

Malaysia's AirAsia nears flying taxi deal with lessor Avolon

MALAYSIA'S AirAsia is near agreement for Vertical Aerospace Ltd. flying taxis, according to people familiar with the matter, adding to a raft of carriers moving into the potential market to offer short, battery-powered flights.

A deal between the airline's owner and aircraft-leasing firm Avolon Holdings could be announced as soon as Wednesday at the Singapore Air Show, said the people, who asked not to be named because discussions were confidential. Avolon, an investor in Vertical, has ordered 500 of the UK startup's VX4 aircraft, conditioned on milestones including certification.

Representatives for Dublin-based Avolon and Vertical, based in Bristol, England, declined to comment. AirAsia owner Capital A Bhd. didn't respond to requests for comment outside of normal business hours.

The commitment is likely to cover more than 50 VX4 electric vertical takeoff and landing aircraft, two of the people said. The eVTOLs, which are in development, carry four passengers and a pilot for a target range of more than 100 miles,

enough for short hops across or between cities.

Avolon Chief Executive Officer Domhnall Slattery, who was recently appointed chairman of Vertical, said Monday in Singapore that demand for eVTOLs is "exceptionally high." He signaled that Avolon plans to make a "very significant announcement" on Wednesday with a "major Southeast Asian player" that could help the leasing company sell out the 500 aircraft it ordered last year.

Avolon has signed commitments for as many as 350 Vertical aircraft, including with Brazil's largest airline Gol Linhas Aéreas Inteligentes and Japan Airlines Co.

Vertical's other customers and partners include American Airlines Group, Inc., Virgin Atlantic Airways Ltd. and Japanese conglomerate Marubeni Corp.

Startups around the globe are racing to refine the technology behind the eVTOLs, which promise to jumpstart a generation of cleaner-emission aircraft and provide carriers with a new business line that can offer helicopter-like services at lower cost. — **Bloomberg**

Global policy chiefs confront hawkish mart bets on inflation

INVESTORS are betting on the fastest pace of interest-rate hikes since 2010 across the world's biggest developed markets, pressuring policy makers who want to slow inflation without crash landing their economies.

That's the backdrop to this week's meetings of central bank chiefs and finance ministers from the Group of 20 (G-20) nations, who hold virtual and in-person discussions in Jakarta on Thursday and Friday, their first gathering of the year.

It's a remarkable turnaround from when they last met in October, a period when Federal Reserve Chair Jerome Powell was still describing inflation as "transitory" and markets were pricing in at most two Fed rate increases this year.

Now, six Fed hikes are priced in. And across G-10 economies, swaps futures show traders expect the average central bank rate to be 1 percentage point higher in a year, the steepest projected pace of tightening since Jan. 2010, according to Bloomberg calculations.

This pivot leaves officials struggling to manage expectations amid slowing growth, threats of war, surging oil prices

and a pandemic that's now into its third year.

PRICE SHOCK

San Francisco Federal Reserve President Mary Daly told CBS on Sunday that it's paramount for the central bank to be measured and data-dependent as it starts lifting interest rates to ensure stability after US inflation hit its highest since 1982.

European Central Bank (ECB) President Christine Lagarde has warned that a rushed tightening would harm the euro-area's rebound from the pandemic. The Bank of England has lifted rates twice in recent months, but Governor Andrew Bailey has cautioned the outlook is clouded by uncertainty.

In Japan, where inflation remains largely dormant, the central bank undertook an unlimited bond purchase operation in recent days to anchor yields and push back against traders testing its super easy policy mix.

And China's central bank on Tuesday stepped up support for its slowing economy by pumping in cash via policy loans for a second straight month. Other emerging economies, including

Brazil and Russia have been aggressively raising rates.

Meanwhile, some market strategists are even touting "currency wars in reverse" as governments prefer stronger exchange rates to ward off imported inflation.

Taken together, it's clear the global policy outlook is far from uniform — a challenge for finance ministers and central bank chiefs tasked with pulling together a communique of shared goals at this week's meeting.

CURVE FLATTENS

For those markets where higher rates are forecast, pricing also shows that conditions could change as borrowing costs climb. Treasury yield curves have flattened toward pre-pandemic lows, signaling investors expect rate hikes will be aggressive enough to risk souring the medium-term growth outlook.

Investors last week even started pricing in better-than-even odds that the Fed will cut rates in 2024. Bloomberg's global bond index has dropped 3% since Dec. 31, the worst start to any year since the gauge's 1990 start.

History shows why policy makers are on edge to avoid policy errors.

In Feb. 2010, Group of Seven finance ministers and central bankers meeting in Canada agreed it was time to "look ahead to exit strategies and move to a more sustainable fiscal track," while recognizing the need to continue stimulus. The ECB raised rates the next year, citing inflation pressures, only to be swamped by the eurozone crisis.

On the other hand, delaying a response to rising prices could leave officials needing to stamp down even harder later, forcing economies into recessions.

And inflation isn't the only risk. Tensions over Russia's military buildup near Ukraine, with the US warning an invasion may be imminent, have sent oil prices to seven year highs. The coronavirus continues to compound supply chain snags that stoked inflation.

These pressure make the G-20 agenda this week very different to the years that followed the financial crisis and the pandemic, when fears of weak growth dominated discussions. — **Bloomberg**

Hong Kong sells premium land site for record-breaking price, HK\$62,355/square foot

HONG KONG sold a residential land site in the luxurious Repulse Bay area for a record-breaking price.

Success Energy, a unit of SEA Holdings Ltd., won the site for HK\$1.19 billion (\$152 million), the government announced Tuesday. The 21,173 square-foot (1,967

square-meter) site can produce a maximum of about 19,055 square feet of floor area.

The bidding price translates into HK\$62,355 per square foot for the plot, breaking the record for a residential site sold in government auctions. The previous

record was held by a consortium including Wharf Holdings Ltd., which purchased a plot on the Peak for HK\$50,011 per square foot in February last year.

The site, close to the popular Repulse Bay beach, was valued at HK\$1.3 billion or HK\$70,000 per

square foot of floor area by Centaline Surveyors Ltd. The developer can build just three to four houses on the plot given its small size, according to James Cheung, an executive director at Centaline.

SEA Holdings plans to develop two to four houses on the site for

long-term rental income, Sing Tao Daily reported, citing company management.

The record-breaking bid is set to boost market sentiment in the luxury residential sector, which relies heavily on wealthy mainland Chinese.

Border closures, emigration, capital outflows and possible rate hikes will challenge the luxury residential market in Hong Kong in the near future, according to Savills Plc. Luxury home sale volumes declined 39% in the fourth quarter. — **Bloomberg**

UNIQLO Philippines and SM Foundation partner anew to spread social good

During the pandemic, everyone realized the important role of community-based health centers in the national and local responses to the coronavirus pandemic. Health centers primarily contribute to response efforts by acting as community-level educator and mobilizer, as health surveillance system, and primary care provider to non-COVID ailments — which reduce the burden on hospitals.

To face this pandemic stronger and for better protection and care, the Filipino community needs better health facilities to easily access and rely on. Seeking to provide an improved, quality basic healthcare, UNIQLO and parent company Fast Retailing Co., Ltd. partnered anew with SM Foundation, Inc. (SMFI) to upgrade various health facilities in the grassroots communities across the country.

Under this social good collaboration, SMFI and UNIQLO targeted seven health centers to renovate. These health facilities now have improvements with their patients waiting lounge, reception area, outpatient department, male and female wards, pharmacy, emergency room, treatment area, birthing facility, mobile play cabinet for the children, and laboratory — all of which are stocked with basic medical equipment as well.

UNIQLO believes in turning the power of clothing into a force of good in every step of development. From design and production, made with people of diverse backgrounds, working with energy and enthusiasm. This philosophy enables UNIQLO to extend the same spirit to customers and all stakeholders by working with them to aspire to a better society where we all thrive.

"It has been UNIQLO's mission to develop ways to make the society better," said Nakamura Masayoshi, UNIQLO Philippines Chief Operating Officer. "UNIQLO is grateful and honored to play a role in improving the health infrastructure in the country. Through our partnership efforts with SM, we hope to uplift the lives of Filipinos and ensure that everyone has access to primary medical care."



Brgy. Bagay Health Center in Cagayan Valley



Brgy. District 2 Health Center in Cauayan, Isabela



Mobile play cabinet and lounge in Brgy. Ugac Sur Health Center in Tuguegarao



Newly improved laboratory in Montalban Infirmary Hospital



Newly improved pharmacy in Barangka City Health Center

Center and Brgy. Bagay Health Center in Tuguegarao and District 2 Health Center in Cauayan, Isabela.

They are also set to launch two more improved health centers in Brgy. San Roque Health Station in Camarines Sur and Brgy. Bolo Health Center in Legazpi City.

Connie Angeles, SMFI executive director for Health and Medical Programs, shared: "As a responsible corporate citizen, it is our duty to empower grassroots communities — it means giving them the opportunity to take hold of their own destiny, allowing them to move towards progress. And this includes empowering them to have healthy and productive lives."

She added that closing the health gap in grassroots communities is a vital concern, especially in building a genuinely free, fair, and equitable Philippines. "We want our communities to be able to access medical care services, whenever and wherever they need them. This is why we, alongside with our partners like

UNIQLO, focus on the improvement of government health facilities and hospitals, which will allow our countrymen have access to quality and sufficient medical care."

Aside from the help for communities, the new improvements in the stated health centers could further support the medical frontliners in their work.

"In order to protect the community from the threat of disease and illness — especially now that we are on a pandemic — our medical frontliners must be supported by a strong medical infrastructure which will, in turn, ensure the welfare of the patients and communities that they serve. We hope that through this project with UNIQLO, we are able to provide our medical frontliners with a fully equipped medical infrastructure that will empower them to spread social good through health and wellness," Ms. Angeles said.

SMFI, through its Health and Medical Programs, upgrades public health centers in its host communities,

complemented by its medical caravans across the country. So far, it has renovated more than 170 health and wellness centers and served more than 1.1 million patients during its medical missions.

UNIQLO Philippines and SMFI have been working together in spreading social good in grassroots communities since 2012.

"At SM Foundation, we believe that working alone as a single entity yields lesser benefits than when working together as a team. The formation of partnerships through our multi-sector approach has played a very significant role in our CSR programs. Such partnerships bring businesses, people, and organizations together in order to achieve our social good goals," Ms. Angeles expressed.

"There is much more that needs to be done. But with partners like UNIQLO, we at SM Foundation are confident that we will be able to attain our social good goals sooner rather than later," she said.