Firms must step up cybersecurity as online threats become more complex

DEVELOPERS of financial applications are expected to become more proactive in preventing fraud and improving their cybersecurity measures this year, automated security and fraud protection provider Appdome said.

"We've seen this already. We see this in our customers as well. As they start to plan their 2024 budgets, they ask us, what's next? They ask to see the indications for fraud," Appdome Chief Product Officer Chris Roeckl said in an interview with *BusinessWorld* late last month.

Rising cyber risks are unlikely to affect the use of digital payment platforms as consumers will continue to these because of their convenience, he said.

However, companies could face reputational risks if their users become victims of cyber fraud, Mr. Roeckl said.

"If customers even suspect that there's fraud or there's something bad happening, they'll stop using that brand and tell others to stop using it as well," he said.

Appdome's annual survey of consumers showed that demand for mobile brands to be responsible for preventing fraud is growing, he said. This is a departure from the previous view that consumers and operating systems should be proactive about protecting themselves from potential cyberattacks.

"We interviewed 75,000 consumers [globally]. The one thing that they said loud and clear in our most recent survey was that consumer brands need to stop fraud before it starts," Mr. Roeckl said.

Developers of financial mobile apps, including financial technology companies and banks, are looking at cybersecurity solutions and including it in their budgets, he added.

One fraud detection solution that could see increased usage this year is geocompliance, which matches a user's profile with their location to see if they are bad actors.

"It's another fraud signal that is important to brands. This is a new thing — being able to take these two pieces of data and put them together," Mr. Roeckl said.

Demand for new cybersecurity solutions has increased, he said, and was boosted by the coronavirus pandemic, as companies saw increased mobile app traffic that also came with more complex cyberattacks and fraud attempts, especially amid the rise of artificial intelligence (AI).

"More than 80% of interactions are now done digitally, through mobile apps," Mr. Roeckl said.

He noted that AI has resulted in the democratization of cybercriminals.

"You don't have to be a coder anymore to be a bad actor," he said.

App developers need to step up their cyber protection measures and consider tapping firms providing these kinds of solutions as cybersecurity engineers are hard to find, making it difficult for firms to stay updated about emerging threats, Mr. Roeckl added.

"The industry needs to step up and take responsibility to make sure the app experience is safe," he said. — **A.M.C. Sy**

Google agrees to pay $350 million to settle shareholders' data privacy lawsuit

GOOGLE agreed to pay $350 million to settle a lawsuit by shareholders related to a security bug at its now-defunct Google+ social media website.

A preliminary settlement was filed late on Monday in San Francisco federal court after more than a year of mediation and requires approval by US District Judge Trina Thompson.

It resolves claims that Google learned by March 2018 about a three-year software glitch that exposed Google+ users' personal data, yet concealed the problem for months while publicly stressing its commitment to data security.

Shareholders said Google feared disclosure would subject it to regulatory and public scrutiny similar to what Facebook received after London-based Cambridge Analytica harvested its users' data for the 2016 US elections.

According to the complaint, shares of Google's parent Alphabet fell several times as news about the bug surfaced, wiping out tens of billions of dollars of market value.

The lawsuit led by Rhode Island Treasurer James Diossa, on behalf of a state pension fund that owned Alphabet stock, covers Alphabet shareholders from April 23, 2018 to April 30, 2019.

Google denied wrongdoing in agreeing to settle and found no evidence that data were misused.

A spokesperson, Jose Castaneda, said: "We regularly identify and fix software issues, disclose information about them, and take these issues seriously. This matter concerns a product that no longer exists and we are pleased to have it resolved."

The Mountain View, California-based company reached a related $7.5-million settlement with Google+ users in 2020. — ***Reuters***

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Crypto optimism signals window for traditional traders

By Arlone Abello

OPINION

AS traditional stock markets face unprecedented challenges, the cryptocurrency market offers a window of opportunity for traders and investors.

The Philippines stock market, like many others, is feeling the ripple effects of the rise and fall of the US economy. Multiple indicators, from gross domestic product growth to the unemployment rate and even inflation, point to a robust US economic engine. However, economists remain cautious of a potential recession reminiscent of 2001 and 2007. We're not out of the woods yet.

In contrast to this turbulent scenario, the cryptocurrency sector presents a positive narrative. The approval of Bitcoin exchange-traded funds (ETFs) by the US Securities and Exchange Commission (SEC) marks a turning point for the cryptocurrency industry. Bitcoin recently hit a two-year high of over $49,000 as spot bitcoin ETFs began trading in the US on Jan. 11.

This scenario presents a compelling case for diversification. Cryptocurrency, particularly Bitcoin, offers an alternative to traditional stocks, potentially supplementing existing portfolios. The suggested strategy involves a balanced approach, allocating a significant portion to cryptocurrencies while maintaining investments in stocks, bonds, and liquid cash.

The regulatory landscape in the Philippines further enhances this opportunity. The government's relatively open approach to cryptocurrency, focused more on monitoring versus regulation by enforcement, provides a favorable environment for increased adoption.

However, the absence of clear regulations for cryptocurrency exchanges remains a bottleneck. The Philippines' SEC last year postponed the issuance of regulatory frameworks for digital assets following the collapse of cryptocurrency exchange FTX. Moreover, it recently advised the public against dealing with unregistered cryptocurrency exchanges, indicating a more cautious approach.

Given this evolving landscape, it's important for traders to navigate carefully and only trade through registered on-ramp and off-ramp applications and other platforms with Virtual Asset Service Provider licenses.

UNDERSTANDING TRADING DYNAMICS

The trading dynamics of the crypto world differ from those of the stock market. Cryptocurrency trading is decentralized, operates 24/7, and is less regulated, offering a broader range of assets, including digital commodities. In times of economic uncertainty, the correlation between stock markets and cryptocurrencies can increase, with investors seeking alternative assets. However, cryptocurrencies are also seen as a hedge against inflation and traditional market fluctuations.

For stock traders transitioning to the crypto market, a deep understanding of blockchain technology and the unique features of cryptocurrencies is crucial. Unlike traditional markets, where financial statements guide investment decisions, the crypto market requires analysis of different factors like technology, founders, market capitalization, and supply limits.

Stock traders should also familiarize themselves with the peripherals of crypto, such as blockchain technology, non-fungible tokens, decentralized autonomous organizations, decentralized exchanges, and cold and hot wallets.

Arlone Abello is founder and CEO of Global Miranda Miner Group, Elite University, and FEASTGold.

FULL STORY

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Boeing 737 MAX 9 door plug bolts appeared to be missing on Alaska jet, NTSB says

WASHINGTON — A door panel that flew off a Boeing 737 MAX 9 jet mid-flight on Jan. 5 appeared to be missing four key bolts, according to a preliminary report from US investigators that provided the first official look into how the frightening mishap took shape.

Lawmakers and the flying public have demanded answers to what caused the panel to flyoff a brand-new Alaska Airlines-operated jet, in what has turned into a full-blown safety and reputational crisis for Boeing.

"Whatever final conclusions are reached, Boeing is accountable for what happened. An event like this must not happen on an airplane that leaves our factory," Boeing chief executive officer Dave Calhoun said in a statement. "We simply must do better for our customers and their passengers."

The US Federal Aviation Administration (FAA) grounded 171 of the Boeing 737 MAX 9 planes after the incident, most operated by US carriers United Airlines and Alaska Airlines for inspections. Those planes were cleared to return to service in late January and nearly all are flying again.

The US National Transportation Safety Board (NTSB) report released on Tuesday focused on how the panel — fitted into this MAX 9 model in place of an optional exit — could have detached from the plane. The plug is held down by four bolts and then secured by "stop fittings" at 12 different locations along the side of the plug and the door frame.

Representative Rick Larsen, the top Democrat on the committee overseeing the FAA, said the "failure to re-install bolts on a safety-critical component of this 737 MAX 9 aircraft is a serious error that signals larger quality control lapses that must be corrected."

The plug was manufactured by Spirit AeroSystems, a former Boeing subsidiary. The part was produced at Spirit's facilities in Malaysia and delivered to its Wichita, Kansas, facility in May 2023. It arrived at Boeing's assembly plant in Renton, Washington on Aug. 31.

The report shows the panel had to be removed at Boeing's factory before being reinstalled. The initial findings released on Tuesday include photo evidence the bolts required to hold the plug in place appeared to be missing.

The report found the panel was first removed to repair rivet damage logged by Boeing workers on Sept. 1, a day after the panel arrived in Renton. Investigators are still trying to determine what documentation was used to authorize the opening and closing of the plug during the rivet repair.

The report raises questions about who initially installed the bolts and why the door's opening at Renton to correct the rivets was not properly documented, said US aviation safety expert John Cox.

Boeing said it had "implemented a control plan to ensure all 737-9 mid-exit door plugs are installed according to specifications."

The panel was found in a backyard in a suburb of Portland, Oregon, but the NTSB did not recover the bolts. The agency also did extensive tests and analysis to determine if they had been present before the crash or had come undone during the incident, it said.

A photo in the report shows three visible locations where bolts are missing, with the fourth location covered by insulation. — ***Reuters***

US int'l trade commission strikes down dumping duties on food can steel imports

WASHINGTON — The US International Trade Commission (USITC) on Tuesday voted to strike down anti-dumping duties on tin mill steel used in food cans from Canada, China, Germany and South Korea, finding that these imports do not injure domestic steelmakers.

The independent panel in a statement said it also voted to terminate the tin mill steel anti-dumping duty investigation for South Korea.

The vote overturns the Commerce Department's imposition of anti-dumping duties of 2.69% to 6.88% on tin mill steel — the shiny silver metal widely used in cans for such items as food, paint and aerosol products — from South Korea, Germany and Canada. For Chinese imports, it also revokes anti-dumping duties of 122.5% and anti-subsidy duties on tin mill imports.

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The decision deals a blow to the second-largest US steelmaker, Cleveland-Cliffs and the United Steelworkers union, which petitioned the Commerce Department last year for double- and triple-digit duties, alleging dumping below fair market value.

The petition had included tin mill steel from the Netherlands, Taiwan, Turkey, and the United Kingdom, but the Commerce Department's investigation did not impose duties on these suppliers.

Cleveland-Cliffs said in a statement that it "clearly demonstrated material injury to the domestic industry and Steelworkers from dumped and subsidized imports of tin mill products" but added that it would respect the commission's ruling.

The Can Manufacturers Institute lauded the USITC vote as substantiating its view that the Cleveland-Cliffs petition "is completely unfounded."

The trade group said that domestic steelmakers have not been able to supply the volumes required by can manufacturers, especially for high-grade tin mill steel used in two-piece cans, forcing them to rely on imports.

But several US facilities producing tin mill steel have ceased production in recent years, including the idling of US Steel Corp.'s Gary, Indiana tin mill operations last year that led to the layoff of 244 workers. US Steel cited reduced demand and "significantly increased tin mill imports."

Canadian Trade Minister Mary Ng said Canada was pleased with the ruling, adding that Canadian tin mill producers "are a critical part of our cross-border steel industry."

Tin mill imports from producers in China, South Korea, Taiwan and Turkey remain subject to the 25% US "Section 232" steel tariffs imposed by former president Donald Trump in 2018. North American, European and UK producers are subject to tariff-rate quota arrangements. — ***Reuters***

Australia's Woodside Energy, Santos scrap talks on $52-billion merger

AUSTRALIA'S Woodside Energy and Santos said on Wednesday they had ended talks to create a possible A$80-billion ($52-billion) global oil and gas giant, and Santos flagged it would look for other ways to bolster its value.

Woodside, which is more than twice as large as Santos in terms of market value and revenue, said it would only pursue a deal that would add value for its shareholders.

Santos shares fell nearly 9% after the announcement and were last down 6% while Woodside's stock was up 1%.

The talks fell apart as the two companies could not agree on a valuation level, according to two sources with direct knowledge of the matter who could not be named discussing confidential information.

A firm bid did not emerge from Woodside following the almost two months of due diligence and negotiations that the parties undertook, one of the sources said.

Santos said in a statement that after "an initial exchange of information, sufficient combination benefits were not identified to support a merger that would be in the best interests of Santos shareholders."

If the merger had taken place, it would have created a major global liquefied natural gas (LNG) producer that could attract more offshore investors as gas is seen as a key bridging fuel in the shift to cleaner energy.

"While the discussions with Santos did not result in a transaction, Woodside considers that the global LNG sector provides significant potential for value creation," Woodside chief executive officer Meg O'Neill said in a statement.

Woodside had faced pressure from some investors not to pay a premium for Santos in what would have been one of the largest corporate takeovers in Australian history.

For Woodside, this is the second time in just over eight years that it has ditched a deal that would have given it gas assets in Papua New Guinea, prized for their low production costs and proximity to big LNG buyers in north Asia.

Santos, which has long underperformed the wider energy sector, said on Wednesday it would continue a months-long review into ways to unlock value for shareholders.

Analysts and investors said Santos could try to sell all or part of its 51% share of the Pikka oil project in Alaska. — ***Reuters***