Nasdaq partners with major banks to spin out trading platform for pre-IPO stocks

Reuters

Nasdaq Inc yesterday partnered with big US banks, including Goldman Sachs and Morgan Stanley, to separate its platform that allows people to trade in shares of private companies, which have seen strong interest from investors seeking lofty returns on investments.

Since interest rates were slashed to near-zero across the globe at the start of the coronavirus pandemic, investors have sought out other sources of yield, making investments in private entities an attractive option.

As part of the deal, Nasdaq Private Market will become a standalone, independent company that will receive investments from SVB Financial Group, Citigroup Inc, Goldman Sachs Group Inc, and Morgan Stanley, the stock exchange operator said yesterday.

Financial terms of the venture were not disclosed.

The platform will manage private company stock transactions such as tender offers, auctions and investor block trades, Nasdaq said.

A number of companies, including BlackRock Inc and JPMorgan Chase & Co, are looking to give their clients a wider access to investing in private companies.

BlackRock, the world's largest asset manager, said last month in an investor presentation that it was pushing more aggressively into private market investments, which recorded an 18% growth last year, twice the rate of the broader industry.

In February, JPMorgan invested in fintech startup Zanbato in an effort to create a presence in private stock trading. Nasdaq Private Market, which was established in 2014, will retain its core operating teams, Nasdaq said, and will maintain its presence in New York and San Francisco.

BETTER YOU KNOW

The New York Stock Exchange is the largest stock exchange in the world, with an equity market capitalization of just over 24.4 trillion U.S. dollars as of May 2021. The following three exchanges were the NASDAQ, the Shanghai Stock Exchange and Hong Kong Exchanges.

IMF urges countries to shift from economic rescue to reforms

- IMF said that the COVID-19 pandemic delayed and reversed some pro-growth reforms and restoring these can help make up for output lost during the pandemic

Reuters | Washington

A participant stands near a logo of IMF at the International Monetary Fund - World Bank Annual Meeting 2018 in Nusa Dua, Bali, Indonesia

The International Monetary Fund's No. 2 official yesterday called on countries to pivot from saving their economies from collapse to reviving growth-oriented policy reforms to boost their recovery prospects and make them more sustainable.

IMF First Deputy Managing Director Geoffrey Okamoto said in a blog posting on the IMF website that the COVID-19 pandemic delayed and reversed some pro-growth reforms and restoring these can help make up for output lost during the pandemic.

Reforms that allow for faster restructurings and resolution of unviable businesses and labor policies to help retrain workers and line them up with job openings can help shift workers and capital to more promising, dynamic parts of the economy, Okamoto said.

Improved competition policy frameworks such as those being debated in Europe and the United States can reduce the concentration of market power among a few firms and create more dynamic competition and innovation.

"Using this moment for some of these difficult reforms means that the monetary and fiscal stimulus still flowing will serve as a springboard to a brighter and more sustainable future rather than a crutch to a weaker version of the pre-COVID-19 economy," Okamoto said. "Seizing the opportunity could deliver years of solid post-COVID-19 growth and progress in living standards."

The call for a renewed focus on reforms comes as the IMF is shifting from non-conditional emergency COVID-19 pandemic financing toward the negotiation of more traditional IMF loan programmes, which require recipient countries to meet policy reform benchmarks.

The Fund last week approved a new, $1.5 billion, three-year Extended Credit Facility arrangement for the Democratic Republic of Congo, which includes reforms to boost revenue collections, improve natural resource management governance and strengthen the country's monetary policy framework to ensure central bank independence.

The IMF is also negotiating a new Extended Fund Facility with Argentina, which has struggled under a $57 billion IMF loan, arranged in 2018, the Fund's largest-ever.

Running low on battery power: Brexit Britain faces an acid test

Reuters | London

Britain's Prime Minister Boris Johnson visits the Envision AESC Holding Ltd. battery manufacturing facility inside the Nissan Motor Co. plant in Sunderland, Britain

Britain has set a fast pace in the electric vehicle race with its 2030 ban on sales of new fossil fuel-powered cars and has offered 1 billion pounds ($1.4 billion) to jump start its battery industry and associated supply chain.

But the cash and the headline-grabbing deadline - which is sooner than many other nations by several years - still leaves it trailing the European Union's drive to create a supply chain and far behind China, the electric vehicle (EV) battery leader.

The stakes are high for Brexit Britain. To keep selling into the 27-nation EU without tariffs, Britain's car industry, which employs 170,000 people, must ensure electric vehicles and the batteries that power them meet stringent rules of origin - with up to 70% of input in value terms coming from Britain or inside the EU.

With its 2030 deadline looming followed by its 2035 cut off for hybrids, Britain needs more battery factories - and fast.

Yet, even Nissan's plans for a 9 gigawatt hour (GWh) battery plant in Britain - hailed by the government when it was announced in July - are dwarfed by two plants being built in Germany alone, Tesla's 50 GWh plant near Berlin and Volkswagen's 40 GWh factory near Wolfsburg.

"We have come rather late to the party," said Douglas Johnson-Poensgen, chief executive of Britain's Circulor, who has worked with Volvo Cars and others on building sustainable supply chains.

The Department for Business, Energy and Industrial Strategy (BEIS), at the heart of Britain's EV investment drive, says it is ensuring Britain remains a world leader in the auto industry.

"We remain dedicated to securing UK gigafactories, and continue to work with investors to progress plans to mass manufacture the batteries needed for the next generation of electric vehicles," a spokesperson said in an emailed statement.

EU BILLIONS

Meanwhile, the EU is powering ahead to catch up with China and transform its car industry, a major employer across the bloc, including in heavyweights Germany and France.

The bloc, which has proposed an effective ban on sales of new petrol and diesel cars from 2035, has allocated 2.9 billion euros ($3.4 billion) from 12 EU states to support new battery plants. European climate group Transport & Environment says the EU has 38 plants planned or being built, many benefiting from other support measures from the EU or individual governments.

The bloc has identified 42 companies, including U.S. company Tesla and Germany's BMW, for specific roles in the battery supply chain and lifecycle, ranging from supplying raw materials to producing cells or recycling them.

EU court to rule on Google's $2.8 bln EU antitrust fine on Nov. 10 - sources

Reuters | Brussels

Europe's second-top court will rule on Alphabet unit Google's challenge against a 2.4 billion euro ($2.8 billion) EU antitrust fine on Nov. 10, the first of a trio of cases, people familiar with the matter said on Tuesday.

The European Commission issued the fine on the world's most popular internet search engine in 2017 for favouring its own price-comparison shopping service and giving it an unfair advantage against smaller European rivals.

Google told the Luxembourg-based General Court at a hearing last year that making innovative products was the core of its business model rather than helping rivals. It denied favouring its own service.

The court and Google did not respond immediately to requests for comment.

Israel PM warns Unilever of 'severe consequences' from Ben & Jerry's decision

- Palestinians welcomed the Ben & Jerry's announcement
- Israel's economy minister, posted a video of herself throwing a tub of Ben & Jerry's into the trash

Reuters | Jerusalem

An ice cream of Ben & Jerry's, a Unilever brand, is seen at their shop in London, Britain

Israel warned consumer goods giant Unilever Plc yesterday of "severe consequences" from a decision by subsidiary Ben & Jerry's to stop selling ice cream in Israeli-occupied territories, and urged U.S. states to invoke anti-boycott laws.

Monday's announcement followed pro-Palestinian pressure on the Vermont-based company over its business in Israel and Jewish settlements in the West Bank, handled since 1987 through a licensee partner, Ben & Jerry's Israel.

Ben & Jerry's said it would not renew the licence when it expires at the end of next year. It said it would stay in Israel under a different arrangement, without sales in the West Bank, among areas where Palestinians seek statehood.

Israeli Prime Minister Naftali Bennett's office said in a statement that he had complained to Unilever Chief Executive Alan Jope about the "glaring anti-Israel measure".

"From Israel's standpoint, this action has severe consequences, legal and otherwise, and it will move aggressively against any boycott measure targeting civilians," Bennett told Jope in a phone conversation, according to the premier's office.

Unilever did not immediately respond.

Avi Zinger, CEO of Ben & Jerry's Israel, said he was unwilling to refuse to sell the ice cream to Israeli citizens in settlements and was legally prevented from doing so.

"So when they (Ben & Jerry's) realised that there is no way that I will stop it, they decided not to renew my contract," he told Reuters. Gilad Erdan, Israel's ambassador to Washington, said he had raised the Ben & Jerry's decision in a letter to 35 US governors whose states legislated against boycotting Israel.

"Rapid and determined action must be taken to counter such discriminatory and antisemitic actions," read the letter, tweeted by the envoy, which likened the case to Airbnb's 2018 announcement that it would delist settlement rental properties.

Airbnb reversed that decision in 2019 following legal challenges in the United States, but said it would donate profits from bookings in the settlements to humanitarian causes.

Palestinians welcomed the Ben & Jerry's announcement.

Orna Barbivai, Israel's economy minister, posted a video of herself throwing a tub of Ben & Jerry's into the trash. Ayman Odeh, an opposition lawmaker from Israel's Arab minority, tweeted an image of him smiling as he dug into his own tub.