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Business
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DOW	32,722.12	-90.38 PTS	QE	13,376.64	-9.57 PTS	
SENSEX	58,298.80	-51.73 PTS	GOLD	1,808.90	+1.83%	
BRENT	PRICE 94.25	PERCENTAGE -2.61%	WTI	PRICE 88.58	PERCENTAGE -2.29%	
SILVER	20.16	+1.31%				

Strong earnings drive Qatari stocks higher for third week in row

Foreign institutions bought Qatari stocks worth $3.64 bn since the start of this financial year

SATYENDRA PATHAK
DOHA

QATARI stocks maintained upward momentum for the third consecutive week as the Qatar Stock Exchange (QSE) general index gained 254.59 points, or 1.94 percent, during the week to close at 13,376.64 points.

The bull run throughout the week resulted in QSE market capitalisation increasing by 2.9 percent to reach QR743.3 billion compared with QR722.1 billion at the end of the previous trading week.

The gains were mainly led by foreign institutions that remained bullish, closing the week with net buying of QR285.6 million against net buying of QR93.6 million in the previous week.

Foreign retail investors, however, closed the week with net selling of QR49.7 million against net selling of QR26 million in the previous week.

According to an estimate by QNB Financial Services (QNBFS), foreign institutions were net buyers of Qatari stocks worth $3.64 billion since the start of this financial year.

The week saw Qatari institutions turn bearish with net selling of QR106.2 million against net buying of QR93.4 million in the week before. Qatari retail investors also remained bearish with net selling of QR129.7 million against net selling of QR161.1 million the week before.

Trading value during the week increased 40 percent to QR3,666.7 million from QR2,618.4 million in the previous trading week.

Estithmar Holding (IGRD) was the top valued traded stock during the week with a total traded value of QR532.6 million.

Traded volume surged up 57.9 percent to 1,423.7 million shares against 901.7 million shares in the previous trading week. Estithmar Holding was the top volume traded stock during the week with a total traded volume of 246.1 million shares.

The number of transactions went up by 13.1 percent to 99,182 against 87,659 in the previous week.

QNB Group, Masraf Al Rayan and Qatar Islamic Bank (QIB) were the primary contributors to the weekly index gain. QNB Group and Masraf Al Rayan added 97.60 and 48.61 points to the index, respectively. Further, QIB added another 23.79 points to the index.

Ezdan Holding was the best performing stock for the week rising 17.3 percent. On the other hand, Qatar Navigation was the worst performing stock for the week, declining 4.2 percent.

The week saw five of the seven sector indices close in the positive territory. The banks and financial services index, which gained 3.38 percent on the back of almost six percent rise in its main constituent QNB, was the best performing sector index for the week.

The real estate index, which gained almost 3 percent led by gains of over 17 percent in Ezdan Holding, was the second best performing sector index for the week.

Of the 46 traded companies during the week, 36 stocks closed the week higher, while 10 closed in the negative territory.

The QSE index had carried its strong performance so far this year into the first week of August, benefiting from strong earnings reports.

Financial analyst Zakariya Abdulaziz said a number of factors helped the index's gains, although he noted that there was some profit-taking.

He told QNA that the country's macroeconomic picture was one of the biggest catalysts for the gains, with the Qatari economy forecast to grow 3.4 percent this year thanks to the oil sector and growing foreign reserves, in addition to hosting the World Cup later in the year which will boost economic activity.

He noted that news of the first Ukrainian grain shipment had a positive impact on investor sentiment, which drove local and foreign funds to start buying. He highlighted that the strong earnings results from the listed companies also drove the stock prices higher.


The QSE market capitalisation increased by 2.9 percent to reach QR743.3 billion compared with QR722.1 billion at the end of the previous trading week.

Investors dump Chinese stocks, bonds amid recession fears

AGENCIES
LONDON

FOREIGN investors continued to cut holdings in Chinese bonds in July and dumped equities for the first time in four months, according to a report by the Institute of International Finance (IIF).

Emerging markets (EM) posted a fifth straight month of portfolio outflows, setting the longest such streak in records going back to 2005, as global recession risk, inflation and a strong dollar drew away cash, the report released on Wednesday showed.

Chinese debt witnessed outflows of about $3 billion last month, while $6 billion exited other EM, IIF estimated.

If confirmed by official data, it would be the sixth consecutive month of foreign outflows from China's $20 trillion bond market.

During the same period, China's stock market witnessed $3.5 billion of foreign outflows, compared with marginal inflows of $2.5 billion in other EM, the global financial services trade group added.

The benchmark CSI 300 Index dropped 7 percent, down every week in July, as domestic COVID-19 flare-ups, property woes and global recession risks weighed on the market.

"China's A-shares saw a range-bound, generally weaker trend since July under both domestic and overseas influences," China International Capital Corporation (CICC) said in a note.

Data showed the world's second-largest economy slowed sharply in the second quarter, missing market expectations with only a 0.4 percent increase from a year earlier.

With the fallout of the Ukraine war continuing, Sino-US tensions over Taiwan mounted as US House of Representatives Speaker Nancy Pelosi visited the self-ruled island claimed by Beijing.

"For the coming months, several factors will influence flows dynamics, among these the timing of inflation peaking and the outlook for the Chinese economy will be in focus," IIF said.

Overseas investors have been reducing holdings of Chinese bonds since February, as diverging monetary policies kept Chinese yields pinned below their US counterparts.

The People's Bank of China has been easing policy to aid a COVID-hit economy, while the US Federal Reserve has been hiking rates to fight soaring inflation.


Overseas investors have been reducing holdings of Chinese stocks for the last six months.

India aims to reduce emissions without affecting economic growth

AGENCIES
NEW DELHI

INDIA has increased its commitments to reduce emissions and increase the use of green energy beyond the levels promised under the Paris Agreement in 2015.

The country is one of the fastest growing global economies and the third largest contributor of greenhouse gases after China and the United States.

The revisions to India's Nationally Determined Contributions (NDCs) to the UN Framework Convention on Climate Change were announced by the Environment Ministry on Wednesday.

Instead of aiming far a 33-35 percent reduction in emissions intensity — defined as the amount of greenhouse gas emitted for every unit of GDP — by 2030, India while now try to bring this down by 45 per cent, the ministry said.

At the same time, New Delhi will act to source about 50 percent of it installed power capacity from non-fossil fuel-based energy resources.

The ministry said the new targets were an extension of Prime Minister Narendra Modi's vision of "sustainable lifestyles and climate justice to protect the poor and vulnerable from adverse impacts of climate change".

"The decision on enhanced NDCs demonstrates India's commitment at the highest level for decoupling of economic growth from greenhouse gas emissions," it said.

"India's updated NDC also reaffirms our commitment to work towards a low carbon emission pathway, while simultaneously endeavouring to achieve sustainable development goals."

The Paris Agreement of 2015 is a legally binding international treaty on climate change, seeking to limit global warming to below 2 degrees Celsius, compared to pre-industrial levels.

India, the world's second most populous country, is under pressure to balance emissions reduction and investment in clean energy while striving to upgrade and expand infrastructure to meet the needs of 1.3 billion people.


India is one of the fastest growing global economies and the third largest contributor of greenhouse gases after China and the United States.

Since 2015, India has installed 66 gigawatts of solar and wind capacity and can currently generate 110GW of electricity from these sources.

Similarly, India has cut 23 million tonnes of carbon dioxide emissions by promoting the use of energy-efficient LED bulbs.

At the COP26 climate talks held in Glasgow, Scotland, last November, Modi announced that India would make a one billion-tonne reduction in projected emissions until 2030, and strive for net-zero emissions by 2070.

Indian Railways, one of the biggest rail networks in the world, will achieve a net-zero target by 2030, reducing 60 million tonnes of emissions annually, the Environment Ministry said.

India is investing in non-fossil resources to generate 50 per cent of its total energy requirements — 500 gigawatts — by the end of this decade.

The ministry said tax concessions and incentives for the adoption of renewable energy in industries would lead to an overall increase in green jobs.

It also plans to increase forest cover to create an additional carbon sink of 2.5 to 3 billion tonnes of carbon dioxide equivalent.

Avantika Goswami, climate change programme manager at the Centre for Science and Environment, a Delhi-based not-for-profit research and advocacy think tank, said the new commitments showed India's intention to work towards climate change goals.

"From a global standpoint, this is a step up in ambition for India, considering that it has a very small contribution to historical greenhouse gas emissions. It shows that India is committed to cooperating and decarbonising its economy, despite having to balance major developmental goals like poverty reduction," Goswami told a regional newspaper.

Alibaba revenue beats expectations despite contraction

AGENCIES

CHINESE e-commerce firm Alibaba Group Holding on Thursday beat market expectations for revenue in its quarter ended June, even as revenue was nearly flat and the company continues to grapple with the fallout from increased regulatory scrutiny and slowing economy growth.

Alibaba reported revenues of 205.6 billion ($30.4 billion) for its quarter ended June, a 0.1% decrease from the same time last year. It was the first time that the company reported a contraction in sales. That was still better than the average analyst estimate of $30.09 billion, according to FactSet.

Net income plunged 50% to 22.7 billion yuan ($3.4 billion). Excluding one-time charges, adjusted earnings per ADS totaled $1.75, topping the average analyst estimate of $1.60 per share.

Its U.S.-listed shares rose 5% in early trading Thursday.

Alibaba had been hit hard in the last quarter as China locked down various cities around the country to stem the spread of the coronavirus.

The decline in revenue was "mainly due to impacts from COVID-19 resurgence and restrictions that resulted in supply chain and logistics disruptions in April and most of May," the company said in its earnings release.

Alibaba reported revenues of 205.6 billion ($30.4 billion) for its quarter ended June.

Customers in the bustling, cosmopolitan city of Shanghai, for example, were unable to shop online or even order food delivery during its two-month lockdown.

The Hangzhou-headquartered firm has also in recent years been scrutinized heavily by regulators, and has faced anti-monopoly fines. Its cloud business has also been linked to China's largest cybersecurity breach, when a hacker online attempted to sell over a billion personal records purportedly from a Shanghai police database.

Alibaba is also facing fierce competition from rivals such as Pinduoduo, which has reported an increase in user numbers, as well as rival JD.com.

Last week, the U.S. Securities and Exchange Commission added Alibaba to a growing list of companies that could face delisting from the U.S. stock exchanges unless they give U.S. regulators unfettered access to their auditing processes and financial books.

Toyota profit declines as chips crunch has customers waiting

AGENCIES

A man walks past a Toyota dealer in Tokyo on May 11, 2022. Toyota Motor Corp. reported Thursday, Aug. 4, 2022 a quarterly profit of 736.8 billion yen ($5.5 billion), down from 897.8 billion yen the previous year.

TOYOTA'S profit fell nearly 18% in the April-June quarter from the year before, as a semiconductor shortage that has slammed the auto industry dented production at Japan's top automaker.

Toyota Motor Corp. reported Thursday a quarterly profit of 736.8 billion yen ($5.5 billion), down from 897.8 billion yen the previous year.

Quarterly sales rose 7% to 8.49 trillion yen ($63 billion).

Toyota officials apologized to customers who have been waiting for their cars after putting in orders. Some have waited so long the vehicle went through a model change in the meantime.

Various problems apart from the chips shortage have hurt production, such as flooding in South Africa and pandemic lockdowns in Shanghai, according to the manufacturer based in Toyota City, central Japan. Electric vehicles, which need many chips, have been the worst hit by the global chips crunch. Rising material costs also hurt Toyota's bottom line.

The negatives offset the perks of a weaker Japanese yen. A cheap yen benefits Japanese exporters like Toyota by boosting the value of their overseas earnings when they are converted into yen.

The favorable foreign exchange rate increased Toyota's operating income for the quarter by 195 billion yen ($1.5 billion), the company said.

Toyota sold about 2 million vehicles during the quarter, down from 2.1 million vehicles in the same period last year.

But it kept unchanged its full fiscal year forecast to produce 9.7 million vehicles, saying output will pick up in the months ahead.

Toyota posted record earnings in the last fiscal year through March, racking up a 2.85 trillion yen ($21 billion) profit, up nearly 27% on year.

For the fiscal year through March 2023, it's forecasting a profit of 2.36 trillion yen ($17.6 billion). The projection was revised upward from an earlier estimate of 2.26 trillion yen ($16.9 billion).

Toyota said it did not include numbers from its group truck maker Hino Motors because Hino hadn't released a forecast. Earlier this week, Hino acknowledged it had been falsifying emission and mileage data for 20 years and apologized for betraying its customers' trust. It has promised to prevent a recurrence.

Toyota, which makes the Prius hybrid, Lexus luxury models and Camry sedan, has been boosting electric vehicle sales as the world's interest in sustainability grows. At times it has been accused of lagging in electric vehicles, partly because it's done well with hybrid vehicles, like the Prius, which includes a gasoline engine and an electric motor.

The company expects to sell 10.7 million vehicles worldwide in the fiscal year through March 2023, up from nearly 10.4 million vehicles in the previous fiscal year.

Huawei MateBook X Pro represents a new aesthetic benchmark

TRIBUNE NEWS NETWORK
DOHA

WHEN the topic of flagship laptops is brought up, some of the things that might cross your mind are probable jaw-dropping design, outstanding performance, visionary capabilities, right? Essentially, a flagship laptop should stand out in every aspect with high-end specifications and features that enhance the overall user experience. This is what Huawei did with its newly released Huawei MateBook X Pro: It comes with a new, unique and minimalist design highlighted by a 3.1K Real Colour FullView Display and an ultra-slim magnesium alloy body. Its robust performance has been boosted thanks to the EvoTM certified 12th Gen Intel Core processor in addition to the futuristic Super Device features which re-define the smart flagship laptop experience, allowing the Huawei MateBook X Pro to set itself as the new benchmark in that segment.

The Huawei MateBook X Pro also represents a new aesthetic benchmark debuting with new colourways of Ink Blue and the signature Space Gray to cater to the needs of different consumers. The Ultimate Elegant High-Performance Flagship laptop Huawei MateBook X Pro will be available in Qatar on August 11 with pre-orders starting on July 28 at a price starting at QR6,399 with gifts worth QR1,296 from Huawei's online platforms as well as certified retailers.

The new Huawei MateBook X Pro features a 14.2-inch screen with 3.1K (3120 x 2080) high resolution and 264 PPI. The screen does not show graininess when viewed from a normal reading distance. The new Huawei MateBook X Pro features a 14.2-inch Huawei Real Colour FullView Display that supports precision 10-point high-sampling-rate touch control. It maintains Huawei's advantages in the display field in four dimensions, being clear, smooth, authentic and comfortable. Huawei has introduced more industry-leading breakthroughs including Universal Colour Consistency and professional anti-reflection, making Huawei's professional display a benchmark in the industry. In addition to a refresh rate of up-to 90 Hz browsing files, glancing pop-up comments in videos, playing games and more will all look and feel smooth. A laptop with excellent colour gamut performance will be important for professionals who need accurate colour reproduction during retouching and colour correction. The new Huawei MateBook X Pro supports the film-grade P3 wide colour gamut. P3 now exhibits a 20% larger colour gamut than sRGB for the commonly used red and green. The new Huawei MateBook X Pro has reached the colour accuracy of ΔE<1 in the P3 colour gamut and sRGB colour gamut. It has also passed the TÜV Rheinland Pro-level Colour Accuracy with Dual-Colour Gamut Certification , the most professional screen colour certification standard of TÜV Rheinland. Huawei MateBook X Pro managed to achieve a 92.5% screen-to-body ratio with the top bezel being just 6 mm wide, meaning Huawei lead the industry in this regard. The laptop weighs just 1.26 kg , making it highly portable. The surface of the cover has a unique matte finish that delivers a warm and comfortable touch. Together with the all-new Ink Blue colour (the Premium Edition), it offers a new sensory experience, and reveals the exceptional taste of its users. Huawei introduced the laptop with a Skin-soothing metallic body, delivering a unique matte surface. Such surface design has a skin-friendly feel and offers a comfortable grip. What's more, the innovative Micro-arc Oxidation Coating process is applied to the magnesium alloy airy body, which not only improves the hardness and wear resistance of the product body, but also makes the production process more environmentally friendly. Huawei also innovatively applied a Skin-soothing Metallic paint process on the surface of the cover, which gives the body a matte finish.

Performance

Huawei MateBook X Pro features a powerful 12th Gen Intel® Core™ processor in a lightweight body, powered by the advanced Intel 7 process and Core™ i7-1260P. More importantly, a new performance hybrid architecture is adopted for the new processor. It consists of four Performance-cores and eight Efficient-cores, which add up to 12 cores and 16 threads. The multi-core performance is improved by 60% compared with previous generation products . By pressing the Fn + P key, users can enable the 30W Performance Mode , supporting them in working more efficiently and handling complex tasks simultaneously including video conferencing, file review and web page browsing, with great ease. The Intel® Iris® Xe graphics card is used to provide outstanding graphics processing performance, making complex graphics processing effortless and smooth. All versions of the Huawei MateBook X Pro have been certified by Intel® Evo™, delivering exceptional responsiveness and ensuring a great video conferencing experience. The new laptop comes with 16 GB LPDDR5 5200 MHz dual-channel high-speed memory and supports up to 1 TB NVMe PCIe SSD (512 GB is available for you to choose from) for more efficient read, storage, and compression of large files and smoother switchover across multiple tasks.

In addition, the upgraded Super Turbo technology facilitates in-depth optimisation at the system level for a quicker and smoother response. This contributes to a better experience, especially in video conferencing and heavy office scenarios.

Super Device Features

The Huawei MateBook X Pro take multi-device collaboration to a whole new level, thanks to Super Device , bringing super productivity with a cohesive multi-device experience. It lets you effortlessly connect to other Huawei devices nearby and collaborate between them all. Simply place your Huawei FreeBuds Pro 2, mice, keyboards, speakers and printers close to the Huawei MateBook X Pro, and the laptop will automatically discover them and provide a prompt for quick and easy pairing .

In addition, with smartphones like the newly launched Huawei Mate Xs 2 and tablets like the new Huawei MatePad Pro, it is even more useful. Once you have wirelessly connected your phone, you will see its UI (User Interface) appear on your laptop screen, so you can operate it as if your smartphone and laptop are one device. You can access and edit your files, use and manage up to three phone app windows simultaneously, take video or audio calls from your phone through your MateBook, and even use your mouse and keyboard to control your smartphone. In Mirror Mode, the laptop screen is projected onto the tablet, with both devices showing the same content: the tablet can benefit from the laptop's incredible performance; while the laptop can access the tablet's stylus, making drawing even easier. With Extend Mode, the laptop display is extended to the tablet, allowing the tablet to serve as an external monitor so you can scroll and browse easily between the two – perfect for making notes during a class or meeting. Finally, Collaborate Mode lets you share content between the devices via a simple drag and drop, so anything left on one can easily be transferred to the other.

The Huawei MateBook X Pro can also connect to a Huawei MateView monitor, so you can see your work on an even larger screen. The laptop also supports multi-device file management and AI search; the former enables users to easily search across their connected devices, bringing a collaborative experience between laptops and other connected devices, while the latter supports quick search of files and images on the PC, the Internet, and other interconnected devices for greater flexibility.

Free Touch

The new Huawei MateBook X Pro's is also equipped with a force sensor to detect pressure. The touchpad responds to your tap instantly – no matter where you tap. The unique touchpad design greatly enlarges the control area of the multi-gesture touchpad, bringing a wider touchpad area for free and unrestrained experience, improving accuracy, and avoiding accidental touch. Even without a mouse, users can unleash their inspiration freely with the laptop.

AI Camera

As hybrid work has become our new normal, AI Camera helps users handle various video conferences and online classes with great ease and comfort. The Huawei MateBook X Pro comes with a HD camera on the top narrow bezel, which integrates the AI Camera features to support the video effects of Beauty, Virtual Background, FollowCam, and Eye Contact. It supports any video software. Users can select and apply the video effects by going to the Control Centre at any time.

SuperCharge

The Huawei MateBook X Pro features a 60Wh (rated capacity) super large battery and a compact 90W charger supporting SuperCharge. It can be used to charge computers, phones, and tablets, making it a perfect companion during a trip. The laptop is equipped with a 3.5 mm earphone jack and two Thunderbolt™ 4 ports on the left side.

Four Mics

The Huawei MateBook X Pro features a quad-mic setup that is placed along the edges of the laptop. Together, they support voice pick-up from sources up to five meters away from the device. In addition, during a call, even if the device of the other party does not support noise reduction, the Receive signal AI noise reduction algorithm can also perform noise reduction on the voice of the other party.

Huawei SOUND® 6 speakers for an outstanding playback sound quality

The Huawei MateBook X Pro is equipped with six speakers. The four woofers feature a back-to-back design to create stunning bass and clear trebles without increasing thickness. The sound system, in combination with Huawei's Targeted Sound Field technology, brings impressive stereo sound with clear sound layers and sense of direction.

Verdict

If you are looking to get a truly no-compromise flagship laptop, you would be hard-pressed to find a better option than the Huawei MateBook X Pro. The dazzling display, alluring lightweight magnesium alloy body, commanding performance, visionary Super Device features together with the rest of the appealing specifications truly make the Huawei MateBook X Pro the Ultimate Elegant High-Performance Flagship Laptop.

US job market shows signs of cooling amid interest rate hikes

AGENCIES

THE US employment market appears to have lost some of its sizzle, a development that could influence Federal Reserve policy and further raise concerns about an economic recession among investors.

Job openings have been edging lower since April as rising inflation tightened its grip on businesses and crimped consumer spending. In June, openings fell to 10.7 million, their lowest levels since September. Openings are still at an historically high level, having never exceeded 8 million in a month prior to a year ago.

On Friday, the Labor Department issues its report on hiring for July. Economists expect the report to show employers hired 250,000 workers last month. That would be down from 372,000 jobs created in June and the smallest increase this year. The unemployment rate is expected to hold steady at 3.6%.

The Fed has been aggressively raising interest rates in an effort to slow the economy and cool the hottest inflation in four decades. The central bank has raised its key short-term interest rate to the highest level since 2018.

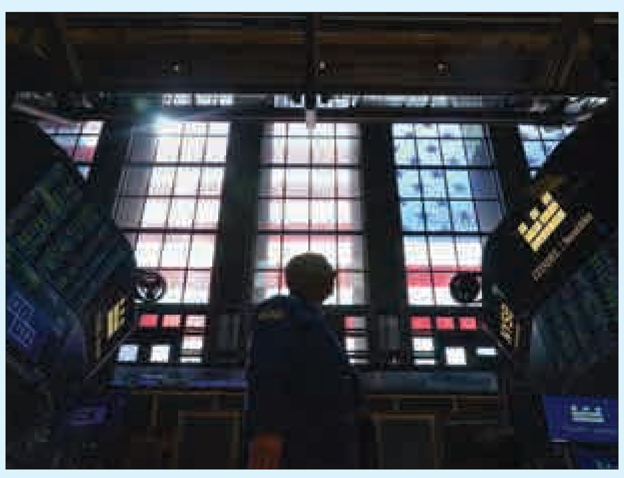
A key concern from Wall Street is that the Fed's rate hikes could be too aggressive and push the economy into a recession. Such concerns weighed on stocks for the first half of the year, but the market rallied in July as investors bet the Fed could soon ease up on the pace of the rate increases.

The labor market has remained strong despite inflation's grip on the broader economy, with job openings far outpacing people seeking employment. A tighter job market could be a signal that the economy is slowing enough for the Fed to be less aggressive. It would also be a sign that inflation itself, particularly with wages, could be easing up.

"We need fewer job openings, which reduces the chances of bidding wars for talent and we're starting to see that," said " Jeff Buchbinder, equity strategist for LPL Financial.

It has been a strong jobs market, though, which helped counter worries that the economy is already in a recession. The economy has contracted for two straight quarters, which is a long-held informal definition of a recession, as spending eases. Economists and analysts have said that strong employment has helped shield the broader economy from slipping into a recession, or at least getting mired in a long recession with a deep impact.

"What we have right now doesn't seem like (a recession)," said Fed chair Jerome Powell, after the central bank's most recent policy meeting in July. "And the real reason is that the labor market is just sending such a signal of economic strength that it makes you really question the GDP data."



Traders work on the floor at the New York Stock Exchange in New York, July 1, 2022. The employment market appears to have lost some of its sizzle, a development that could influence Federal Reserve policy and further raise concerns about an economic recession.

Bank of England predicts recession at end of year

The rate hike of three-quarters of a point pushes the bank's key interest rate to 1.75 percent

People wait at the Bank of England in London, Thursday, Aug. 4, 2022.

AGENCIES

THE Bank of England projected Thursday that the United Kingdom's economy will enter a recession at the end of the year as it hiked interest rates by the largest amount in more than 27 years, pushing to tame accelerating inflation driven by the fallout from Russia's war in Ukraine.

The rate hike of three-quarters of a point pushes the bank's key interest rate to 1.75%, the highest since the depths of the global financial crisis in December 2008. The move looks to draw down galloping consumer prices driven by soaring energy costs as Russia restricts natural gas to Europe and further cuts are a risk, Bank of England Gov. Andrew Bailey said.

"There is an economic cost to the war," Bailey said at a news conference. "But I have to be clear, it will not deflect us from setting monetary policy to bring inflation back to the 2% target." The bleak outlook in the world's fifth-largest economy shows the ripple effect of the war, with people mired in a cost-of-living crisis that has surged the cost of everything from groceries to utility bills. And it lays bare the difficult position that central banks worldwide are facing: how to control surging inflation without tipping economies into recession that were just beginning to recover from the coronavirus pandemic.

In the U.K., inflation will accelerate to over 13% in the final three months of the year and remain "very elevated" for much of 2023, the bank said. The forecast reflects a sharp increase from the 40-year high of 9.4% recorded in June.

The bank's forecasters say inflation will hit its highest point for more than 42 years amid the doubling of wholesale natural gas prices tied to the war. Those energy prices will push the economy into a five-quarter recession — with gross domestic product shrinking each quarter in 2023.

"Growth thereafter is very weak by historical standards," the bank said.

Central banks around the world are making borrowing costs higher for consumers, businesses and the government, which tends to reduce spending and ease rising prices. But such moves are also likely to slow economic growth.

Inflation to accelerate

- In the UK, inflation will accelerate to over 13% in the final three months of the year and remain "very elevated" for much of 2023, says BoE
- The forecast reflects a sharp increase from the 40-year high of 9.4% recorded in June.

The U.S. Federal Reserve has moved aggressively, increasing its key rate by three-quarters of a point in each of the past two months to a range of 2.25% to 2.5%. The U.S. economy shrank from April through June for a second straight quarter, raising fears that the nation may be approaching a recession.

Recession is also a growing concern in Europe as shrinking flows of natural gas from Russia drive inflation and threaten to force factories to ration this winter. Targeting persistently high inflation, the European Central Bank's first rate increase in 11 years was a larger-than-expected half-point hike last month.

"The Bank of England has become the latest in a string of international central banks to deliver historically large rate hikes," said Luke Bartholomew, senior economist at abrdn. "The bank's forecasts make clear just how difficult the UK's economic picture is compared with other major countries." The International Monetary Fund last week cut its outlook for global economic growth, citing higher-than-expected inflation, continuing COVID-19 outbreaks in China and further effects from the war in Ukraine.

The landscape is especially complicated for central banks because many of the factors driving inflation are beyond their control, particularly food and energy prices that have soared due to uncertainty surrounding Russia's invasion.

External pressures are becoming embedded in the U.K. economy, with public- and private-sector workers demanding wage increases to prevent inflation from eroding their living standards.

"With gas prices continuing to reach record levels, both households and businesses will see large increases in their energy bills throughout the winter and into 2023," said Jack Leslie, senior economist at the Resolution Foundation, a think tank focused on the living standards of low- and middle-income families.

The last time the U.K. approved a similar interest rate increase was December 1994, when those decisions were still made by the government's treasury chief in consultation with the central bank governor.

Dean Turner, an economist at UBS Global Wealth Management, said he did not envy the Bank of England's position.

New crypto oversight legislation arrives as industry shakes

AGENCIES

AFTER 13 years, at least three crashes, dozens of scams and Ponzi schemes and hundreds of billions of dollars made and evaporated, cryptocurrencies finally have the full attention of Congress, whose lawmakers and lobbyists have papered Capitol Hill with proposals on how to regulate the industry.

The latest bipartisan proposal came Wednesday from Sens. Debbie Stabenow, D-Mich., and John Boozman, R-Ark. It would hand the regulatory authority over Bitcoin and Ether to the Commodities Futures Trading Commission. Stabenow and Boozman lead the Senate Agriculture Committee, which has authority over CTFC.

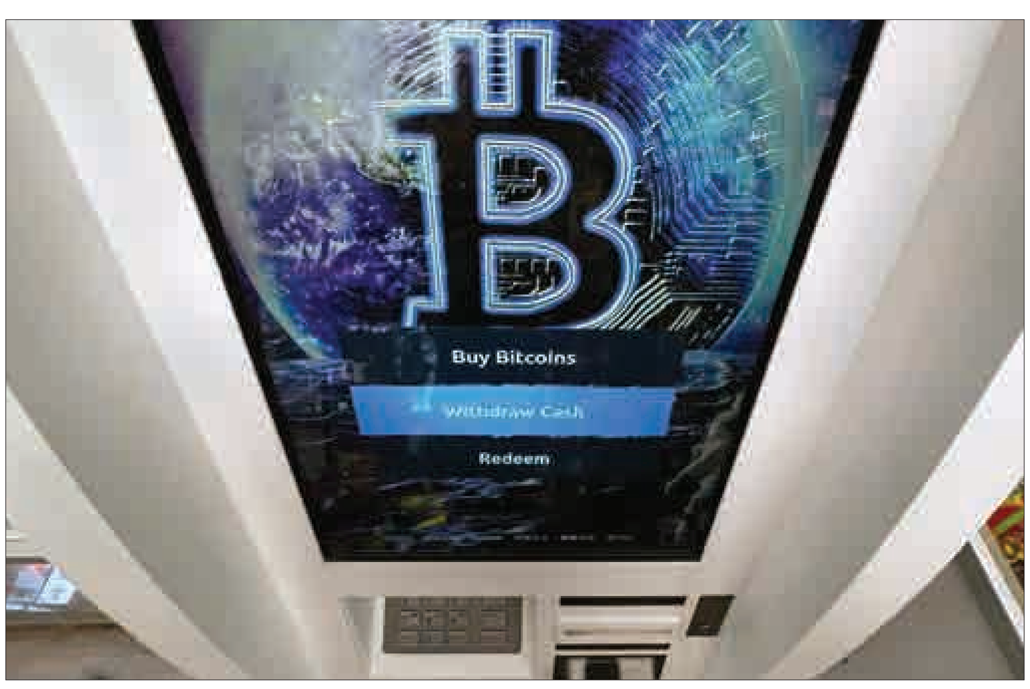
Bills proposed by other members of Congress and consumer advocates have suggested giving the authority to the Securities and Exchange Commission.

This year, crypto investors have seen prices plunge and companies crater with fortunes and jobs disappearing overnight, and some firms have been accused by federal regulators of running an illegal securities exchange. Bitcoin, the largest digital asset, trades at a fraction of its all-time high, down from more than $68,000 in November 2021 to about $23,000 on Wednesday.

While cryptocurrencies have had crashes before, most recently in 2018, this crash has been broader and more systemic. A major hedge fund filed for bankruptcy earlier this summer, which in turn has caused other cryptocurrency brokers to collapse as well. Some crypto brokers have falsely claimed that their customers' deposits are backed by deposit insurance, like banks are.

Lawmakers, who have run out of patience with the cryptocurrency industry's attempts to live out an unregulated Libertarian, bank-free world, are now desperate to implement stringent oversight. The industry spent $9 million in 2021 on lobbying fees, according to a report by Public Citizen, a figure that is certain to be higher with all the Congressional proposals this year.

The Stabenow-Boozman bill would be a win for the cryptocurrency industry, which sees the CFTC as more industry-friendly regulator than the SEC. The CFTC, which had a budget last year of $304 million with roughly 666 employees, is a fraction of the size of the SEC, which had a budget of nearly $2 billion and 4,500 full-time employees.



The Bitcoin logo appears on the display screen of a cryptocurrency ATM in Salem, N.H., Feb. 9, 2021. A bipartisan group of senators has proposed a bill to regulate cryptocurrencies. It's the latest attempt by Congress to formulate ideas on how to oversee a multibillion-dollar industry that has been racked recently by collapsing prices and lenders halting operations.

"(The cryptocurrency industry is) trying to get anyone other than the SEC to regulate them," said Cory Klippsten, CEO of Swan Bitcoin. While an advocate for Bitcoin, Klippsten is deeply skeptical of much of broader crypto industry, which has produced a myriad of tokens and other coins that he considers to be nothing more than scams.

Cryptocurrency billionaire Sam Bankman-Fried, who has donated millions of dollars to mostly Democratic-leaning candidates and super PACs, tweeted his support for the Stabenow-Boozman bill.

Boozman, in a call with reporters, said the industry's preferred choice to regulate crypto is the CFTC.

"They are fairly united on this," he said.

In a press conference, Stabenow and Boozman both acknowledged that while they have faith that the CFTC is up to the task of regulating cryptocurrencies, the agency would need support. The CFTC already oversees futures contracts for Bitcoin and Etherium, and the bill attempts to alleviate issues about staffing by imposing user fees on the crypto industry. Those funds in turn would fund more robust supervision of the industry by the CFTC. The bill would leave crypto-like products, like tokens or non-fungible tokens (NFTs), for the SEC to potentially assert its regulative authority.

"Obviously if the CTFC is to move aggressively in this area, they are going to need more resources," Stabenow said.

Marlon Cumberbatch, who conducts consumer research on cryptocurrency and other digital assets for the National Research Group, says despite the crashes, consumers are still interested in putting their money in digital assets. "Some people believe this is the beginning of the end" for crypto, Cumberbatch said, "but we believe this is the end of the beginning" in terms of investment interest.

There has been a growing list of proposals out of Congress this year that in various ways are trying to address the problems in the cryptocurrency industry. Sen. Pat Toomey, R-Pa., in April introduced legislation, called the Stablecoin TRUST Act, that would create a framework to regulate stablecoins, which have seen massive losses this year. Stablecoins are a type of cryptocurrency pegged to a specific value, usually the U.S. dollar, another currency or gold.

In June, Sens. Kirsten Gillibrand, D-N.Y., and Cynthia Lummis, R-Wyo., proposed a wide-ranging bill called the Responsible Financial Innovation Act. That bill proposed legal definitions of digital assets and virtual currencies; would require the IRS to adopt guidance on merchant acceptance of digital assets and charitable contributions; and would make a distinction between digital assets that are commodities and those that are securities, which has not been done.

Sens. Cory Booker, D-N.J., and John Thune, R-S.D., are also co-sponsors of the Stabenow-Boozman bill. Along with the Toomey legislation and the Lummis-Gillibrand legislation, a proposal is being worked out in the House Financial Services Committee, though those negotiations have stalled. Committee chair Maxine Waters, D-Calif., said last month that while she, top Republican member Patrick McHenry of North Carolina and Treasury Secretary Janet Yellen had made considerable progress toward an agreement on the legislation, "we are unfortunately not there yet, and will therefore continue our negotiations over the August recess."