidelines of a conference.

The Fed is now balancing its rate hike path with uncertainty over any impact on the economy, Barkin also said.

"With the Fed's signalling that they're going to be more reactive, like Barkin said, that allows for economic activity to hold at a higher level than it otherwise would have and translate into better demand prospects for oil," said John Kilduff, a partner at Again Capital LLC.

Haitham Al Ghais, the new secretary general of the Organisation of Petroleum Exporting Countries, told Reuters he was optimistic about oil demand into 2023.

OPEC is keen to ensure Russia remains part of the OPEC+ group, Al Ghais said ahead of a Sept. 5 meeting.

Supplies could tighten again when European buyers start seeking alternative supplies to replace Russian oil ahead of European Union sanctions that take effect from Dec. 5.

"We calculate the EU will need to replace 1.2 million barrels per day of seaborne Russian crude imports with crude from other regions," consultancy FGE said in a note.

Data earlier this week showed U.S. crude inventories fell sharply as world's top producer exported a record 5 million barrels of oil a day last week, with oil companies finding demand from European nations looking to replace Russian crude.

Putting a ceiling on rising prices, in a sign of easing oil supply tightness, the price gap between prompt and second-month Brent futures has narrowed by about \$5 a barrel since the end of July to under \$1.

"Global recession and demand destruction are front and centre of current concerns given weak data out of the US, euro zone and China. Signs of slowing economic growth are pervasive and could dent oil demand," PVM analysts said.