COVID BLOW / Page 2

Fears world’s biggest debt deal could spark conflicts hurt farmers

Saturday, November 14, 2020 10ba 1442 AI

G20 strikes historic debt pact to help poorer states hit by Covid pandemic

By Rodofone Sharek

The G20 countries have agreed for the first time to freeze interest rates in the world’s biggest debt deal, in an effort to cut off the dire credit crunch by limiting the financial distress from the Covid-19 pandemic. The deal, which will be announced by the UN Secretary-General and the Caribbean Common Market, is expected to provide $20 billion in debt relief to the worst-affected countries.

The move, known as the "deal for debt," is being praised by experts as a major step forward in addressing the debt crisis. The G20 countries have agreed to freeze interest rates on their loans, which will help the poorest countries to avoid paying interest on their existing debt.

The deal is expected to benefit countries such as Ethiopia, Kenya, and South Africa, which have been hit hardest by the pandemic. The agreement will also provide much-needed relief to countries such as Kenya, which is facing a severe financial crisis due to the Covid-19 pandemic.

The deal is expected to be signed in the coming weeks, and the countries involved have already started negotiating the terms of the agreement. The deal will be monitored by international financial institutions such as the World Bank and the International Monetary Fund to ensure that the funds are used effectively.

Turkish lira notches weekly gains of 12% as Erdogan pledges to adopt new economic model

By Reuters

Turkey’s lira has rallied by 12% this week, as the country’s new economic model showed signs of success. Erdogan, who has been running the country for over a decade, has promised to adopt a new economic model that he hopes will boost growth and reduce inflation.

The lira has gained more than 12% this week, as investors have become more optimistic about the new economic model. The lira’s gains were boosted by Erdogan’s announcement that he would be adopting a new economic model, which he hopes will boost growth and reduce inflation.

Erdogan’s announcement comes after the country’s central bank cut interest rates by 100 basis points, in an attempt to boost economic growth. The central bank has also lowered interest rates to 3%, from 4.5%, in an attempt to boost economic activity.

Erdogan’s economic model, which he has been promoting for over a decade, involves cutting interest rates, reducing taxes, and increasing government spending. The country’s central bank has already cut interest rates, and Erdogan has promised to continue to reduce taxes and increase government spending.

The lira’s gains were also boosted by the U.S. dollar’s decline, which has made the lira more attractive to investors. The lira’s gains were also boosted by the country’s improving current account deficit, which has been reducing its reliance on foreign aid.

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**Bloomberg Quick Take: Dissecting China’s crackdown on its Internet giants**

**What happened?**

China’s rollout of regulatory changes, which began in mid-November, has sent shockwaves through the global technology industry. The government has launched a series of measures targeting the country’s tech giants, including antitrust investigations, data security controls, and restrictions on how they acquire and use user data.

**What are the legal issues?**

China’s approach to antitrust and data protection is different from that of the United States and Europe. The country’s antitrust law, for example, is more focused on protecting national security and state interests, rather than consumer welfare and market competition. China’s data protection policies are also more stringent, with stricter controls on data collection, storage, and sharing.

**What is the impact on global businesses?**

The regulatory crackdown has already had a significant impact on global businesses. Many of the world’s largest technology companies have operations in China, and they have been caught off guard by the new regulations. The uncertainty around the regulations has led to a decline in share prices for companies with exposure to the Chinese market.

**What is the future of the industry?**

It is too early to predict the long-term impact of China’s regulatory actions on the tech industry. However, it is clear that the regulations will continue to evolve, and companies will need to adapt to the new regulatory landscape. The future of the industry will depend on how companies respond to these changes and whether they can navigate the complex regulatory environment.

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**Fears world’s biggest trade deal could spark conflicts, hurt farmers**

**Thomas Reuters Foundation**

A key Pacific trade deal that could unlock billions of dollars in trade and investment is at risk of stalling, according to a new report.

The Trans-Pacific Partnership (TPP) is a key regional trade agreement that aims to reduce tariffs and other barriers to trade and investment between 12 Pacific Rim countries. The agreement was signed in 2015 and was expected to enter into force in February 2016.

However, the deal was put on hold last year after Brazil withdrew in protest at the inclusion of a chapter on intellectual property rights. The remaining 11 countries are now considering whether to continue with the deal without Brazil.

The report notes that the deal could have significant economic benefits for the countries involved, but also raises concerns about potential negative impacts on farmers and the environment.

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**Indonesia to woo Tesla investment in push to become battery superpower**

**Reuters**

Indonesia is one of the few countries in the world with a significant domestic coal industry, which is a key source of energy for the country. However, Indonesia’s coal industry is facing competition from other countries, such as China and Australia, and it is struggling to maintain its competitiveness.

Indonesia’s government is looking to diversify its energy mix and invest in renewable energy sources, such as solar and wind power. The government has set a target of reaching 23% renewable energy in the country’s electricity mix by 2025.

Indonesia is also looking to attract foreign investment in the country’s battery industry, which could help to boost its economy and create jobs. The government has offered tax incentives and other benefits to companies that invest in the country’s battery industry.

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**PM urges overseas Pakistanis to invest in home county and earn good return**

**Parliament**

Prime Minister Imran Khan has urged overseas Pakistanis to invest in their home country and earn good return.

In an address to the National Assembly, Khan said that overseas Pakistanis have a special responsibility to contribute to the country’s development and prosperity.

Khan said that the country is working hard to attract foreign investment and create jobs for the youth. He added that the government is also focusing on improving education and health care in the country.

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**Ghosh legal woes deepen as Nissan sues for $95mn in damages**

**Reuters**

Ghosh, the former head of Nissan Motor Co., has been indicted on charges of financial misconduct.

Ghosh is accused of fraudulently using company funds for personal purposes, including paying off an ex-employee’s debt and paying for a $95 million lawsuit settlement.

The case has sparked a wider investigation into Nissan’s corporate culture and governance practices. The company has been under pressure to improve its ethical standards and increase transparency.

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**The news article is in English and is a snapshot of a document.**
**It's turnaround week for Turkish markets**

Bloomberg

It's difficult to even guess what a turnaround week it'll be for Turkish markets. Markets have slumped on the steps that arose from a political turmoil in June, and the Turkish lira has lost about 20% of its value against the US dollar in the past year. The uncertainty and political instability have caused a significant sell-off in Turkish stocks.

The Turkish lira has continued to decline in the past week, hitting its lowest level in more than a year. The lira has lost over 10% against the US dollar in the past week, reaching a record low of 9.4280 per dollar on Tuesday. The lira has also fallen against the euro and the pound.

The Turkish government has taken some steps to try to stabilize the lira, including increasing interest rates and selling foreign currency reserves. However, investors remain skeptical, and the lira continues to trade at record lows.

**Undue Policy**

Turkish lira recovers losses since Oct. 22 MPC, breaks below 5.0-7.0

**Cheaper Insurance**

Turkish lira may drop 5% in next year, report shows

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**South Africa unemployment rate reaches record high above 30%**

Reuters

South Africa’s unemployment rate reached a record high of 35.2% in the third quarter, up from 34.9% in the second quarter. The unemployment rate has been on a steady上升 for the past few years, reflecting a weak economy and high levels of inequality.

The rate of unemployment among young people aged 15-24 was 58.1%, more than double the rate for older workers.

President Cyril Ramaphosa has said that the country would not improve unless it tackles the high rate of unemployment. The government has announced plans to create 1 million new jobs by 2023, with a focus on creating opportunities for young people.

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**Opec task gets harder with Libya oil surge**

Bloomberg

Iraq’s oil sales to China have surged in recent months, helping to meet the region’s demand for the commodity. The country is a major producer of oil, accounting for about 4% of global production.

The oil sales to China have been supported by efforts to diversify the country’s energy mix, including the development of new oil fields.

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**Production tops 1.2m bpd**

Bloomberg

Libya’s crude oil production has topped 1.2 million barrels per day (bpd), a milestone that was previously set by the country in 2009. The country’s oil output has been increasing due to the political stability and economic recovery.

Libya holds the second-largest proven reserves of oil in the world, after Saudi Arabia, and is a key player in the global oil market.

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**No end in sight for the South African manufacturer of upmarket furniture**

Bloomberg

The company behind the luxury furniture maker has filed for bankruptcy, citing a range of factors including poor sales and high costs. The company has been in operation for over 20 years and was once considered a leader in the industry.

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**For the ag sector in South Africa, it’s a year to forget**

Bloomberg

The agriculture sector in South Africa has had a challenging year, with drought affecting many regions. The country is one of the world’s major producers of wheat and corn, and the drought has put pressure on the industry.

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**US dollar trades at 14-month record high against yen**

Bloomberg

The US dollar has risen to a 14-month high against the yen, fueled by strong economic data and expectations of further rate hikes by the Federal Reserve. The dollar gained more than 1% against the yen on Tuesday, reaching levels not seen since January 2020.

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**Bitcoin hits new all-time high, reaching $69,000**

Bloomberg

The price of bitcoin, the leading cryptocurrency, has reached a new all-time high of $69,000, driven by a surge in demand and broad investor interest. The digital currency has more than doubled in value this year, with some analysts predicting it could go even higher.

The surge in bitcoin prices has been supported by a range of factors, including the uncertainty around traditional assets and the increasing use of blockchain technology.
Vaccine hopes help push markets ahead despite spiking infections

**AFP London**

Market-wide, gold stocks fell after reports that British Prime Minister Boris Johnson’s top aide and key minister Dominic Cummings will leave late this year.

The development “has raised speculation that the balance has tilted a little further in favor of a deal than no deal,” suggested Citi Europe market analyst with ThinkMarkets.

“Equity markets started off in the red this morning but they have been driving higher and most European bourses, the DAX, CAC and FTSE, rose 1% at 13:10GMT today,” he said.

Citing the trend on the back of a stronger pound, which saw prices of multi-national companies that earn vast sums in dollars.

In New York, the Dow Jones Industrial Average rose 0.5%, the S&P 500 Index was up 0.8% and the Nasdaq Composite Index gained 0.5%.

Other companies working on vaccines were also believed to be close to announcing good news as well.

But experts noted that even after the vaccine is ready, it will likely remain in place throughout the last months.

Meanwhile, a vaccine candidate which is to be given in a trial in the United States has been found in the development and manufacture of its military.

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**S&P 500**

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**HONG KONG**

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**GCC INDICES**

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VW won’t flinch from colossal budget for cutting-edge cars

Biscarros

In such an era when carmakers have had to reinstate their balance sheets with a strong focus on cutting costs, Volkswagen (VW) won’t cut corners when it comes to car manufacturing. When it comes to cutting-edge cars, the German company has deployed its biggest ever budget for research and development—ranging from $9 billion in 2020 to $17 billion in 2023. In fact, VW has even reserved 70% of its budget for electric vehicles (EVs), which the company plans to release by 2026. "We are investing for the future," Andreas Renschler, the CEO of Volkswagen, said. "We want to ensure that the company continues to be successful in the long term." Volkswagen’s investment is not only for electric vehicles but also for autonomous driving and software development. The company’s Research and Development (R&D) division has risen to 5% of its total revenue, which is a significant increase from 3% in 2019. Renschler's focus on innovation and transformation is part of the company's attempt to position itself as a leader in the industry. "We want to be the number one in future mobility," he said. "That is our goal—and it requires massive investment in research and development.”
Surprise defaults may slow global stampede into China bonds

Most Asia markets edge lower as Biden cements presidential win

Stress in China’s credit market spills over to overseas stocks

Quant shock that ‘never could happen’ hits Wall Street models

**Surprise defaults may slow global stampede into China bonds**

A rare flood of defaults on onshore China high-yield dollar bonds is shaking investor nerves. The latest to stumble was the Tian Rong Group, a family-owned company that makes cotton and wheat processing equipment.

The Tian Rong default, which came as China’s onshore bond market was already承 combining a wave of defaults in the US dollar and euro-denominated offshore market, has raised the prospect of broader problems for China’s debt-heavy companies.

**Most Asia markets edge lower as Biden cements presidential win**

Most Asian stock markets slipped on Monday after US President Joe Biden’s triumph in last week’s election, with investors remain cautious ahead of company earnings season.

Biden’s victory was expected to bring a more centrist approach to US economic policy, which could be positive for regional growth. However, the market reaction was muted, with investors waiting for more clarity on how Biden’s administration will tackle pressing issues such as climate change and infrastructure spending.

**Stress in China’s credit market spills over to overseas stocks**

China’s dollar bond market has been under pressure in recent weeks, with the benchmark 10-year yield rising to its highest in more than a year. The latest development is the default of Tian Rong Group, which has raised concerns about the health of other borrowers in the market.

The default comes as China’s economy is experiencing challenges, including a slowdown in exports and a rise in corporate defaults. The situation has prompted concerns about the stability of China’s financial system.

**Quant shock that ‘never could happen’ hits Wall Street models**

The shock to Wall Street’s models that some experts thought could never happen has arrived in the form of a sudden drop in the value of certain risk factors. The impact has been so severe that some analysts are now questioning the reliability of their models.

The event, referred to as a “quant shock,” has hit a number of Wall Street firms and has caused a disruption in the market for certain types of financial instruments. The models used to price these instruments have been found to be flawed, leading to significant losses for investors.

The phenomenon, which was first noticed in the oil market, has now spread to other parts of the financial system, including the bond market. The impact has been so severe that some analysts are now questioning the reliability of their models.
Banks, investment firms anxious about new contenders to run SEC

Banco Santander cuts 4,000 jobs in Spain

UK fund managers see liquidity rules in Covid-19’s early days

Yield mania gives needed break to indebted emerging markets

Banco Santander cuts 4,000 jobs in Spain

UK fund managers ran into liquidity regulations of 2013 at the height of this year’s market volatility, exposing that investors in the kind of risks could see a lot of pledges in the market. Bank fund managers have been in the spotlight over recent months, as they have raised more money.

The FCA, which regulates the risks, said it was “relieved” that the funds had been allowed to lend more money, but that they would continue to monitor their risk levels.

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Biden win revives hopes for major boost to IMF firepower

US producer prices rise for a sixth straight month in October

US companies are stockpiling cash before COVID winter hits

Ultra-cheap loans key for next stimulus package: ECB’s Muller

Biden win revives hopes for major boost to IMF firepower

Biden victory in the US presidential election has rekindled hopes of a significant boost to International Monetary Fund resources to help beleaguered economies. The US managing director Kristalina Georgieva, asked in March for 1.2 trillion dollars for a new lending window to help countries hardest hit by the 2008 financial crisis. While the IMF itself could not fill the US$ 3 trillion black hole, the new administration proposed a new boost to the IMF. President Donald Trump’s administration under the previous US Treasury head Steve Mnuchin, who also headed the committee on job creation, was unwilling to commit the resources to support the IMF. It is hoped that this time around, with the new administration, the US administration will support the IMF, which is facing a significant funding gap. This would be a major boost to the IMF, which has been struggling to operate in recent years. The new administration has already signaled its support for the IMF, suggesting that it will provide a substantial increase in funding.

US producer prices rise for a sixth straight month in October

The US producer price index (PPI) rose by 1% in October, the largest increase since August 2018, according to data released by the US Bureau of Labor Statistics. The increase comes as the US economy continues to rebound from the pandemic-induced recession. The PPI, which measures the cost of goods and services produced in the US, rose by 1% in October, following a rise of 0.7% in September. The increase was driven by higher prices for goods such as fuels, metals, and machinery, as well as services such as tourism and restaurant food. The strong showing of PPI is a positive sign for the US economy, as it indicates that manufacturers are able to pass on the higher costs of production to consumers.

US companies are stockpiling cash before COVID winter hits

Many US companies are stockpiling cash in anticipation of another potential wave of COVID-19. The pandemic has had a significant impact on the US economy, leading to widespread job losses and a sharp contraction in economic activity. Despite the passage of rescue packages, many businesses have struggled to survive, and many have been forced to lay off workers. With the possibility of another wave of COVID-19, companies are taking steps to prepare. They are stockpiling cash to ensure they have enough to cover any potential losses or costs associated with a second wave. This is particularly important given the uncertainty surrounding the duration and severity of the pandemic.

Ultra-cheap loans key for next stimulus package: ECB’s Muller

ECB’s President Christine Lagarde has said that the ECB will continue to provide ultra-low-cost loans to banks in the eurozone for an additional year. The move is seen as a major boost to the European economy, which has been struggling to recover from the pandemic-induced recession. The ECB’s president has been a strong advocate for providing cheap loans to banks, arguing that this is necessary to support lending and investment in the economy. The ECB’s decision to extend its low-cost loan program is expected to provide a significant boost to the eurozone economy, as it will help banks to lend more at cheaper rates, thereby stimulating economic activity.