

Oil up 1% as US data, China boosts demand optimism

● **The OPEC+ ministerial panel meeting on Feb. 1 is likely to endorse the oil producer group's current output levels**

Reuters | New York

Oil prices rose more than 1% yesterday on expectations that global demand will strengthen as top oil importer China reopens its economy and on positive US economic data.

Brent futures rose \$1.18, or 1.4%, to \$87.30 a barrel by 11:42 a.m. EST (1642 GMT), while US West Texas Intermediate (WTI) crude rose \$1.12, or 1.4%, to \$81.27.

Earlier in the session, WTI was on track for its highest close since Nov. 16. Currently, however, both Brent and WTI were on track for their highest closing levels since Jan. 23.

"WTI is deriving some support from liquidation of NYMEX (New York Mercantile Exchange) crack spreads as products begin to shift focus" from bullish supply disruptions in December to weaker demand, analysts at energy consulting



The Imperial Strathcona Refinery which produces petrochemicals is seen near Edmonton, Alberta, Canada

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firm Ritterbusch and Associates said in a note.

US crack spreads - measures of refining profit margins - rose earlier this week to their

highest since August for gasoline and October for the 3:2:1 (three barrels of crude makes two of gasoline and one of distillates).

The US economy grew faster than expected in the fourth quarter as consumers maintained a solid pace of spending, but momentum had slowed significantly by the end of the year, with higher interest rates eroding demand.

Meanwhile, US crude inventories edged up by 533,000 barrels to 448.5 million barrels in the week ending Jan. 20, the Energy Information Administration

(EIA) said.

That was short of forecasts for a 1 million barrel rise, though the EIA says crude stocks are at their highest since June 2021.

"China's reopening is supporting demand prospects," said UBS analyst Giovanni Staunovo.

"Also, market participants are closely tracking the upcoming OPEC+ JMMC meeting and the EU embargo on refined products."

China has been easing stringent COVID-19 restrictions this month, with Beijing reopening its borders for the first time in three years.

"(Commodity) markets are set to tighten significantly should the reopening in China - the world's largest driver of commodity demand - be orderly, and ... we anticipate conditions to be ripe for commodity investor inflows," MUFG analyst Ehsan Khoman said.

The OPEC+ ministerial panel meeting on Feb. 1 is likely to endorse the oil producer group's current output levels, OPEC+ sources said.

Global economic growth is forecast to barely move above 2% this year, a Reuters poll of economists showed, suggesting that a further downgrade is possible. That was at odds with widespread opt

Kuwait Airways annual revenue up 115% from 2021, says chairman

Reuters | Kuwait

Kuwait Airways' revenue last year rose by 115% from 2021 and was up 10% from pre-pandemic 2019, Chairman Ali Aldokhan told a news conference yesterday.

The state carrier posted a net loss of 55 million dinars (\$180.3 m) for 2022 and still expects to break even by the end of 2024, Aldokhan said without disclosing a figure for 2021.

Kuwait Airways posted a net loss of 107 m dinars in 2019.

The airline, like its counterparts across the globe, was hit hard by the COVID-19 pan-



A Kuwait Airways plane parked at Cairo International Airport

demic.

He added that the airline intends to operate new routes to Athens, Barcelona, Berlin, Budapest and the Saudi Arabian cities of Al-Ula, Taif and Al-Qassim in 2023.

Abu Dhabi leads fall in markets, Saudi rise



A trader walks out of Bahrain Bourse after Joe Biden won the US presidency, in Manama

India's Adani Group says evaluating action against Hindenburg Research

Reuters | Bengaluru

Adani Group said yesterday it is evaluating "remedial and punitive action" under US and Indian laws against short-seller Hindenburg Research, which in a report accused the conglomerate of improper use of offshore tax havens.

Shares in seven listed group companies of Adani lost \$10.73 billion in market capitalisation in India on Wednesday after Hindenburg released the report, which also said it held short positions in the conglomerate through its US-traded bonds and non-Indian-traded derivative instruments. Adani's US bonds also fell.

In a statement to Indian exchanges, Adani Group head of legal, Jatin Jalundhwala, called the report by the US research group "maliciously mischievous, (and) unresearched".

"We are evaluating the relevant provisions under US and Indian laws for remedial and punitive action against Hindenburg Research," the statement said.



The logo of the Adani Group is seen on the facade of one of its buildings on the outskirts of Ahmedabad, India

The report has "adversely affected the Adani Group, our shareholders and investors. The volatility in Indian stock markets created by the report is of great concern," it added.

Hindenburg did not respond immediately to a request for

comment outside regular US business hours. Founded by Nathan Anderson in 2017, Hindenburg says it looks for "man-made disasters" in companies, such as accounting irregularities and mismanagement.

The Jan. 24 report questioned how the Adani Group, which is led by Gautam Adani, the

world's third richest person according to Forbes, has used offshore entities in offshore tax havens such as Mauritius and the Caribbean Islands. It also said key listed Adani companies had "substantial debt" which has put the entire group on a "precarious financial footing".

Adani on Wednesday called the report baseless.



The report coincided with Adani's upcoming \$2.5 billion secondary share sale on Friday. The anchor portion of the issue saw participation from Maybank Securities and Abu Dhabi Investment Authority among others on Wednesday.

● **First Abu Dhabi Bank (FAB.AD), that logged its lowest close in more than eight months**

● **ENBD reported a 40% jump in 2022 net profit**

Reuters

Abu Dhabi stock market slid yesterday on weak earnings from heavyweight companies, while the Saudi Arabian shares ended higher amid firm oil prices.

In Abu Dhabi, the index (.FTFADGI) declined 1.7%, its worst day since September, dragged down by an 8% plunge in the country's biggest lender, First Abu Dhabi Bank (FAB.AD), that logged its lowest close in more than eight months.

The bank reported a 26% drop in fourth-quarter net profit, missing analyst estimates, though annual net profit rose 7%.

The lender also slashed yearly cash dividend by 26% to 52 fils per share compared with 2021.

Al Seer Marine Supplies and Equipment (ASM.AD) dropped 1.1% after it reported a fall in earnings, recording annual net profit of 1.01 billion dirhams, down from 2.52 billion dirhams a year earlier.

The benchmark index (.TASI) in Saudi Arabia added 0.1%, helped by gains in healthcare, financial and materials stocks with Dr Sulaiman Al-Habib Medical Services (4013.SE) rising 2% and Saudi Arabian Mining (1211.SE) climbing 1.4%.

The world's largest Islamic bank by market capitalization,

Closing Bell

SAUDI	▲ 0.1% to 10,822
QATAR	▼ 0.5% to 11,110
BAHRAIN	■ at 1928
OMAN	▲ 0.1% to 4,751
KUWAIT	▼ 0.5% to 8,113
ABU DHABI	▼ 1.7% to 10,177
DUBAI	■ at 3,357

Al Rajhi Bank (1120.SE), surged 1.4%, extending its rally since last Thursday.

Dubai's benchmark index (.DFMGI) rose marginally.

Most real estate stocks in the index dropped, with heavyweight Emaar Properties (EMAR.DU) down 1%, while the utilities and finance sectors stocks rose with Emirates Central Cooling Systems (EMPOWER.DU) adding 0.7% and lender Emirates NBD (ENBD) (ENBD.DU) gaining 0.4%.

Dubai's biggest lender, ENBD, reported a 40% jump in 2022 net profit to 13 billion dirhams (\$3.5 billion) on Thursday, helped by higher interest rates and transaction volumes which boosted its overall income.

Qatari Index (.QSI) slipped 0.5%, ending a five-day winning streak, as most of the index constituents were in the negative territory.

Index heavyweights Qatar International Islamic Bank (QIIB.QA) and Qatar Islamic Bank (QISB.QA) declined 3.5% and 0.8%, respectively.

"The Qatari stock market returned to the downside as traders moved to secure their gains after successive gains," said Farah Mourad, Senior Market Analyst of XTB MENA.

"The main index remains under pressure from the continuously falling natural gas prices".

Qatar in talks to join TotalEnergies' \$27 bn Iraqi energy project

Reuters | Dubai/London

Qatar is in talks to acquire a stake from French company TotalEnergies' (TTEF.PA) \$27 billion cluster of energy projects in Iraq, three sources told Reuters, as Baghdad hopes to stem efforts by Western energy companies to exit the country.

A major investment by a Gulf state would mark an important

win for Iraqi Prime Minister Mohammed al-Sudani, who took office last October following more than a year of political turmoil, and would also be considered a step towards countering Iranian influence.

QatarEnergy is looking to acquire a stake of around 30% in the project, one source said. Energy companies rarely own

100% of projects and prefer partnerships to reduce risk.

After a flurry of deals after the U.S. invasion over a decade ago, international oil companies have been trying to leave Iraq due to poor returns from revenue sharing agreements.

When TotalEnergies and Baghdad in 2021 signed an agreement to build four giant

solar, gas, power and water projects in southern Iraq over 25 years, hopes for an exodus reversal were high. Exxon Mobil (XOM.N), Shell (SHEL.L) and BP(BP.L) have all sought to scale back their operations in Iraq in recent years. But the project, aimed at boosting economy and reducing its dependency on Iranian gas, is yet to take off.