

Business

Yellen's impact on the Fed and US economy to stay

First US woman to lead Fed in its 100-year history

WASHINGTON: After she steps down in February, Janet Yellen will go into history books as the first woman to have led the Federal Reserve in its 100-year history. But Yellen, who has earned widespread praise for her stewardship of the Fed, will be remembered for much more than breaking a glass ceiling at the world's leading central bank.

Here are three areas where Yellen made her mark on the Fed and the US economy:

Crisis management

Before becoming the Fed chair in 2014, Yellen served six years as president of the Fed's San Francisco regional bank and then as vice chair during Ben Bernanke's second term as Fed chairman from 2010 to 2014. Yellen was among the first Fed officials to recognize the gravity of the risk posed by the subprime mortgage crisis and to grasp the severity of the Great Recession - the worst downturn since the Great Depression of the 1930s.



Champion of aggressive stimulative policy

Transcripts of the Fed's policy meetings during the fall of 2008, when Lehman Brothers' collapse ignited the scariest phase of the financial crisis and deepened the recession, show that Yellen was a leading advocate for aggressively slashing interest rates to help buttress the financial system and support the economy.

As the recession deepened and millions lost jobs, Yellen was also a vigorous supporter of Bernanke's drive to take emergency actions that the Fed had never

before attempted. With the Fed's benchmark rate already at a record low near zero, Bernanke, with Yellen's backing, turned to buying Treasury and mortgage bonds to further drive down long-term borrowing rates. The bond purchases swelled the Fed's balance sheet five-fold to \$4.5 trillion and raised alarms among critics. But the lower rates helped the job market heal and the economy recover.

Transition management

By the time Yellen took over as Fed chair in February 2014, the recession had ended and the economy had entered its fifth year of expansion. Yet the pace of growth remained anemic. And the job market had yet to recover all of the 9 million jobs that had vanished during the recession.

So Yellen proceeded to guide the Fed to maintain an aggressively stimulative policy, with record-low rates and bond purchases that were intended to hold down long-term loan rates. Some critics, inside and outside the central bank, warned that the Yellen Fed was setting the stage for runaway inflation or dangerous asset bubbles. But Yellen's approach carried the day. She argued that the frailty of the economy justified maintaining ultra-low borrowing rates.

The Fed kept its benchmark rate near zero until December 2015. Since then, it has raised its rate just four times, each time slightly. In December, economists expect the Fed to raise its benchmark rate again and in

October, it began paring its balance sheet with initial small monthly reductions.

Thus far, Yellen's gamble that the Fed could leave rates at low levels for years longer than some had thought has paid off. The unemployment rate, which peaked at 10 percent in 2009, is now just 4.1 percent - the lowest point since Bill Clinton was president in 2000.

Jerome Powell, the Fed board member whom President Donald Trump tapped to succeed Yellen, is expected to extend Yellen's policies of gradual modest increases in rates and slight reductions in the Fed's bond holdings.

History's judgment

Yellen's belief that rates could stay at record lows because inflation posed no immediate threat has so far proved a winning formula. Inflation, in fact, has stayed chronically too low - below even the Fed's 2 percent target. And the Fed is forecasting that annual inflation won't reach 2 percent before 2019.

Some of Yellen's critics, including conservative Republicans in Congress, remain unbowed. That assert that by refusing to move earlier to normalize Fed rates to shrink the Fed's bond holdings, Yellen might have elevated the risk of future high inflation or of dangerous bubbles that could form in stocks or other assets. These critics say they fear that a worsening inflation picture might then compel the Fed to raise rates so quickly as to tip the economy into a recession.

Yellen has to hope that future economic trends are kinder to her than they were to one of her predecessors, Alan Greenspan. When he stepped down as Fed chairman in early 2006 after nearly two decades, Greenspan was being hailed as the "maestro" for having skillfully managed the economy.

But by the next year, the first tremors from the sub-



WASHINGTON: In this file photo, US Federal Reserve Chair Janet Yellen speaks during the G30 International Banking Seminar in Washington. —AP

prime mortgage crisis were being felt. And by 2008, the economy was enduring a painful recession and its worst financial crisis in seven decades. Greenspan's reputation as an astute economic manager suffered a severe blow.

Yellen can, if she chooses, stick around to help shape Fed policies after her term as chair ends on Feb. 3. Her separate term on the seven-member Fed board runs until Jan. 31, 2024. Marriner Eccles, the legendary Fed chairman whose name adorns the central bank's headquarters building in Washington, is the only chairman to have remained on the board after serving as chairman.

Yellen could broaden her place in history if she became the second person to remain on the Fed's board after stepping down as its leader. So far, she has been mum about her plans once her term as Fed chair ends. —AP

NBK's KD 125,000 Al Jawhara winner announced for October

KUWAIT: Since 2012, National Bank of Kuwait has rewarded some of its most loyal customers with the Al Jawhara weekly, monthly and quarterly prizes reaching up to KD 250,000!

On Tuesday, 31 October 2017, NBK awarded another amazing KD 125,000 cash prize for the October Al Jawhara draw. Bader Abdullah Awadh Al Khudhair was announced the winner of Al-Jawhara monthly prize live on air during a draw that took place on live radio Marina FM's 'Dewaniya' show at 1:30pm. The drawing was held in the presence of Ministry of Commerce and Industry representatives as well as representatives from National Bank of Kuwait. So far this month, NBK has awarded four KD 5,000 prizes to the Al-Jawhara weekly winners: Faten Fahad Alanjeri, Muneera Salem Al-Qattan, Binah Mohammad Saad Alajmi and Ahmad Mahdi Al-Qattan.

The fabulous weekly, monthly and quarterly prizes are always awarded with a draw held in the presence of a ministry official and full names of the winners published. NBK believes in rewarding its most loyal customers through transparent prizes and promotions as part of its long term strategy to create lasting relationships with customers built on trust and confidence.

Al-Jawhara account holders are automatically entered into



draws for the KD 5,000 weekly, KD 125,000 monthly and KD 250,000 quarterly grand prizes. Every KD 50 deposited into your Al-Jawhara account gives you a chance to be the next lucky winner. Customers must have a minimum opening balance of KD 400 and a maximum of up to KD 500,000. If no withdrawal or transfers occur in the account during the required period, customers will get an additional 1 extra chance for each KD 50 held in the account.

"I never dreamed I would win such an amazing prize but I'm delighted to bank with NBK and will continue doing my business with them," said Bader Al-Khudhair.

The National Bank of Kuwait offers a variety of cash prizes and rewards as part of its long term focus on building lasting relationships with customers.

Over 42,000 new jobs posted on Bayt.com in the Q3 of 2017

DUBAI: As the third quarter of 2017 concluded, Bayt.com - the Middle East's #1 Job Site - revealed that more than 42,000 new jobs were announced on the job site between July and September of 2017. Job seekers across the Middle East and North Africa are making use of the opportunities available on Bayt.com every day with a fully online job search and application process.

The number of new jobs announced on Bayt.com during the third quarter of 2017 represents a 29.1 percent increase in online job postings in comparison to quarter one of 2017 and a 13.72 percent increase in comparison to quarter two of 2017. Overall, the number of jobs announced online has increased by 21.25 percent.

In addition, thousands of additional vacancies are filled every day through Bayt.com's flagship CV Search technology, through which employers directly contact and hire candidates without necessarily posting their vacancies.

"We are very thrilled to be working with more employers and business leaders to bring even more job opportunities to the Middle East region," said Suhail Masri, Vice President of Employer Solutions, Bayt.com. "Given that our mission and ultimate goal is to empower people to build their careers and lifestyles of choice, we continuously strive to bring more opportunities to our community of job seekers. With nearly 30,000,000 CVs registered on our job site, we exponentially increase our efforts and our strategies to make new career opportunities available and easily accessible. As we quickly approach the end of the year, we look forward to a continued growth in career building and a stronger and healthier job market. We will be reaching out to even more job seekers and employers to facilitate the connections and provide them with the tools and information they need." As Bayt.com continues to grow and diversify its portfolio of employers, the number of jobs available increases.

CBK kicks off fourth 'Double Welcome Avios' campaign for CBK-BA cardholders

KUWAIT: Commercial Bank of Kuwait announced the launch of its fourth "Double Welcome Avios" campaign for new CBK British Airways cardholders.

All customers who successfully apply for a CBK British Airways card between 1st of November and 31st of December 2017, will have the chance to double their welcome bonus Avios after spending a predefined amount on their card, and that during the first three months from card issuance date. Cardholders will receive a total of Avios that might reach a full flight from Kuwait to London and back (Tax and Fees excluded), provided the required spend thresholds are met.

As the only MasterCard British Airways-branded cards in the Middle East, the products combine a world-leading card concept with a global loyalty program, offering cardholders the opportunity to collect Avios (the reward currency of the British Airways Executive Club) and redeem them for flights and upgrades.

The cards are filled with benefits that MasterCard provides to customers such as Lounge access, global travel Insurance, Free nights in more than 1200 hotels of luxury Starwood Hotels around the world (SPG hotels). Customers will be able to collect Avios from regular purchases, booking flights, paying for dinner or fuel, or everyday shopping and exchange them with flights onboard British Airways or any of the 13 airline partners of oneworld. The new co-branded credit cards feature a number of value-added benefits, including access to MasterCard Priceless Cities, which offers VIP treatment and unique experiences in entertainment, dining, hotels and shopping in cities around the world. MasterCard World and Platinum cardholders also benefit from lounge access and concierge services, and all cards benefit from travel insurance.

Ladder Deposit

Sit back, relax & watch your money grow

Looking for an investment that gives you higher returns with greater flexibility? The Ladder Deposit offers you just that. Invest and watch your money grow the longer you hold your deposit. What's more, you also have the flexibility to withdraw your deposit every quarter without any fees.

Burgan Ladder Deposit, a smart choice to grow your money.

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