

## German inflation rises to 9.2% in January



People walk through the Mall of Berlin shopping centre during its opening night in Berlin, Germany. ● THOMAS PETER/REUTERS

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**Page 1 >** Energy product prices were 23.1% higher year-on-year despite government relief measures, while food prices increased 20.3% on year.

Commerzbank's chief economist Joerg Kraemer said that following the methodological revision of the inflation basket, "there has been no clear downward trend in inflation since the autumn."

For the economist, it is far too early to sound the all-clear on the inflation front. "The European Central Bank should continue to raise its key interest rates decisively," he said.

Households paid higher prices in particular for energy and food in January, Brand said.

Energy product prices were 23.1% higher year-on-year despite government relief measures. Excluding energy prices, the inflation rate stood at 7.2% in January.

Food prices increased 20.2% on year. "The rate of food price increase thus was more than twice the overall inflation rate again," the statistics office said.

"We are observing price rises for many goods and, to an increasing degree, also for services," Brand said. Prices of goods were up 12.7% on year in January and services prices increased 4.5% on year.

The statistics office offers a breakdown for January on its website.

## Google to cut 240 jobs in Ireland as part of global layoffs



Google parent Alphabet Inc. will cut 240 jobs from its operations in Ireland as part of a reduction in its global workforce.

The company is cutting 85 sales roles, 80 engineering and technology jobs and 75 support function roles, according to a person familiar with the matter and an email to employees seen by Bloomberg News, Bloomberg reported.

The job losses represent a 4.3% cut in Google's 5,500-strong Irish workforce, less than the global 6% headcount reduction being implemented across the company.

A collective consultation will begin on Feb. 23, according to the email.

The around 75 support function roles to be impacted include positions in people operations and finance, it said. "Employee representatives will receive more details on specific business area proposals during the consultation process."

Enterprise Minister Simon Coveney was notified of proposed collective redundancies by Google on Wednesday morning, a spokesman for the Department of Enterprise said in an emailed statement.

Labour Party Leader Ivana Bacik described the job cuts as "significant," despite being less severe than the level across Google's global operations. Staff have been informed as well as local public representatives, she said.



The entrance to one of the Google office buildings in the 'Silicon Docks' area of central Dublin, Ireland. ● PAULO NUNES DOS SANTOS/BLOOMBERG

### NEWS IN BRIEF

#### Indonesia launches carbon trading for coal power plants



REUTERS - Indonesia on Wednesday launched the first phase of mandatory carbon trading for coal power plants, part of efforts by Southeast Asia's biggest economy to boost renewable energy and achieve net zero emissions by 2060.

Coal makes up more than half of Indonesia's power generation. The first stage of a carbon trading mechanism will cover 99 power plants with total installed capacity of 33.6 gigawatt directly connected to power grids owned by state utility Perusahaan Listrik Negara (PLN).

#### Tokyo Gas cuts shareholder returns



REUTERS - Japan's Tokyo Gas will cut shareholder returns from the next financial year and use freed up funds to invest in technology to slash its carbon emissions, the company said on Wednesday. The company will pay out 40% of profits from the current 50% from the next financial year, it said.



People pass by an electronic screen showing Japan's Nikkei share price index inside a conference hall in Tokyo, Japan. ● ISSEI KATO/REUTERS

#### Poland to develop 1st NPP with Westinghouse

AP - Poland and the Westinghouse Electric Company signed a deal Wednesday for pre-design cooperation on the central European nation's first nuclear power plant using the American company's technology.

## Global equities fall on fear of hawkish central bank hikes

Global shares traded around their lowest levels in more than a month on Wednesday and U.S. Treasury yields stuck to around their highest since November, as fresh fears about inflation and interest rates weighed on market sentiment.

MSCI's broad index of global shares fell 0.4% to head for its lowest since Jan. 20, while the index's broad gauge of Asia-Pacific shares outside Japan fell 1.3% to its lowest since Jan. 6, Reuters reported. Europe's STOXX 600 share index fell 0.4% in early trade. Wall Street futures markets indicated the S&P 500 share index would drift 0.2% higher after dropping



2% in the previous session. A batch of surprisingly upbeat data in recent weeks has scotched a cross-asset rally that began last October, which was based on a scenario of the global economy cooling just enough to persuade hawkish central banks to pause

rate hikes. Wall Street posted its worst daily performance of the year on Tuesday, as investors responded to an unexpectedly strong reading from S&P Global's composite PMI with concerns that robust business conditions would continue to fuel in-

flation. "The market has been overly optimistic," said Luca Paolini, chief strategist at Pictet Asset Management. "The economic data has been much more resilient than we all thought (it would be) and we have to accept that."

The MSCI all-country stock index, which bounced 7.1% in January, has fallen 2% so far this month, depressed by a bonanza U.S. jobs report and rate fears, even as economists upgraded their forecasts for economic growth in the U.S. and the eurozone this year. The yield on the 10-year U.S. Treasury, which moves inversely to its price, fell 2 basis points (bps) on

Wednesday to 3.953%, after touching its highest since November.

That was a reversal of a strong showing for Treasuries at the start of the year, when bonds rallied to reflect bets of inflation declining. The benchmark 10-year yield has risen about 60 bps from its January low.

Swaps markets now anticipate the Fed, the world's most influential central bank, will raise its funds rate, currently set at 4.5%, to 4.75%. New Zealand's central bank raised interest rates by 50 bps on Wednesday to a more than 14-year high of 4.75%, flagging more monetary tightening to come.

Chinese utilities and traders have stepped up purchases of Australian coal in February, encouraged by signs of further policy relaxation after trade partially resumed last month following a two-year hiatus.

In early January, Beijing gave permission to four government-backed firms, comprising steel giant Baowu Group and three state utilities, to ship in Australian coal, the first sign of an easing of the un-

## China boosts Australian coal imports

official import ban in place since late 2020. The ban was imposed after relations between Beijing and Canberra turned sour over several political and public health matters, Reuters reported.

A full resumption in trade between the world's biggest coal consumer and the world's No. 2 exporter could support global prices

for the fuel used in power generation and steel production.

At least 15 vessels hauling about 1.4 million tonnes of February-loading Australian coal are bound for China, according to shiptracking data from Refinitiv and Kpler.

Another more than 1 million tonnes of thermal coal have been booked to load in

March, a senior trader with a state-run Chinese utility said.

"Trades have picked up significantly over the past three days following (the) ministry's remarks," he said. A spokeswoman for China's Ministry of Commerce, responding to a query at a news conference last Thursday about the process for importing Australian coal,

said it was a normal commercial activity and that trades are processed via an automatic import licence system.

She added that it was up to companies to independently decide on coal imports based on their needs, technology and market situation.

However, traders remained cautious about possible bu-

reaucratic delays.

"In theory, firms who acquire the licence would be able to get their cargoes through customs," said another Chinese utility official. "But it is still not clear if there will be hurdles at the customs clearance process, and we will have to wait and see once the coal arrives."

Some of the vessels heading to China may change destination if cargoes get resold, traders said.

Chinese buyers may also face competition in Australian coal purchases as producers have pivoted their sales to other markets in China's absence.

On an earnings call on Tuesday, BHP's Chief Executive Mike Henry said: "We welcome about the opportunity to engage with customers in China over potential coal sales while keeping in mind that we did need to pivot our sales to other markets."