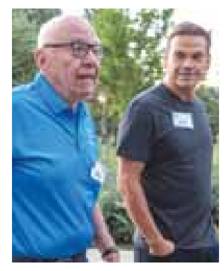
CHINA STEP | Page 13

Banks halting transactions for N Koreans



FOX FOCUS | Page 15

UK expands probe into bid for Sky

Wednesday, September 13, 2017
Dhul-Hijja 22, 1438 AH

GULF TIMES
BUSINESS

SHARING KNOWLEDGE: Page 16

Al-Attiyah Foundation holds CEO Roundtable on global climate action

Qatar did not assert *force majeure* in energy supplies despite blockade: Al-Sada

By Peter Alagos
Business Reporter

HE al-Sada speaks on the future of the global oil and gas markets at a forum held yesterday. **PICTURE:** Jayan Orma

Qatar has kept its reputation as a reliable global energy supplier by keeping its commitments with its international partners despite an "illegal" economic blockade imposed by four Arab nations, the country's energy minister has said.

Speaking at the 'Diplomatic Salon' organised by the Diplomatic Institute of Ministry of Foreign Affairs, HE the Minister of Energy and Industry Dr Mohamed bin Saleh al-Sada emphasised that Qatar continued supplying oil and gas to its clients worldwide.

"During this blockade, Qatar has never missed a single shipment of oil and gas to any of our 'consuming partners' – that shows how committed Qatar is not only to our economy and reliability but also to 'consuming countries' because this is a very strategic commodity, and we know how important oil and gas are to our partners.

"We did not resort to *force majeure* because we paid a lot of efforts not to miss any shipment and to continue that reputation of utmost reliability," al-Sada said during the forum, which carried the theme 'QNV 2030 & the Future of Global Gas & Oil Markets'.

Al-Sada said Qatar's success against the siege led by Saudi Arabia and its allies – the UAE, Bahrain, and Egypt – was mainly the result of the Qatar National Vision 2030.

"Guided and launched by His Highness the Emir Sheikh Tamim bin Hamad al-Thani, the Qatar National Vision 2030 has yielded a lot of positive results. Qatar is continuously implementing this vision, which has given Qatar a lot of advantages on different levels – social, economic, and environment, among others.

"The successful combating of the illegal siege and blockade by our neighbouring GCC countries was basically due to the proper preparation and implementation of this vision," al-Sada pointed out.

On the future of global oil and gas markets, al-Sada said the Middle East holds the largest reserves of oil and gas deposits, and "it would remain as a main supplier of oil and gas to the world."

"The GCC has 1/3 of the world's oil reserves and 1/5 of gas reserves, and the region will continue to energise the global economy and plays a vital role in the world's energy security," he said.

Citing figures from the International Energy Agency, al-Sada said fossil fuels still comprise 75% of the total energy consumed globally.

"Fossil fuels need to be efficient, competitive, and continue to meet the demand for global energy. There are other types of energy sources like renewables but they are starting from a low base. It will take decades before they take a tangible part of the energy basket," he said.

Speaking to reporters on the sidelines of the event, al-Sada said, "There was a need to develop a plan for oil markets beyond March" and that "now was the appropriate time to look at it."

"One of the possible options is to use this agreement and this structure and possibly move it forward," said al-Sada, who added that Opec members and other countries participating in the pact to cut oil supplies had been successful in implementing their commitments.

"I think Opec will certainly look at all scenarios but certainly Opec and the participating countries have been very successful in implementing their commitment. They developed an excellent set-up and this set-up is a very good foundation to be fully utilised beyond March this year," the energy minister said.

QFC set to implement legal services code of conduct

The Qatar Financial Centre (QFC) will soon implement services code of conduct for individuals and firms in the field legal jurisprudence.

"The final version of the code will be implemented soon and we are confident it will help provide a world-class legal regime in Qatar," QFC Authority chief legal officer Nasser al-Taweel said.

He disclosed the features of the proposed QFC Legal Services Code of Conduct at a round-table discussion with local and international law firms.

The proposed code focuses on ensuring that QFC-licensed law firms and the lawyers they employ operate in accordance with a common set of standards and principles that seek to maintain the highest standards of excellence in legal practice.

"At the QFC, we take pride in ensuring that we implement and maintain a level of consistency in the competence and conduct of QFC law firms and lawyers. We are happy to say we received feedback from a wide variety of stakeholders that was very positive," al-Taweel said.

The QFC's international award winning legal department provides a comprehensive set of in-house legal services and is at the centre of the strategic development, enhancement and advocacy of the QFC's legal environment.

The QFC's legal environment provides an internationally recognised platform for leading Qatari and international companies to expand in Qatar or overseas from the QFC. This in turn supports Qatar's economic development and diversification efforts and contributes to knowledge and expertise sharing in Qatar and beyond.

Al-Taweel: A world-class legal regime.

Opec sees higher oil demand, signs of tighter market

Reuters
London

Opec yesterday forecast higher demand for its oil in 2018 and pointed to signs of a tighter global market, indicating its production-cutting deal with non-member countries is helping to tackle a supply glut that has weighed on prices.

In a monthly report, the Organisation of the Petroleum Exporting Countries said the world would need 32.83mn bpd of Opec crude next year, up 410,000 bpd from its previous forecast.

Opec said inventories were falling and that an increase in the price of Brent crude for immediate delivery to a premium over that for later supplies, known as backwardation, raised hopes that a long-awaited market rebalancing was under way.

"This is due to the shooting up of demand for prompt-loading barrels and amid increasing sentiment that the oil market will rebalance over the next year with a major drawdown in crude and product stocks," Opec said in the report.

"This first stirring of backwardation since oil prices were above $100 a barrel is seen as a sign of tightening supplies and strong demand."

Oil last traded above $100 a barrel in 2014, the year in which prices began to slide due to excess supply.

Crude extended gains after the release of yesterday's report, although at about $54, it is still half the 2014 level.

In a deal aimed at clearing the glut, Opec is curbing output by about 1.2mn bpd, while Russia and other non-Opec producers are cutting half as much, until March 2018.

Opec said inventories in developed economies declined by 18.7mn barrels in July to 3.002bn barrels, 195mn barrels above the five-year average.

Ministers are discussing extending the pact by at least three months.

Opec raised its forecasts for global oil demand growth in 2017 and 2018, saying consumption would rise by 1.35mn bpd next year, 70,000 bpd more than previously thought.

The report also said Opec's output in August declined by 79,000 bpd from July to 32.76mn bpd, citing figures from secondary sources such as consultants and oil-industry media.

Saudi Arabia told Opec it cut output to 9.951mn bpd in August from 10.01mn bpd in July, falling further below its Opec's target of 10.058mn bpd.

The secondary-source figures mean Opec's compliance with its pledged output cut stands at 83%, according to a Reuters calculation, down from 86% initially reported for July but still high by Opec standards.

QCB: Lenders in Qatar see default by realty developers and contractors as major risk

By Pratap John
Chief Business Reporter

A survey carried out among local banks by the Qatar Central Bank has revealed that a significant number of Qatari lenders see default from real estate developers and contractors as "major risk among the credit risks" this year and in 2018.

The Risk Perception Survey (RPS) was undertaken by the QCB to know the local banking sector's perceptions about the "potential vulnerabilities that can affect the country's financial sector."

This, QCB said, will "provide leads to financial stability policy formulation."

Most banks expressed that, the "confidence in the financial stability of the banking sector either increased or remained the same," the QCB said.

Around 70% of the respondent banks said the "systemic risk" in the banking sector will decrease or remain the same in current year and the year ahead.

The perception of the respondent banks on credit and market risk also indicate a higher majority expect the risk levels will either decrease or remain at the same level during 2017 and in 2018, it said.

On liquidity risk, the QCB noted that the opinion is "equally distributed on positive and negative" perception.

Around 70% of the respondent banks said the "systemic risk" in the banking sector will decrease or remain the same in current year and the year ahead

The survey also sought the banks to rank the key global and macro-economic risks factors that have impacted Qatar financial system according to their opinion.

Majority of banks ranked 'low oil prices' among the top two higher risk events during last year, current year and the year to come.

In addition, between 40% and 60% of banks ranked "geopolitical risks" among top two risk events in the current year and next year.

Majority of the respondent banks has considered all other risk events as comparatively lower significance.

The survey also captured banks perception of the major risk events from the given set of events pertaining to credit, liquidity, market and operational risks, the QCB said. Among liquidity risk, withdrawal by wholesale depositors is considered as "top 1" risk by 40%-60% of the respondents.

Interest rate shock is considered as "top 1" market risk event by 20%-40% of respondents.

"A majority of the banks responded risk from cyber world will be the major operational risk in the current and the year ahead," the QCB pointed out.

In its 8th Financial Stability Review, the QCB said "strong capital buffer" provided Qatar's banking sector "sufficient cushion" against probable vulnerabilities in an environment of low oil prices.

Credit growth remained robust, while delinquencies lowered. Coverage improved with sufficient provisioning without any significant dent in profit.

The effect of liquidity strain due to lower domestic deposit growth is neutralised by continued interest by the foreign financial institutions and other foreign investors in the domestic financial sector.

Even though banking sector's external liability increased, the duration of these liabilities have improved.

Strengthened regularity framework coupled with strong macroeconomic performance abetted the banking sector to preempt the vulnerabilities, the QCB said.

EDUCATION/FAQ on Zakat

Who is responsible for the zakat of one unable to pay in person?
A guardian or trustee must pay zakat from the wealth of a qualifying individual who is unable to pay in person, such as a traveller, prisoner or incapacitated person.

May I pay zakat to students of Sacred Law?
Students of Sacred Law may be considered poor, and therefore eligible to receive zakat, if they fall below the nisab minimum and their pursuit of Sacred Law precludes their ability to earn a livelihood; though students of non-Islamic knowledge are only considered poor if they fall below the nisab minimum.

May I give all my zakat to a single person?
It is permissible to give all of one's zakat to a single person, but this becomes offensive, though no less valid, if the recipient exceeds the nisab minimum as a result of having received this amount.

Is it valid for a zakat distributor to keep received zakat for himself if he is eligible?
A zakat distributor may not keep any received zakat for himself or his immediate family.

May I pay zakat towards development projects and institutions?
Zakat may not be given to projects (e.g. building masjids, hospitals, schools, etc.) but rather must be given to eligible individuals, unless the project also operates as a collector and allocates the zakat funds directly to the poor.

Is it valid to pay zakat in instalments?
Zakat must be paid in its entirety as soon as it becomes due, but if it is paid in advance of one's zakat valuation date, it may be paid in parts.

Is zakat due on disbursed loans?
Zakat is due on loans that have been disbursed where there is a reasonable expectation of receiving repayment.

Is it permissible to authorise a third-party to distribute my zakat?
Just as it is permissible to give zakat to those authorised to collect and distribute zakat, so too it is permissible to appoint a third party to distribute one's zakat.

Is it permissible to give or take stolen property as zakat?
It is impermissible to give or take stolen property as zakat one is certain is stolen; if there is doubt then it is permissible to give or take the zakat, though it is always superior to avoid the doubtful.

When is zakat not paid on the deceased's estate?
Unpaid zakat is not taken from the estate of the deceased unless a bequest specifies that zakat should be paid posthumously, in which case zakat is paid on one-third of the estate, regardless of whether this amount covers the zakat obligation or not; it is permissible, though not obligatory, for the inheritors of the remaining two-thirds of the estate to fulfil the balance of the zakat obligation from their own portion.

What is the rate of zakat al-fitr payment?
Zakat al-fitr payment equals 2.03 litres of the locality's staple food (i.e. equal to or superior to the local staple's quality), though it is also permissible to give its monetary equivalent in cash or in another staple.

Is zakat due on bad debts and unrecoverable loans?
Zakat is not due on loans disbursed when there is no reasonable expectation of repayment; if the loan is ever repaid, the creditor is obligated to retroactively pay zakat for each of the zakatable years the loan is outstanding.

Is zakat due on wealth acquired through unlawful sources?
Zakat is due on both one's lawfully and unlawfully acquired wealth, though it is obligatory to eliminate the impermissible portion of one's wealth, regardless of how long ago it was acquired and whether one did so knowingly, unknowingly, mistakenly or was given to against one's will.

When do I measure my nisab for zakat al-fitr payment?
Unlike the nisab minimum for ordinary zakat, which must be possessed for an entire year, the nisab minimum for zakat al-fitr is measured at dawn on 'Eid day, the first of Shawwal (the day after the final day of Ramadan).

Is zakat due on revenue-generating livestock?
Zakat is not due on farm animals that constitute the means of production itself (e.g. there is no zakat on egg-laying chickens and dairy cows), but there is zakat on their product (e.g. egg and milk inventories).

Source: Ethica Institute of Islamic Finance via Bloomberg

Oman Islamic finance set for growth despite banking downgrade

By Arno Maierbrugger
Gulf Times Correspondent
Bangkok

When banking executives gathered at the First Salalah International Forum on Islamic Finance in Oman's southern beach resort town at the end of last month, everybody was upbeat about the growth potential of Shariah banking in the sultanate. Having a comparably low penetration of Islamic banking within the Gulf Cooperation Council (GCC), Oman enjoyed robust growth in the sector over the past years owing to government promotions and private banking initiatives for Shariah-compliant banking.

However, a revision on the stability outlook of Oman's entire banking system released by rating agency Moody's on September 5 is now somewhat dampening the euphoria.

So far, the prospects were rosy. According to the latest report released by the Central Bank of Oman in August, Shariah-compliant banks – including window operations of conventional banks – have a combined market share of just 11.6% worth $1.4bn of Oman's total banking assets, compared to regional leader Saudi Arabia which has a share of 51%, Kuwait with 39%, Qatar with 27%, Bahrain with 22% and the UAE with 20%.

"The Islamic finance industry in Oman has enjoyed robust growth since its launch several years ago, with total asset growth rate of the sector standing at an average 40% year-on-year since 2013," said Khalid al-Kayed, CEO of Bank Nizwa, a lender positioned together with Alizz Islamic Bank and Meethaq Islamic Bank, the Islamic banking window of Bank Muscat, at the core of Shariah banking in Oman.

According to the Central Bank of Oman, growth of Islamic banking assets was even around 62% in 2016 over the previous year.

"This highlights the potential for Oman to become a hub for Shariah-compliant banking solution," al-Kayed noted.

But Moody's is more cautious. The rating agency changed its outlook on Oman's banking sector to negative from stable last week, citing a reduction in the government's capacity to support the country's banks when cash runs short, as well as softer economic growth and tight liquidity conditions, as the reasons. The outlook expresses Moody's expectation of how bank creditworthiness will evolve in Oman over the next 12 to 18 months.

"The Islamic finance industry in Oman has enjoyed robust growth since its launch several years ago, with total asset growth rate of the sector standing at an average 40% year-on-year since 2013"

Gulf Times Exclusive

"We expect fiscal consolidation amid prolonged oil price weakness weighing on economic growth in Oman. This will also weigh on credit growth, which we forecast to fall to 5% in 2017, down from 10.1% in 2016 and 12% in 2015," said Mik Kabeya, Dubai-based analyst at Moody's Investors Service Middle East.

This, of course, will also hamper Islamic lending including sukuk and other debt facilities amid an Islamic banking industry that just has begun to raise its head.

The rating agency also pointed out that a high volume of debt is held by single borrowers and Oman's real estate sector – where Islamic finance is a preferred funding tool –, which is posing downside risks to asset quality. Moody's also expects that profitability of banks in Oman will decline over the outlook timespan, and that the share of problem debt will likely rise while funding and liquidity conditions will remain tight.

But on more positive terms, Moody's noted that the capital ratio of Omani banks is generally sound, which means that the capability to absorb losses remains solid. And the government is aware of the situation and would act accordingly.

"Although the government's capacity to support banks if needed will reduce, we note that willingness to provide support will remain very high," Kabeya said.

With regard to public finances, Oman posted a budget deficit of $5.2bn in the first five months of 2017, already two-thirds of the forecast deficit for 2017. The sultanate raised $7bn from international bonds this year, including a $5bn-conventional bond in March and a $2bn-sukuk in May, the country's inaugural foray international public sukuk market. The Omani government also signed an agreement for $3.5bn in loans from Chinese financial institutions in August, further compounding public debt exposure.

But those convinced that the Islamic banking industry in Oman has reached a sufficient momentum to keep pace – even though public debt remains a challenge – say that Shariah banks in the country could master the aftermath of the oil price slump and its negative effects on credit and money markets by sheer economies of scale. With a low overall banking penetration of around 15% – less than the average penetration level of 20% in the GCC – there is plenty of customer potential for Islamic banks and room to grow with new products segments and branches, as well as by providing financing for small and medium businesses and communities in widely unbanked interior regions where business use to be widely cash-based.

All of that should represent an ample field for Islamic financial institutions to grow further in Oman despite the weak fiscal position of the country as a whole.

Bahrain tightens Islamic finance rules with mandatory external audit

Reuters
Dubai

Bahrain is tightening its rules for Islamic banks by requiring all of them to undergo independent, external audits to certify they are following the Shariah law.

The move, announced by the central bank on Sunday, could make Bahrain among the strictest jurisdictions for Islamic banking and help Manama maintain a lead in the industry, which it helped to pioneer, against competition from centres such as Dubai and Kuala Lumpur.

Islamic banks in the Gulf have traditionally used in-house boards of scholars to determine whether their products and operations obey Shariah, which includes rules such as bans on interest payments and pure monetary speculation.

Some scholars argue this decentralised approach allows more flexibility and diversity, but it is not transparent and is vulnerable to conflicts of interest, since scholars are employed by the banks which they vet.

Bahrain is therefore insisting Islamic banks introduce external audits, starting with reports issued in 2020 on their business in 2019.

A consultation paper issued by the central bank last year proposed that external audits be annual, but Sunday's statement did not say how often they would occur.

The central bank said it would provide guidance later on who would be qualified to conduct external audits.

Banks would not be required to make audit results available to the public.

The decision may add momentum to global pressure for more centralised regulation of the industry. "It is expected to serve as an example for the region and the global Islamic banking market," the central bank said.

In May, the UAE approved the formation of a high Shariah authority for Islamic finance, which is expected to set rules for governance of banks.

Malaysia already has country-level Shariah boards in its central bank and capital markets regulator which oversee the industry.

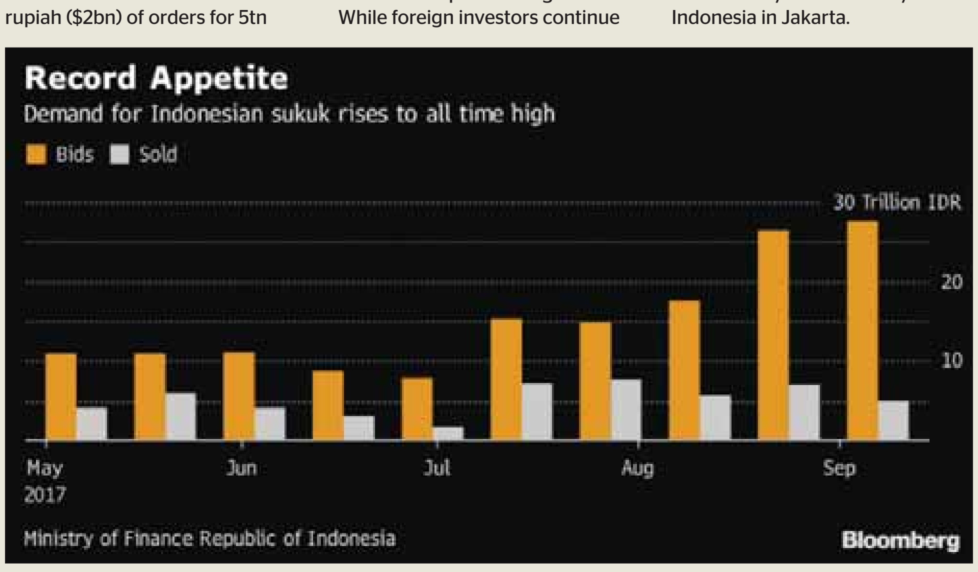
Bahrain's central bank said it would also issue new rules, effective from next June 30, on Shariah boards within banks, ensuring their independence and clarifying their roles and responsibilities.

Rulings of in-house Shariah boards on financial products and the reasoning behind them will have to be made available to the public, in a move that could press scholars across the industry to develop more uniformity of opinion.

The central bank said it would soon issue training and competency requirements for members of Shariah boards and for Shariah auditors.

Indonesian banks' bond appetite stokes record bids at auctions

Indonesian banks hungry for yields are to take credit for record bids at weekly sovereign debt auctions, Bloomberg reported. Investors submitted 27.59tn rupiah ($2bn) of orders for 5tn rupiah of Islamic bonds on offer at an auction yesterday. That's after demand at a sale of non-Islamic securities reached an all-time high of 58.62tn rupiah on August 8. While foreign investors continue to increase holdings of Indonesian debt, the demand is mostly being driven by banks seeking to park their idle funds, says Anup Kumar, a bond analyst at Bank Maybank Indonesia in Jakarta.



Algeria turning to Islamic finance to rescue economy

Reuters
Algiers

Algeria's new government will introduce Islamic finance and develop its stock market to draw more investment into the economy as it struggles to cope with a sharp fall in energy earnings, according to an official document.

The measures are part of wider reforms by Prime Minister Ahmed Ouyahia's government, which also said it plans to start fracking for shale hydrocarbons to boost oil and gas revenue, the main source of state income.

The North African Opec member's finances have been hit by a more than 50% drop in crude oil prices since mid-2014, prompting authorities to announce changes to the largely state-controlled economy.

"The situation remains extremely tense for the budget," the government said in its economic action plan, using unusually blunt language. "In the current situation, 2017 will end with real difficulties, while 2018 looks to be even more complex".

The crisis was likely to be sustained because "there is no prospect of a significant recovery in oil prices for the short and medium terms," it said. "At the domestic level, the state of public finances is worrying."

In a bid to ease financial pressure for the coming years, the government plans to "strengthen the supply of banking products, including leasing and products of Islamic finance". It is the first time the authorities have openly mentioned the introduction of Shariah-compliant Islamic finance.

This will coincide with plans "to ensure the development of the capital market as well as the stock exchange to offer alternatives to financing of investment and capital increases," according to the action plan.

Algeria has failed in the past to modernise its stock market, now smaller than those in neighbouring Morocco and Tunisia, and has a very low level of liquidity.

Its firms currently rely on state finances, which in turn depend on the hard-hit oil and gas sector.

The government had previously dropped fracking plans after environmental protests in the Sahara desert.

The new attempt "will be accompanied with a special effort of explanation…in the direction of public opinion," the government said.

It also plans to continue spending cuts, including to subsidies, which currently apply to almost everything from food and medicine to housing, education and energy.

Cutting subsidies will require "good preparation, which will be followed by consultation with economic and social partners and then with parliament," the government said.

It has slashed public spending by 14% this year, after a 9% reduction in 2016.

Currency-rigging scandal leaves $2.1bn up for grabs

Bloomberg
New York

Currency investors risk leaving money on the table if they don't submit claims on a $2.1bn pot of settlement money paid by banks, accused of rigging foreign-exchange rates.

That's the message from Battea FX Group, which is competing in the business of advising clients on how to get their share of the payouts. Its seven former FX traders and executives are helping firms recover funds from class actions claiming that some of the world's biggest banks conspired to manipulate the $5.1tn-a-day currency market. Fourteen banks have settled, including Bank of America Corp, Barclays, Citigroup, HSBC Holdings and Royal Bank of Scotland Group.

Here's how it works: Companies that traded currencies with the dealers from 2003 to 2015, including hedge funds, asset managers, pension funds, Corps and even other banks, hire Battea or one of its competitors. The advisory firm crunches data from deals in spot, forwards, options, swaps and futures markets, seeking to recover as much money as possible via a court-appointed claims administrator, and it gets a contingency fee based on the amount awarded.

"Locating data for a 12-year period makes it a tall order," said Peter Kilbinger Hansen, chairman of Battea Class Action Services, which owns Battea FX Group and specialises in recovering funds from securities class actions. "It's an undertaking – we are very much out in the front lines working with clients around the world to get their data organised," Hansen said in an interview in his office in Stamford, Connecticut.

The official claims process is expected to open in October, with a deadline for submissions likely to be set for March or April. Battea isn't the only firm looking at FX – Financial Recovery Technologies in Medford, Massachusetts, and CAC Recovery in Naperville, Illinois, are also advertising claims-filing services for the same settlement pool.

In currencies, the task is complicated because claimants have to identify a complex web of potentially millions of transactions, spanning multiple platforms around the world. Firms can process claims without any outside help. But Battea says it aims to submit "bulletproof" applications using its knowhow in FX markets, data analysis and legal procedures, according to Hansen. James Donahue, a vice president at Battea FX Group, formerly worked in currencies at Bank of America Merrill Lynch, one of the banks that settled.

It's "a Herculean effort," to analyse trading data, match it to the relevant banks and then plug that information into the claim form, said Michael Lange, securities litigation counsel at Financial Recovery Technologies, which also has staff with backgrounds in FX.

The currency scandal roiled the world's biggest financial market and sparked a multi-year effort by central bankers and industry participants to stamp out misconduct, including the creation of the FX Global Code of conduct.

For investors seeking a share of the settlement funds being held by an administrator, the decision to submit claims isn't as straightforward as it might seem.

In a market where money managers do most of their currency transactions with a handful of banks, there's still a reticence to pursue settlement funds for fear of damaging relationships. Battea, which has more than 600 clients in financial markets, points out to prospective customers that the claims process is confidential and won't embarrass their counterparties.

FRT says it doesn't see any stigma associated with filing claims.

"The markets, for the most part, are impersonal – relationships are often business-oriented and practical rather than personal," Lange said. "And there have certainly been so many waves of scandals that, sadly, we're almost immune to it."

The Battea FX team, assembled over a year ago, has travelled to New York, Boston, London and Dublin to drum up business. They're headed back to Europe, and to Asia and Australia in the next two months.

"We've turned around some clients who said no because of politics," said Guy Kershberg, a vice president at Battea, whose more than 30 years in FX included stints as a trader and treasury manager. "We've converted some no's into yes'es."

Currency investors risk leaving money on the table if they don't submit claims on a $2.1bn pot of settlement money paid by banks, accused of rigging foreign-exchange rates

Norway wealth fund hits record $1tn ahead of revamp

Reuters
Oslo

Norway's sovereign wealth fund, the world's largest, totalled $1tn for the first time yesterday as booming global stock markets and a rising euro lifted the value of its assets.

Oslo has grown increasingly dependent on the fund for public spending and its record value comes a day after Erna Solberg won an historic second term as Norway's prime minister.

Solberg's new government will now oversee a planned overhaul of the fund, in particular of its governance and strategy, which is expected in the coming months.

"There is an ongoing process towards a modernisation of the mandate of Norges Bank.

This process was initiated by the Solberg I government and the (election) outcome should help hasten this process," Danske Bank said in a note to clients.

Established in 1998 to save oil and gas revenues for future generations, the fund is now worth about 2.5 times Norway's annual gross domestic product, against original projections it would peak at 1.3 times GDP in the 2020s.

A live update on the fund's website showed its value at 7.851tn Norwegian crowns, corresponding to $1tn according to Thomson Reuters Eikon currency data, or $190,000 for every man, woman and child in Norway.

But despite the growth in the fund's size, its use for public spending has rung alarm bells, with the central bank governor warning in February that it could make Norway too reliant on an uncertain source of income.

"Regardless of which government we get, the challenge will be to use less oil money," Erik Bruce, chief analyst at Nordea Markets, said.

Under a recently revised rule, governments can spend 3% of the fund's value per year, down from 4%, corresponding to 235bn crowns of the current size.

The 2017 budget has earmarked 221bn crowns for spending.

Two issues are up for review, the first being whether the fund's management be completely separated from the central bank.

The second is whether the fund should be allowed to invest in new asset classes, including unlisted shares and unlisted infrastructure projects, to boost its rate of return, something that is supported by the fund's existing managers.

"The bank's explicit position is that we will get a higher return and a lower risk by investing in infrastructure," CEO Yngve Slyngstad told Reuters in June.

Investing in airports, roads, bridges or wind farms — has been a hot topic in recent months, but the finance minister, Siv Jensen of the populist Progress Party, has twice declined to bring the proposal to parliament, citing political risk.

That is unlikely to change with the new government.

Austria set to offer Europe's first benchmark-sized century bonds

Bloomberg
Brussels

Austria is poised to become the first euro member to issue a benchmark-sized century bond, allowing it to lock in some of the lowest-ever funding costs for the next 100 years.

The country is selling the debt maturing in 2117 at 50 basis points over its existing 30-year benchmark bond, inside an initial target of about 60.

This implies a yield of around 2.03% on the notes, according to exchange quotes in London.

Near-zero interest rates in Europe and the US have forced many investors running funds that need to cover pension or insurance liabilities into riskier, or longer-maturity debt in search of better yields. That's made it easier and cheaper for lower-rated borrowers, such as emerging market governments to raise money and for high quality issuers to sell debt with longer maturities.

"From an issuer perspective it's fantastic as it enables them to lock in ultra-low yields for a very long time," said Uwe Maderer, portfolio manager at Deka Investment GmbH in Frankfurt. "This is really affecting global investing in bonds, not only in the eurozone," he said. The sale is Austria's longest-dated since raising €2bn of 70-year securities at a spread of 53 basis points above benchmark government notes in October 2016.

Those bonds are currently quoted at about 32 basis points above the benchmark rate, according to data compiled by Bloomberg, but have been subject to big price swings as long-duration bonds typically experience greater volatility.

Investor orders for the 100-year securities topped €11bn ($13.15bn) during the book-building process, according to an email from Austrian treasury spokesman Christian Schreckeis. Austria is also marketing a sale of euro benchmark five-year notes that have received more than 11.5bn euros of bids, Schreckeis said.

Argentina sold $2.75bn in century bonds in June, just 14 months after returning to international capital markets for the first time since a 2001 economic collapse resulting in a $95bn default and years of litigation with Wall Street hedge funds.

Euro members Ireland and Belgium have also sold century bonds but those were below benchmark size, according to data compiled by Bloomberg.

There's more to global rally than fading Irma or N Korea fears

Bloomberg
London

The risk rally's back on and most of the credit's going to easing of concern around Hurricane Irma and North Korea. There's likely more to it than that.

Consider the latest price data from China. They indicated a surge in inflation that suggests global growth is on the march and should prolong the rebound in commodities. At the same time, loose financial conditions – from persistently low interest rates to record equity prices and a weak dollar – have created a feedback loop that's intensified the hunt for yield.

European equities marched toward their longest winning streak in five months Tuesday after both the S&P 500 Index and MSCI's World Index posted record highs a day earlier.

"We have solid global growth and some of the easiest financial conditions in history," Andrew Sheets, Morgan Stanley's chief cross-asset strategist, wrote in a client note. "Hooray."

China's producer prices surged 6.3% in August from a year earlier, ahead of expectations by a margin comfortable enough to drive speculation that the world's second-largest economy may spark momentum across developed and emerging markets alike.

"The China reflation 2.0 story remains alive and may become a more dominant factor as the storms pass and North Korean tensions (hopefully) ease," notes Ben Emons, chief economist at Intellectus Partners.

It's already sent emerging-market currencies and commodity prices rallying over the past month, and commodity demand from China will likely spur producer-price gains in developed markets, Emons said.

An uptick in China's producer prices often spurs better- than-expected economic data in Europe and the US, potentially adding fresh impetus to the global rally.

"China reflationary impact has been one of the keys ensuring globally co-ordinated recovery through 2016/17," Macquarie Group's Viktor Shvets and Chetan Seth note.

The surge in commodities - copper and oil are up roughly 20% since their second-quarter lows, and iron ore has surged even more - also confirms that the outlook for global stocks has solid foundations, according to JPMorgan Chase & Co strategists. "The renewed strength in commodities is reinforcing the case for healthy third-quarter results," strategists led by Mislav Matejka wrote in a note.

The bulk of bullish earning projections for the second-half of the year come from the energy and materials sector, they said. If commodity prices hold at current levels, sales growth of companies in the US and Europe could rise to about 5% year-on-year in the current quarter.

"We should also see some mean-reversion into value and resource stocks as global bond yields increase and geopolitical risk subsides," adds Dennis Debusschere, head of portfolio strategy at Evercore ISI.

The signs of accelerating global growth come as liquidity conditions have loosened thanks to the dollar's retreat, lower Treasury yields and the relative resilience of credit and equity markets.

Investors in the $14.1tn Treasuries market aren't getting compensation for time risk, forcing money managers to pour more cash into risky assets.

The extra compensation to own 10-year US Treasuries instead of shorter-maturity obligations, for example, a spread known as the term premium, has fallen to October lows.

China latest bond default is a cautionary tale for investors

Bloomberg
Hong Kong

Foreigners have been slow to warm to China's domestic bond market, the world's third-largest by value. A look at the latest corporate default may explain why.

Wuyang Construction Group Co, a builder in the eastern province of Zhejiang, defaulted on two put-able notes totalling 1.36bn yuan ($209mn) last month. Bondholders are now up in arms, claiming in an August 23 filing posted on the Shanghai Stock Exchange's website that the company didn't disclose a raft of transgressions in sale documents for the bonds, which were sold in 2015.

Three phone calls to Wuyang Constructions' headquarters in Hangzhou went unanswered, and the company didn't respond to a fax from Bloomberg News.

The incident is a good example of the teething problems China is seeing as it works to develop its $9tn bond market – made more accessible to offshore investors via a connect with Hong Kong in July.

Lulled by years of implicit government support for troubled companies, locals are now having to get acquainted with defaults, which have risen six-fold since the end of 2015 as Beijing shuts down unproductive industries. It's also placing scrutiny on underwriters, with companies like Wuyang Construction accused by investors of holding back information and providing inconsistent financial figures.

"Credit events in the onshore Chinese bond markets are a burning reminder for the need of thorough credit research," said Luc Froehlich, head of investment directing for Asian fixed income at Fidelity International Ltd, which has set up its own research team on the ground in China.

For Wuyang Construction, the red flags were there even before last month's default. In May 2016, the company acknowledged misusing the proceeds of the bond sale and disclosing incomplete information, violations levelled by the exchange a month earlier.

The firm also delayed the release of its 2016 financial results this April.

The recriminations have mounted since the missed payments. In their filing, bond holders said Wuyang Construction didn't disclose in the 2015 bond prospectus that it had previously defaulted on loans, or that it had been placed on a list of dishonest companies by Chinese courts for missing payments. Financial data was also inconsistent, the investors say.

Beijing's bailout track record has made Chinese bond investors complacent, according to Yu Lu, a senior analyst at China Chengxin International Credit Rating Co in Beijing.

"Investors in China still focus too much on yields rather than risk," Yu said. "The implicit guarantee in this country has led to poor risk control – they should enhance due diligence and strengthen their analysis of risk."

This attitude can be seen in the case of Shandong Ruyi Technology Group Co. The textile company's five-year dollar bonds tumbled a month after they were issued when discrepancies over its link to a state-owned enterprise emerged. While questions remain, improved earnings have since helped the notes recoup almost all of those losses.

But with Wuyang Construction, the issue is the bond prospectus, which didn't disclose the previous loan defaults – "critical information" for a debt investor, says Ivan Chung, head of Greater China credit research at Moody's Investors Service in Hong Kong.

Tebon Securities Co was the underwriter on Wuyang Construction's bonds. In response to queries raised by bondholders, the Shanghai-based firm said in a September 4 statement that it had carefully checked Wuyang's bond documents and there was no false information, misleading statements or major missing items.

When contacted on Friday, Tebon referred Bloomberg News to this filing, saying it will continue to protect the legitimate interests of investors and will follow up on repayment of the bonds. The company has underwritten 4.4bn yuan of Chinese domestic bonds this year, ranking it 70th among debt arrangers, data compiled by Bloomberg show.

"Investors typically rely on bond documents to make investment decisions," Chung said. "Those documents are prepared by underwriters and lawyers and they are supposed to ensure consistencies between Wuyang's audited financials and numbers on the bond document."

That's not good news for foreigners, who would largely be dependent on the paperwork, unless – like Fidelity – they have people on the ground. China has been steadily opening up avenues for international investors to access its debt, but foreign holdings, while at a record, are still just 1.5% of the market.

The average yield on Chinese onshore corporate bonds was 4.96% on Friday, almost 50 basis points above that of wider emerging-market company and government notes, according to Bank of America Merrill Lynch indexes.

Wuyang Construction's bondholders are now trying to push the company into bankruptcy, the first time bond investors in China have initiated such action. The securities watchdog has met with management several times asking them to release 2016 results, but it hasn't complied, Tebon said in a filing August 7.

"Lack of disclosure has been rife among private sector companies in China," said Christopher Lee, managing director of corporate ratings at S&P Global Ratings in Hong Kong. "Investors should do more due diligence when investing in private sector companies and regulators and underwriters should also carry out their responsibilities."

Stock picker paradise at risk in Hong Kong as reform weighed

Bloomberg
Hong Kong

If you're a fund manager, you probably wish there was a place you could go where the passive investing craze never caught on, and clients still shelled out handsomely for stock picking. That place is Hong Kong.

Hong Kong, where passive investments are little more than sidekicks, amassing the equivalent of 5% of active funds. Hong Kong, where customers are loyal to active managers even though they do no better here than anywhere else, with about three-quarters of such funds losing to benchmarks.

How this happened is a lesson in the power local banks can still wield in cultivating investor appetites. While the immaturity of the exchange-traded fund market has stunted its growth in Hong Kong, just as big a barrier has been a system of incentives where banks are paid by fund companies to push active managers.

"Bank staff aren't selling funds based on how good a fund is, but because of commissions," said Ricky Tam, chairman of the Hong Kong Institute of Investors. "Investment in mutual funds is very much influenced by sales tactics such as promotion and advertising, but ETFs don't do that because their selling point is their low cost."

The result is an anomaly among major investing centres. While the US, Japan and Europe have seen waves of money flowing into ETFs over the past year, in Hong Kong it's the other way around. Almost $900bn sits in active strategies, Morningstar data show, but only about $41bn has made it to ETFs – and that's down 8.2% this year, according to data compiled by Bloomberg.

Slowly, steps are being taken that may change things. Regulators are looking at enhancing commission disclosure, while pensions are adding lower-cost passive options. Vanguard Group, the world's second-biggest money manager and a champion of passive funds, has upped its presence in Hong Kong and is offering five ETFs in the city.

While it's a long way from the transparency being promoted by new European rules governing stock research, Hong Kong's Securities and Futures Commission has proposed regulating incentives of independent advisers and enhancing the disclosure of benefits received by fund distributors, including trailer fees. Both Vanguard and the Hong Kong Investment Funds Association support the proposals.

The SFC declined to comment as consultations are ongoing. The regulator has, in a paper, cited data showing local investors don't have the appetite to pay fees for advice.

"At the end of the day, investors want to achieve the best chance for investment success, which is the net return they are receiving in their pocket," said Yan Pu, head of portfolio review at Vanguard in Hong Kong. "As far as they have the full transparency of what they're paying for, they will be able to make a rational decision."

The US has seen a seismic shift from active to passive investment since the global financial crisis. ETFs and index funds equalled 47% of active funds in terms of total net assets at the end of 2016, up from 27% in 2011, Investment Company Institute data show.

Active managers swear they have an edge in Asia.

Inefficiencies in emerging Asian markets allow more room for alpha, said Eric Moffett, a fund manager at T Rowe Price Group in Hong Kong. Morningstar's fund ratings show active funds in emerging markets have a bigger advantage over ETFs than their peers in developed markets, said Jackie Choy, director of ETF research at the fund consultancy in Hong Kong.

Still, among the 561 active funds in Hong Kong whose benchmark is available in Bloomberg-compiled data, 23% outperformed their gauges over the past three years by more than 1.5 percentage points – a typical expense ratio for local funds. Among the 177 active stock funds that invest in Asia Pacific, 28% pulled that off.

To Vanguard's Pu, the ETF market has been hindered by the distribution model and low liquidity. Among local ETFs, 91% have an average 30-day volume of less than 1mn shares, compared with just 8% of Hang Seng Composite Index constituents. Pu said one solution is letting Chinese investors buy Hong Kong ETFs as part of an existing link between the city's and mainland markets – something the Hong Kong exchange is studying.

In a boost to index funds, Hong Kong's government launched its Default Investment Strategy pension program this year to offer diversified and low-cost investments. Both BlackRock and Vanguard have debuted funds under this category.

"The shift toward passive investment will happen, but we just need a catalyst," said Au King Lun, chief executive officer of Value Partners Group, a 24-year-old local asset manager overseeing about $16bn. "What SFC is doing now – making commissions more transparent – could be one, but it may take a while before people change their behaviour."

People walk by the Bombay Stock Exchange building in Mumbai. The Sensex closed up 276 points to 32,159 yesterday.

Sensex gains 276 points; rupee weakens further

Agencies
Mumbai

Indian market brimmed with confidence yesterday as the Sensex breached the 32,000 mark again by climbing 276 points to bring up a nearly one-month closing high, with the focus clearly on key macroeconomic data.

The broader NSE Nifty scaled a high of 10,097.55 before closing up 87 points, or 0.87%, at 10,093.05, the highest closing since August 1 when it settled at 10,114.65 points.

July index of industrial production (IIP) data and retail inflation for August are slated for release later.

With this, both benchmarks extended the gains for the fourth day in a row. Risk aversion was clearly relegated to the background after a rally in global markets as the US stocks hit a fresh record high on Monday on fading worries about North Korea and impact of Hurricane Irma on the US.

The BSE Sensex stayed above the base line throughout the session before settling higher by 276.50 points, or 0.87%, at 32,158.66 on continuous inflow of funds by domestic institutional investors (DIIs). This is the highest closing since August 7 when the figure stood at 32,273.67. The index had rallied 220.19 points in the previous three sessions.

Covering up short positions at some counters by speculators fearing buying activity to pick up in coming session supported the upside, traders said. DIIs took shares worth a net Rs 877.37 crore while foreign portfolio investors (FPIs) sold equities of Rs 392.52 crore on Monday, showed provisional data.

Tata Steel broke free topping the gainers' chart rallying 3.30% to hit an over six-year high of Rs683.15 after the company concluded a new agreement under which its UK business stands separated from the 15bn pound British Steel Pension Scheme (BSPS). Sun Pharma, Tata Motors, Hindustan Unilever and M&M landed on the winning side.

Coming to sectors, realty was in a sweet spot, up 2.11%, followed by healthcare index, oil and gas and FMCG. Broader markets turned green, with mid- and small-cap indices rising up to 1.08%. Most Asian markets remained firm. European indices advanced in early trade on positive leads from Asia and a record close on Wall Street.

Meanwhile the rupee yesterday weakened marginally against the US dollar ahead of the key consumer price inflation (CPI) and index of industrial production (IIP) data.

The home currency closed at 64.04 a dollar, down 0.17% from its Monday's close of 63.93. The rupee opened at 63.98 a dollar and touched a high and a low of 63.94 and 64.05, respectively.

The government will issue IIP and CPI data for the month of July and August, respectively. According to Bloomberg analysts' estimates, IIP will be at 1.7% in July versus -0.1% last month, while CPI will be 3.27% in August compared to 2.36% a month ago.

The government will also issue wholesale price inflation (WPI) today for the month of August.

According to Bloomberg analysts, WPI will be at 3.2% in August compared to 1.88% in July.

The 10-year bond yield closed at 6.555% compared to its previous close of 6.562%. Bond yields and prices move in opposite directions.

So far this year, the rupee has gained 6.25%, while foreign institutional investors bought $6.61bn and $20.30bn in equity and debt, respectively.

Asian currencies were trading lower. Indonesian rupiah was down 0.43%, China renminbi 0.24%, Malaysian ringgit 0.17%, China offshore 0.15% and Philippines peso fell 0.07%.

However, South Korean won was up 0.11%, Singapore dollar 0.07% and Japanese yen rose 0.06%.

The dollar index, which measures the US currency's strength against major currencies, was trading at 91.886, up 0.01% from its previous close of 91.875.

Bullish Wall Street lifts Asia bourses

AFP
Hong Kong

Tokyo led gains across Asian markets yesterday, tracking a record on Wall Street as the North Korea crisis eased and dealers breathed a sigh of relief that Hurricane Irma caused less damage to Florida than feared.

The UN Security Council voted unanimously Monday to step up sanctions against North Korea, having won the crucial support of Russia and China, while the US held out hope for a peaceful resolution to the crisis.

The move provided a much-needed boost after Pyongyang's September 3 nuclear test hammered markets last week and sent investors fleeing for the safe havens of gold and the yen.

Despite widespread speculation, the North did not mark its foundation day Saturday with another missile launch.

This helped lift all three main New York indexes more than 1% on Monday, with the S&P 500 at a new record.

"What road seems to be travelled now is one of negotiation rather than provocation.

There has been a reversal of the tactics over the last week and I think that's what the markets are seeing," Jefferies chief global strategist Sean Darby told Bloomberg Television. Most of Asia followed New York's example, with a sharply weaker yen a plus for Japan's exporters.

The dollar was at ¥109.56 compared with the 10-month lows around ¥107.30 last week.

The Nikkei ended up 1.2% — a one month high — while Shanghai added 0.1% and Sydney gained 0.6%. Seoul ticked up 0.3% while Taipei and Singapore were also higher.

Manila was closed owing to flooding from a major storm. Hong Kong added 0.1% following strong gains over the previous two sessions.

Analysts said that while Irma was still deadly, the fact that it struck the west coast of Florida instead of cutting through the spine of the state meant billions of dollars less damage.

That provided extra support to the dollar, which also made some inroads against the euro as speculation swirled that some members of the European Central Bank favour a slow wind-down of its stimulus programme.

The single currency was back below $1.20, having broken the marker last week for the first time since the start of January 2015.

China's yuan eased against the dollar for the third straight session yesterday after official guidance weakened for the first time in 12 days, raising questions over whether the renminbi would continue its firming trend.

The Chinese currency, which has strengthened as much as 2,940 pips since early August, gave up some gains and retreated to trade weaker than 6.5 per dollar in the wake of a relaxation of controls on capital outflows.

Market participants said the yuan might have already reached its peak and was likely to hover weaker than the psychologically important 6.5 per dollar level in the near term.

Prior to market opening yesterday, the People's Bank of China (PBoC) lowered its official yuan midpoint to 6.5277 per dollar, snapping 11 days of stronger fixings. Eyes will now turn to the release of US inflation figures later in the week, which could provide some clues as to the Federal Reserve's plans for raising interest rates again this year.

A weak run of data in recent months has led dealers to lower their expectations for any more tightening.

Greg McKenna, chief market strategist at AxiTrader, said there were hopes on trading floors that President Donald Trump's decision to work with Democrats to lift the debt ceiling this month could provide hope for his economic agenda.

"The new paradigm in Washington which might be emerging between President Trump and the Democrats might have rekindled hopes that the Trump agenda for the economy isn't dead," he added.

In Tokyo, the Nikkei 225 closed up 1.2% at 19,776.62 points; Hong Kong — Hang Seng rose 0.1% at 27,972.24 points and Shanghai — Composite ended up 0.1% at 3,379.49 points yesterday.

EM currencies end lower, but stocks hit fresh 3-year peaks

Reuters
London

A slightly firmer dollar kept emerging markets in check yesterday, with China's yuan retreating for the third day in a row, though emerging stocks managed to scale fresh three-year peaks.

With Hurricane Irma now downgraded to a tropical storm and no further warlike rhetoric or action from nuclear-armed North Korea, the dollar firmed slightly, even though markets see slim chances of another US interest rate rise this year.

That is keeping alive appetite for emerging assets, pushing MSCI's equity index 0.3% higher and emerging dollar bonds' premium over US Treasuries to the lowest in nearly three years.

Currencies on the other hand were mostly weaker versus the dollar, led by the yuan which slipped below the psychologically key 6.5-per-dollar mark in the wake of a relaxation of controls on capital outflows.

Official guidance on the currency weakened for the first time in 12 days, raising questions over whether the renminbi would continue the trend that has seen it firm more than 6% this year and almost 3% since early-August.

As a result of the gyrations, implied volatility on the yuan — a measure of expected swings in the currency — has surged to the highest since February.

JPMorgan analysts noted Beijing's recent moves such as scrapping a 20% reserve requirement for financial institutions settling forward yuan positions.

"Taken together, these developments suggest concern around the pace of yuan appreciation and an attempt to bring more balance to the dollar/yuan market.

As such, our suite of valuation models suggest the currency is not cheap at all," they wrote.

They also noted that a fall in hedging costs as a result of the new rules could "attract some investors to hedge via buying onshore dollar/yuan forwards".

Most other emerging currencies also weakened, with the Turkish lira the biggest loser, shedding 0.7%.

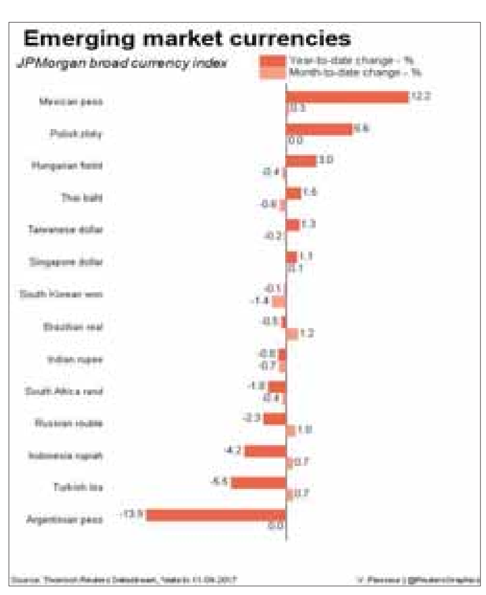
The lira touched nine-month highs on Monday after data showing robust economic growth, but was hurt by a government official demanding intervention to temper its strength.

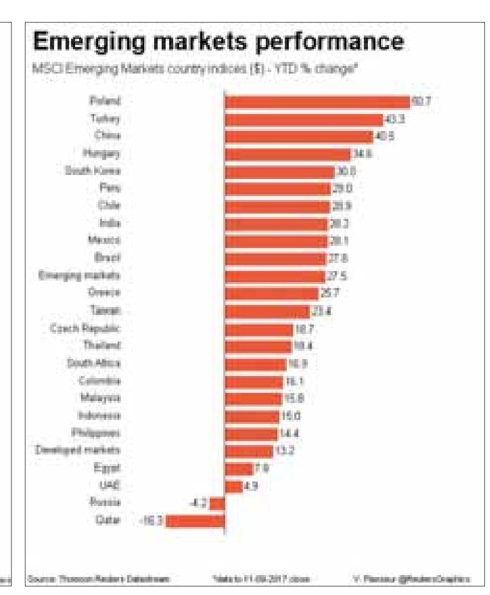
Politics may also be a headwind, with Germany suspending arms exports to Turkey due to deteriorating human rights.

The rouble also eased 0.3% ahead of Friday's central bank meeting that is likely to yield a 25-50 basis-point rate cut.

The rand bucked the weaker trend, rallying 0.3%.

South Africa is benefiting from firm gold prices, strong Chinese growth and falling inflation while some analysts said the rand was also being lifted by the effect of Vodafone selling its stake in local subsidiary Vodacom.





QATAR

Company Name	Lt Price	% Chg	Volume
Zad Holding Co	74.01	0.00	-
Widam Food Co	62.00	0.00	6,179
Vodafone Qatar	8.27	-1.31	4,393,458
United Development Co	15.14	-1.05	152,097
Salam International Investme	8.13	-4.80	119,879
Qatar & Oman Investment Co	8.10	-2.99	12,319
Qatar Navigation	58.55	-5.56	139,079
Qatar National Cement Co	65.00	-1.44	14,742
Qatar National Bank	124.98	-0.41	232,287
Qatar Islamic Insurance	53.99	-1.85	4,461
Qatar Industrial Manufactur	42.00	-1.18	58,123
Qatar International Islamic	52.49	-2.83	124,353
Qatari Investors Group	41.00	-3.98	19,045
Qatar Islamic Bank	92.00	0.98	77,271
Qatar Gas Transport(Nakilat)	15.94	1.08	297,855
Qatar General Insurance & Re	36.00	0.00	4,700
Qatar German Co For Medical	7.58	-3.07	2,825
Qatar Fuel Qsc	101.99	-0.11	5,583
Qatar First Bank	6.25	-2.34	443,563
Qatar Electricity & Water Co	183.49	-0.82	16,254
Qatar Cinema & Film Distrib	25.00	0.00	-
Qatar Insurance Co	63.00	-0.10	176,152
Ooredoo Qsc	83.40	-2.11	48,767
National Leasing	12.60	1.53	96,309
Mazaya Qatar Real Estate Dev	9.80	0.41	30,886
Mesaieed Petrochemical Holdi	13.01	-0.69	53,739
Al Meera Consumer Goods Co	150.00	-0.73	25,737
Medicare Group	67.96	0.40	28,431
Mannai Corporation Qsc	66.30	0.00	-
Masraf Al Rayan	36.39	-0.03	530,932
Al Khalij Commercial Bank	12.05	-0.41	8,482
Industries Qatar	87.40	-0.13	171,355
Islamic Holding Group	44.60	-1.35	1,749
Gulf Warehousing Company	46.79	-0.87	17,009
Gulf International Services	17.15	-2.28	108,665
Ezdan Holding Group	10.80	-1.82	216,701
Doha Insurance Co	14.01	-2.30	806
Doha Bank Qpsc	30.00	0.47	732,086
Dlala Holding	17.03	-3.24	28,566
Commercial Bank Pqsc	29.82	-0.43	229,918
Barwa Real Estate Co	31.35	-1.17	187,022
Al Khaleej Takaful Group	15.10	-5.57	1,700
Aamal Co	9.50	-3.75	83,916
Al Ahli Bank	30.10	0.00	-

SAUDI ARABIA

Company Name	Lt Price	% Chg	Volume
United Wire Factories Compan	17.83	-0.45	89,627
Etihad Etisalat Co	17.77	1.31	1,261,304
Dar Al Arkan Real Estate Dev	6.39	0.00	10,163,342
Saudi Hollandi Bank	0.00	0.00	-
Rabigh Refining And Petroche	13.33	-0.07	951,190
Banque Saudi Fransi	31.67	-4.00	401,181
Saudi Enaya Cooperative Insu	21.88	3.50	1,550,125
Mediterranean & Gulf Insuran	12.99	-1.44	320,048
Saudi British Bank	28.00	-0.57	528,367
Mohammad Al Mojil Group Co	0.00	0.00	-
Red Sea International Co	19.83	7.31	1,738,888
Takween Advanced Industries	11.79	-0.59	213,986
Sabb Takaful	27.65	-0.36	127,435
Saudi Arabian Fertilizer Co	61.75	-0.84	139,479
National Gypsum	12.41	-0.32	97,599
Saudi Ceramic Co	26.90	-0.07	53,435
National Gas & Industrializa	32.04	0.63	136,542
Saudi Pharmaceutical Industr	34.08	-1.07	119,912
Thimar	35.08	-0.48	114,175
National Industrialization C	14.97	-1.25	2,007,675
Saudi Transport And Investme	0.00	0.00	-
Saudi Electricity Co	23.82	-0.67	1,181,835
Saudi Arabia Refineries Co	33.82	-0.97	137,326
Arriyadh Development Company	18.84	-0.32	156,014
Al-Baha Development & Invest	28.91	-1.53	628,430
Saudi Research And Marketing	74.10	1.49	934,782
Aldrees Petroleum And Transp	28.58	1.17	522,830
Saudi Vitrified Clay Pipe Co	45.10	-0.33	10,843
Jarir Marketing Co	149.80	-0.38	72,575
Arab National Bank	24.40	-0.29	103,865
Yanbu National Petrochemical	56.45	-0.74	434,492
Arabian Cement	31.98	-1.20	75,418
Middle East Specialized Cabl	8.94	-0.56	638,420
Al Khaleej Training And Educ	18.78	1.19	83,996
Al Sagr Co-Operative Insuran	27.08	0.30	307,636
Trade Union Cooperative Insu	20.12	0.10	378,811
Arabia Insurance Cooperative	16.40	-1.80	839,970
Saudi Chemical Company	35.75	-0.67	36,807
Fawaz Abdulaziz Alhokair & C	42.03	2.34	320,252
Bupa Arabia For Cooperative	121.93	0.37	9,695
Wafa Insurance	25.00	-1.65	1,992,734
Jabal Omar Development Co	67.50	-0.82	465,566
Saudi Basic Industries Corp	100.73	0.79	4,951,060
Saudi Kayan Petrochemical Co	8.78	0.23	4,895,210
Etihad Atheeb Telecommunicat	8.16	-0.61	386,588
Co For Cooperative Insurance	97.81	-0.47	42,759
National Petrochemical Co	17.74	-0.06	203,197
Gulf Union Cooperative Insur	18.58	-0.48	110,679
Gulf General Cooperative Ins	19.02	1.98	866,558
Basic Chemical Industries	21.68	0.65	249,582
Saudi Steel Pipe Co	16.92	-0.24	63,216
Buruj Cooperative Insurance	34.35	-0.58	421,538
Mouwasat Medical Services Co	160.00	-0.61	6,973
Southern Province Cement Co	50.30	0.50	5,868
Maadaniyah	22.26	-0.63	159,139
Yamama Cement Co	16.48	-0.24	44,487
Jazan Development Co	18.38	1.10	899,838
Zamil Industrial Investment	26.58	1.30	210,944
Alujain Corporation (Alco)	22.05	0.00	-
Tabuk Agricultural Developme	13.78	-1.01	2,167,199
United Co-Operative Assuranc	15.11	-0.79	210,399
Qassim Cement/The	45.20	0.27	26,522
Saudi Advanced Industries	13.41	-0.52	316,957
Kingdom Holding Co	10.79	4.96	1,688,651
Saudi Arabian Amiantit Co	6.92	-1.56	947,684
Al Jouf Agriculture Developm	29.03	-0.41	23,624
Saudi Industrial Development	11.09	-0.72	709,223
Bishah Agriculture	0.00	0.00	-
Riyad Bank	11.60	-0.43	1,438,304
The National Agriculture Dev	29.56	-0.07	258,330
Halwani Bros Co	47.85	-0.31	2,932
Arabian Pipes Co	13.41	-0.37	254,967
Eastern Province Cement Co	24.04	0.33	36,349
Al Gassim Investment Holding	0.00	0.00	-
Filing & Packing Materials M	34.41	-0.26	80,221
Saudi Cable Co	10.81	0.00	-
Tihama Advertising & Public	47.63	-0.67	633,222
Saudi Investment Bank/The	15.16	-1.04	57,389
Astra Industrial Group	16.40	-0.36	232,226
Saudi Public Transport Co	14.68	-0.14	341,942
Taiba Holding Co	41.50	-0.72	24,983
Saudi Industrial Export Co	31.97	-0.31	38,870
Saudi Real Estate Co	20.57	-0.10	83,183
Saudia Dairy & Foodstuff Co	121.00	0.00	7,175
National Shipping Co Of/The	32.19	-0.65	689,575
Methanol Chemicals Co	6.88	-1.15	1,111,413
Ace Arabia Cooperative Insur	49.13	0.29	87,952
Mobile Telecommunications Co	8.95	-0.22	1,544,811
Saudi Arabian Coop Ins Co	19.80	0.81	502,881
Axa Cooperative Insurance	21.11	1.00	833,350
Alsorayai Group	8.54	-1.39	424,631
Weqaya For Takaful Insurance	0.00	0.00	-
Bank Albilad	19.76	-0.75	391,227
Al-Hassan G.I. Shaker Co	12.70	0.79	465,739
Wataniya Insurance Co	31.97	-1.81	278,000
Abdullah Al Othaim Markets	121.60	-0.16	3,491
Hail Cement	9.30	-0.11	98,306
Saudi Re For Cooperative Rei	6.79	-1.02	1,093,266
Solidarity Saudi Takaful Co	19.27	-0.98	314,595
Amana Cooperative Insurance	30.05	1.35	6,054,672
Alabdullatif Industrial Inv	13.89	-0.22	39,128
Saudi Printing & Packaging C	24.17	0.12	2,500,517
Sanad Cooperative Insurance	0.00	0.00	-
Saudi Paper Manufacturing Co	8.56	-2.28	1,258,381
Alinma Bank	17.90	-1.49	26,706,723
Almarai Co	81.74	-0.20	194,951
Falcom Saudi Equity Etf	29.20	0.34	50,899
United International Transpo	22.15	0.45	248,015
Hsbc Amanah Saudi 20 Etf	29.50	1.72	1,500
Saudi International Petroche	14.81	0.20	448,189
Falcom Petrochemical Etf	26.70	0.00	-
Walaa Cooperative Insurance	26.56	0.38	459,621
Bank Al-Jazira	12.99	-0.92	4,541,371
Al Rajhi Bank	68.28	0.66	2,201,139
Samba Financial Group	24.70	0.20	703,345
United Electronics Co	45.54	-0.13	104,941
Allied Cooperative Insurance	15.60	0.00	583,441
Malath Insurance	20.79	64.85	343,993
Alinma Tokio Marine	25.04	-1.73	101,764
Arabian Shield Cooperative	42.36	5.06	783,929
Savola	47.48	0.38	272,498
Wafrah For Industry And Deve	22.09	-0.54	76,955
Fitaihi Holding Group	13.61	0.29	306,798
Tourism Enterprise Co/ Shams	30.50	-1.07	128,267
Sahara Petrochemical Co	13.72	-0.15	809,406
Herfy Food Services Co	51.59	-0.54	65,744

KUWAIT

Company Name	Lt Price	% Chg	Volume
Securities Group Co	0.00	0.00	-
Sultan Center Food Products	0.00	0.00	-
Kuwait Foundry Co Sak	302.00	0.67	300,724
Kuwait Financial Centre Sak	110.00	0.00	5,850
Ajial Real Estate Entmt	150.00	0.00	49,875
Gulf Glass Manuf Co -Kscc	0.00	0.00	-
Kuwait Finance & Investment	49.90	0.00	85,000
National Industries Co Ksc	198.00	0.00	58
Kuwait Real Estate Holding C	40.10	0.00	290,090
Securities House/The	51.40	-0.19	1,014,500
Boubyan Petrochemicals Co	650.00	-1.96	1,483,870
Al Ahli Bank Of Kuwait	309.00	0.00	209,900
Ahli United Bank (Almutahed)	427.00	-0.47	133,669
National Bank Of Kuwait	785.00	0.00	3,972,151
Commercial Bank Of Kuwait	398.00	-0.25	258,852
Kuwait International Bank	253.00	0.00	4,564,558
Gulf Bank	238.00	0.00	3,686,094
Al-Massaleh Real Estate Co	40.10	0.00	10,100
Al Arabiya Real Estate Co	36.50	1.39	212,391
Kuwait Remal Real Estate Co	62.90	-3.82	98,044
Alkout Industrial Projects C	0.00	0.00	-
A'ayan Real Estate Co Sak	80.80	-0.37	380,000
Investors Holding Group Co.K	23.60	-1.67	1,406,496
Al-Mazaya Holding Co	118.00	0.85	4,845,315
Al-Madar Finance & Invt Co	22.30	-1.76	3,218,263
Gulf Petroleum Investment	37.90	-0.26	638,000
Mabanee Co Sakc	815.00	0.00	1,197,282
City Group	0.00	0.00	-
Inovest Co Bsc	119.00	-2.46	117,812
Kuwait Gypsum Manufacturing	0.00	0.00	-
Al-Deera Holding Co	34.00	3.03	47,000
Alshamel International Hold	0.00	0.00	-
Mena Real Estate Co	20.30	0.00	3,401,512
National Slaughter House	0.00	0.00	-
Amar Finance & Leasing Co	54.80	0.00	800
United Projects For Aviation	730.00	0.00	178
National Consumer Holding Co	90.00	0.00	20,011
Amwal International Investme	40.00	0.00	50,100
Jeeran Holdings	0.00	0.00	-
Equipment Holding Co K.S.C.C	46.50	-1.06	80,050
Nafais Holding	200.00	0.00	5,313
Safwan Trading & Contracting	0.00	0.00	-
Arkan Al Kuwait Real Estate	89.00	0.00	28,500
Gfh Financial Group Bsc	150.00	-0.66	1,397,200
Energy House Holding Co Kscp	34.80	2.35	25,550
Kuwait Slaughter House Co	0.00	0.00	-
Kuwait Co For Process Plant	160.00	0.00	20,000
Al Maidan Dental Clinic Co K	0.00	0.00	-
National Ranges Company	0.00	0.00	-
Al-Themar Real International	71.00	0.00	13,047
Al-Ahleia Insurance Co Sakp	420.00	0.00	135,839
Wethaq Takaful Insurance Co	51.00	0.00	51,100
Salbookh Trading Co Kscp	62.00	-2.97	105,000
Aqar Real Estate Investments	71.00	0.00	25,000
Hayat Communications	0.00	0.00	-
Kuwait Packing Materials Mfg	0.00	0.00	-
Soor Fuel Marketing Co Ksc	123.00	0.00	28,669
Alargan International Real	180.00	0.00	250
Burgan Co For Well Drilling	80.00	-3.61	26,051
Kuwait Resorts Co Kscc	77.90	-0.13	84,104
Oula Fuel Marketing Co	123.00	0.00	23,472
Palms Agro Production Co	0.00	0.00	-
Ikarus Petroleum Industries	0.00	0.00	-
Mubarrad Transport Co	72.80	-0.55	201,000
Al Mowasat Health Care Co	480.00	0.00	2
Shuaiba Industrial Co	310.00	3.33	2
Aan Digital Services Co	0.00	0.00	-
First Takaful Insurance Co	61.90	0.00	1,516
Kuwaiti Syrian Holding Co	36.40	-0.27	271,960
National Cleaning Company	50.50	-1.17	30,000
Eyas For High & Technical Ed	800.00	0.00	1,250
United Real Estate Company	99.90	-0.10	9,376
Agility	922.00	0.55	1,299,260
Kuwait & Middle East Fin Inv	27.10	0.00	120,350
Fujairah Cement Industries	82.60	0.00	10,000
Livestock Transport & Tradng	282.00	-0.35	20,690
International Resorts Co	33.50	1.52	510,528
National Industries Grp Hold	149.00	0.00	5,158,531
Marine Services Co Ksc	0.00	0.00	-
Warba Insurance Co	95.90	0.00	43,386
Kuwait United Poultry Co	0.00	0.00	-
First Dubai Real Estate Deve	51.50	0.00	107,026
Al Arabi Group Holding Co	90.00	0.90	3,500
Kuwait Hotels Sak	0.00	0.00	-
Mobile Telecommunications Co	510.00	0.39	10,690,688
Al Safat Real Estate Co	0.00	0.00	-
Tamdeen Real Estate Co Ksc	405.00	0.00	7,000
Al Mudon Intl Real Estate Co	40.40	-7.76	610,008
Kuwait Cement Co Ksc	434.00	2.12	37,400
Sharjah Cement & Indus Devel	83.00	-1.19	89,742
Kuwait Portland Cement Co	975.00	0.00	60,837
Educational Holding Group	319.00	-0.93	2,800
Bahrain Kuwait Insurance	0.00	0.00	-
Asiya Capital Investments Co	47.40	0.85	47,703
Kuwait Investment Co	103.00	-3.74	243,950
Burgan Bank	371.00	-0.54	317,591
Kuwait Projects Co Holdings	358.00	-2.45	83,210
Al Madina For Finance And In	46.30	0.00	63,250
Kuwait Insurance Co	290.00	0.00	3,200
Al Masaken Intl Real Estate	73.00	0.00	250
Intl Financial Advisors	38.40	0.00	1,680,339
First Investment Co Kscc	49.00	-1.01	665,153
Al Mal Investment Company	15.30	0.00	4,128,127
Bayan Investment Co Kscc	50.40	0.00	850,697
Egypt Kuwait Holding Co Sae	175.00	0.00	80,000
Coast Investment Development	45.10	-1.96	335,000
Privatization Holding Compan	53.90	2.67	2,002,440
Kuwait Medical Services Co	0.00	0.00	-
Injazzat Real State Company	85.70	-2.61	10,001
Kuwait Cable Vision Sak	35.00	0.00	115
Sanam Real Estate Co Kscc	43.90	0.00	50,000
Ithmaar Holding Bsc	39.00	-2.99	4,695,400
Aviation Lease And Finance C	369.00	-2.89	390,000
Arzan Financial Group For Fi	36.50	-1.35	72,589
Ajwan Gulf Real Estate Co	60.00	0.00	13,001
Kuwait Business Town Real Es	50.40	-3.08	1,677,390
Future Kid Entertainment And	123.00	0.00	10,000
Specialities Group Holding C	96.00	0.00	50,000
Abyaar Real Eastate Developm	26.40	-1.49	1,239,500
Dar Al Thuraya Real Estate C	204.00	0.00	10
Al-Dar National Real Estate	0.00	0.00	-
Kgl Logistics Company Kscc	52.00	-0.95	1,023,621
Combined Group Contracting	548.00	0.55	650,000
Jiyad Holding Co Ksc	0.00	0.00	-
Qurain Holding Co	0.00	0.00	-
Boubyan Intl Industries Hold	47.00	0.00	105,600
Gulf Investment House Ksc	28.70	-2.05	1,580,210
Boubyan Bank K.S.C	464.00	-1.28	1,103,509
Ahli United Bank B.S.C	220.00	-1.35	14,506,389
Osos Holding Group Co	122.00	0.00	22,651
Al-Eid Food Ksc	80.00	0.00	10,000
Qurain Petrochemical Industr	342.00	-1.16	854,664
Advanced Technology Co	0.00	0.00	-
Ekttitab Holding Co Sak	36.80	0.00	84,738
Kout Food Group Ksc	0.00	0.00	-
Real Estate Trade Centers Co	49.50	13.53	10
Acico Industries Co Kscc	266.00	-1.48	1,850
Kipco Asset Management Co	80.00	0.00	40,001
National Petroleum Services	822.00	-2.03	8,623
Alimtiaz Investment Co Kscc	182.00	-1.09	17,376,796
Ras Al Khaimah White Cement	85.00	0.00	2,615
Kuwait Reinsurance Co Ksc	0.00	0.00	-
Kuwait & Gulf Link Transport	56.50	0.00	17,300
Human Soft Holding Co Ksc	3,894.00	-0.23	133,027
Automated Systems Co Kscc	163.00	0.00	2,552
Metal & Recycling Co	0.00	0.00	-
Gulf Franchising Holding Co	72.00	0.00	20,000
Al-Enma'a Real Estate Co	42.00	0.00	221,100
National Mobile Telecommuni	1,250.00	0.00	27,317
Al Bareeq Holding Co Kscc	0.00	0.00	-
Housing Finance Co Sak	0.00	0.00	-
Al Salam Group Holding Co	52.00	0.97	182,710
United Foodstuff Industries	0.00	0.00	-
Al Aman Investment Company	50.60	0.20	68,740
Mashaer Holdings Co Ksc	0.00	0.00	-
Manazel Holding	41.70	0.00	197,000
Mushrif Trading & Contractin	0.00	0.00	-
Tijara And Real Estate Inves	60.00	-1.64	70,026
Kuwait Building Materials	0.00	0.00	-
Jazeera Airways Co Ksc	600.00	0.00	242,449
Commercial Real Estate Co	97.20	-0.31	537,573
Future Communications Co	0.00	0.00	-
National International Co	70.00	-0.57	39,450
Taameer Real Estate Invest C	35.00	-3.05	401,800
Gulf Cement Co	82.00	0.00	305,100
Heavy Engineering And Ship B	214.00	-0.93	146,510
Refrigeration Industries & S	0.00	0.00	-
National Real Estate Co	129.00	0.00	1,302,522
Al Safat Energy Holding Comp	39.00	0.00	85,474
Kuwait National Cinema Co	1,350.00	0.00	12
Danah Alsafat Foodstuff Co	70.50	0.28	806,130
Independent Petroleum Group	0.00	0.00	-
Kuwait Real Estate Co Ksc	66.50	2.31	9,118,088
Salhia Real Estate Co Ksc	369.00	0.00	760
Gulf Cable & Electrical Ind	504.00	-0.40	336,573
Al Nawadi Holding Co Ksc	0.00	0.00	-
Kuwait Finance House	619.00	-1.43	12,343,556
Gulf North Africa Holding Co	35.60	-2.47	316,500
Hilal Cement Co	180.00	0.00	718
Osoul Investment Kscc	62.00	0.32	73,503
Gulf Insurance Group Ksc	875.00	-2.67	28
Kuwait Food Co (Americana)	2,000.00	0.00	3
Umm Al Qaiwain Cement Indust	0.00	0.00	-
Aayan Leasing & Investment	46.00	1.55	2,409,108

OMAN

Company Name	Lt Price	% Chg	Volume
Voltamp Energy Saog	0.55	-2.85	5,496
United Power/Energy Co- Pref	1.00	0.00	-
United Power Co Saog	3.55	0.00	-
United Finance Co	0.12	0.00	-
Ubar Hotels & Resorts	0.13	0.00	-
Takaful Oman	0.17	0.00	-
Taageer Finance	0.11	0.00	-
Sweets Of Oman	1.34	0.00	-
Sohar Power Co	0.16	0.00	-
Sohar Poultry	0.21	0.00	-
Smn Power Holding Saog	0.69	0.00	-
Shell Oman Marketing - Pref	1.05	0.00	-
Shell Oman Marketing	1.88	0.00	3
Sharqiyah Desalination Co Sa	3.96	0.00	-
Sembcorp Salalah Power & Wat	0.22	-2.18	695,156
Salalah Port Services	0.60	0.00	-
Salalah Mills Co	1.33	0.00	-
Salalah Beach Resort Saog	1.38	0.00	-
Sahara Hospitality	2.50	0.00	-
Renaissance Services Saog	0.20	5.41	1,848,922
Raysut Cement Co	0.86	0.00	120,650
Port Service Corporation	0.18	0.00	-
Phoenix Power Co Saoc	0.12	0.00	-
Packaging Co Ltd	2.21	0.00	-
Ooredoo	0.43	0.00	192,166
Ominvest	0.48	0.00	-
Oman United Insurance Co	0.34	0.00	-
Oman Textile Holding Co Saog	0.00	0.00	-
Oman Telecommunications Co	1.23	1.65	433,980
Oman Refreshment Co	1.91	0.00	-
Oman Packaging	0.28	0.00	-
Oman Orix Leasing Co.	0.17	0.00	-
Oman Oil Marketing Company	1.66	0.00	-
Oman National Engineering An	0.15	-1.33	26,500
Oman Investment & Finance	0.16	-1.23	13,873
Oman Intl Marketing	0.52	0.00	-
Oman Hotels & Tourism Co	0.44	0.00	-
Oman Foods International	0.00	0.00	-
Oman Flour Mills	0.87	0.00	13,000
Oman Fisheries Co	0.12	-0.86	243,760
Oman Fiber Optics	0.00	0.00	-
Oman Europe Foods Industries	1.00	0.00	-
Oman Education & Training In	0.15	0.00	-
Oman Chromite	3.64	0.00	-
Oman Chlorine	0.49	0.00	-
Oman Ceramic Company	0.42	0.00	-
Oman Cement Co	0.41	-2.38	206,500
Oman Cables Industry	1.57	0.00	-
Oman Agricultural Dev	0.00	0.00	-
Oman & Emirates Inv(Om)50%	0.10	0.00	2,000
Natl Aluminium Products	0.16	2.50	75,653
National Securities	0.04	0.00	-
National Real Estate Develop	5.00	0.00	-
National Pharmaceutical	0.11	0.00	-
National Mineral Water	0.05	0.00	-
National Hospitality Institu	0.00	0.00	-
National Gas Co	0.28	0.00	100
National Finance Co	0.14	0.00	-
National Detergent Co Saog	0.69	0.00	-
National Biscuit Industries	3.75	0.00	-
National Bank Of Oman Saog	0.21	-2.33	372,525
Muscat Thread Mills Co	0.08	0.00	-
Muscat National Holding	0.86	0.00	-
Muscat Gases Company Saog	0.56	0.00	-
Muscat Finance	0.12	0.00	204,378
Majan Glass Company	0.18	0.00	-
Majan College	0.46	0.00	-
Hsbc Bank Oman	0.11	-2.65	834,795
Hotels Management Co Interna	1.25	0.00	-
Gulf Stone	0.12	0.00	-
Gulf Plastic Industries Co	0.00	0.00	-
Gulf Mushroom Company	0.31	0.00	-
Gulf Investments Services	0.08	-2.53	100,350
Gulf Invest. Serv. Pref-Shar	0.11	0.00	-
Gulf International Chemicals	0.22	2.38	132,000
Gulf Hotels (Oman) Co Ltd	10.50	0.00	-
Global Fin Investment	0.16	0.00	-
Galfar Engineering&Contract	0.07	-1.33	198,514
Galfar Engineering -Prefer	0.39	0.00	-
Financial Services Co.	0.10	-4.76	53,100
Financial Corp/The	0.10	0.00	-
Dhofar University	0.00	0.00	-
Dhofar Tourism	0.49	0.00	-
Dhofar Poultry	0.18	0.00	-
Dhofar Intl Development	0.32	0.00	-
Dhofar Insurance	0.20	0.00	-
Dhofar Fisheries & Food Indu	1.28	0.00	-
Dhofar Cattlefeed	0.19	0.00	-
Dhofar Beverages Co	0.26	0.00	-
Construction Materials Ind	0.03	0.00	-
Computer Stationery Inds	0.26	0.00	-
Bankmuscat Saog	0.38	-1.04	1,037,332
Bank Sohar	0.15	-1.96	1,351,539
Bank Nizwa	0.09	0.00	2,049,147
Bank Dhofar Saog	0.22	0.00	91,000
Areej Vegetable Oils Saoc	0.00	0.00	-
Aloula Co	0.53	0.00	-
Al-Omaniya Financial Service	0.28	0.00	-
Al-Hassan Engineering Co	0.05	0.00	-
Al-Fajar Al-Alamia Co	0.75	0.00	-
Al-Anwar Ceramic Tiles Co	0.12	-2.44	91,027
Al Suwadi Power	0.14	-3.45	177,682
Al Shurooq Inv Ser	0.00	0.00	-
Al Sharqiya Invest Holding	0.10	0.00	-
Al Maha Petroleum Products M	1.30	0.00	-
Al Maha Ceramics Co Saoc	0.30	0.00	-
Al Madina Takaful Co Saoc	0.11	-0.94	660,500
Al Madina Investment Co	0.06	0.00	20,000
Al Kamil Power Co	0.31	0.00	-
Al Jazerah Services -Pfd	0.55	0.00	-
Al Jazeera Steel Products Co	0.24	-1.25	35,640
Al Jazeera Services	0.14	0.00	-
Al Izz Islamic Bank	0.07	0.00	1,017,500
Al Buraimi Hotel	0.88	0.00	-
Al Batinah Power	0.13	-3.70	190,599
Al Batinah Hotels	1.13	0.00	-
Al Batinah Dev & Inv	0.09	0.00	-
Al Anwar Holdings Saog	0.16	-0.63	499,999
Ahli Bank	0.16	0.00	-
Acwa Power Barka Saog	0.79	0.00	-
Abrasives Manufacturing Co S	0.05	0.00	-
A'saffa Foods Saog	0.59	0.00	-
Oman Oil Marketing Co-Pref	0.25	0.00	-

UAE

Company Name	Lt Price	% Chg	Volume
Waha Capital Pjsc	1.75	0.00	2,998,255
United Insurance Company	2.00	0.00	-
United Arab Bank Pjsc	1.45	0.00	-
Union National Bank/Abu Dhab	4.20	0.00	5,621,737
Union Insurance Co	1.86	0.00	-
Union Cement Co	1.30	0.00	-
Umm Al Qaiwain Cement Indust	1.45	0.00	-
Sharjah Islamic Bank	1.37	0.00	297,632
Sharjah Insurance Company	3.85	0.00	-
Sharjah Group	1.50	0.00	-
Sharjah Cement & Indus Devel	1.08	0.00	-
Ras Al-Khaimah National Insu	4.10	0.00	-
Ras Al Khaimah White Cement	1.05	0.00	-
Ras Al Khaimah Ceramics	2.52	-3.08	139,233
Ras Al Khaimah Cement Co Psc	0.80	0.00	-
Ras Al Khaima Poultry	3.70	0.00	-
Rak Properties	0.72	2.86	57,997,413
Ooredoo Qsc	81.00	0.00	-
Oman & Emirates Inv(Emir)50%	0.58	0.00	-
Nbad Oneshare Msci Uae Ucits	6.20	0.00	-
National Takaful Company	0.53	0.00	-
National Marine Dredging Co	4.25	0.00	-
National Investor Co/The	0.54	0.00	-
National Corp Tourism & Hote	2.45	0.00	-
National Bank Of Umm Al Qaiw	2.95	0.00	-
National Bank Of Ras Al-Khai	4.65	0.00	-
National Bank Of Fujairah	3.00	0.00	-
First Abu Dhabi Bank Pjsc	0.00	0.00	-
Methaq Takaful Insurance	0.89	2.30	5,231,296
Manazel Real Estate Pjsc	0.53	0.00	4,552,412
Invest Bank	2.51	0.00	-
Intl Fish Farming Co Pjsc	1.45	0.00	144,000
Insurance House	0.86	0.00	-
Gulf Pharmaceutical Ind Psc	2.40	0.00	-
Gulf Medical Projects	2.00	0.00	-
Gulf Cement Co	1.03	-1.90	801,380
Fujairah Cement Industries	1.05	0.00	-
Fujairah Building Industries	1.56	0.00	-
Foodco Holding Pjsc	5.22	0.00	-
First Gulf Bank	0.00	0.00	-
Finance House	1.60	0.00	7,000
Eshraq Properties Co Pjsc	0.87	-1.14	11,633,911
Emirates Telecom Group Co	17.70	0.00	1,377,651
Emirates Insurance Co. (Psc)	6.00	0.00	-
Emirates Driving Company	7.60	0.00	-
Dana Gas	0.80	-1.23	27,009,042
Commercial Bank Internationa	1.00	0.00	-
Bank Of Sharjah	1.20	0.00	4,000,000
Axa Green Crescent Insurance	0.54	12.50	143
Arkan Building Materials Co	0.67	1.52	91,083
Alkhaleej Investment	2.12	14.59	1,000
Aldar Properties Pjsc	2.31	-0.43	6,334,617
Al Wathba National Insurance	12.75	0.00	-
Al Khazna Insurance Co	0.32	0.00	-
Al Fujairah National Insuran	300.00	0.00	-
Al Dhafra Insurance Co. P.S.	3.84	0.00	-
Al Buhaira National Insuranc	2.20	0.00	-
Al Ain Ahlia Ins. Co.	42.00	0.00	-
Agthia Group Pjsc	5.30	-1.67	1,473,266
Abu Dhabi Ship Building Co	2.37	0.00	-
Abu Dhabi Natl Co For Buildi	0.47	0.00	25,034
Abu Dhabi National Takaful C	4.70	0.00	-
Abu Dhabi National Insurance	3.85	0.00	-
Abu Dhabi National Hotels	3.00	0.00	-
Abu Dhabi National Energy Co	0.67	0.00	5,113,225
Abu Dhabi Islamic Bank	3.77	0.27	341,586

BAHRAIN

Company Name	Lt Price	% Chg	Volume
Zain Bahrain Bscc	0.00	0.00	-
United Paper Industries Bsc	0.33	0.00	991,486
United Gulf Investment Corp	0.00	0.00	-
United Gulf Bank	0.00	0.00	-
Trafco Group Bsc	0.28	0.00	30,700
Takaful International Co	0.00	0.00	-
Taib Bank -$Us	0.00	0.00	-
Seef Properties	0.24	0.00	151,454
Securities & Investment Co	0.00	0.00	-
National Hotels Co	0.00	0.00	-
National Bank Of Bahrain Bsc	0.66	0.00	4,000
Nass Corp Bsc	0.13	0.00	239,140
Khaleeji Commercial Bank	0.11	-0.88	205,000
Ithmaar Holding Bsc	0.13	-3.70	50,000
Investcorp Bank -$Us	0.00	0.00	-
Inovest Co Bsc	0.00	0.00	-
Gulf Monetary Group	0.00	0.00	-
Gulf Hotel Group B.S.C	0.00	0.00	-
Gfh Financial Group Bsc	0.49	-1.01	706,000
Esterad Investment Co B.S.C.	0.11	0.00	30,000
Delmon Poultry Co	0.00	0.00	-
Bmmi Bsc	0.77	0.00	46,000
Bmb Investment Bank	0.00	0.00	-
Bbk Bsc	0.40	0.00	29,000
Bankmuscat Saog	0.00	0.00	-
Banader Hotels Co	0.00	0.00	-
Bahrain Tourism Co	`	0.00	-
Bahrain Telecom Co	0.21	0.98	27,000
Bahrain Ship Repair & Engin	0.00	0.00	-
Bahrain National Holding	0.00	0.00	-
Bahrain Kuwait Insurance	0.00	0.00	-
Bahrain Islamic Bank	0.14	4.44	14,000
Bahrain Flour Mills Co	0.00	0.00	-
Bahrain Family Leisure Co	0.00	0.00	-
Bahrain Duty Free Complex	0.75	0.00	63,145
Bahrain Commercial Facilitie	0.70	0.00	28,414
Bahrain Cinema Co	1.52	0.00	1,000
Bahrain Car Park Co	0.00	0.00	-
Arab Insurance Group(Bsc)-$	0.52	0.00	20,000
Arab Banking Corp Bsc-$Us	0.29	0.00	145,000
Aluminium Bahrain Bsc	0.50	0.00	21,000
Albaraka Banking Group	0.40	0.00	104,000
Al-Salam Bank	0.09	0.00	100,000
Al-Ahlia Insurance Co	0.22	0.00	10,220
Ahli United Bank B.S.C	0.73	-0.68	200,000

LATEST MARKET CLOSING FIGURES

BUSINESS

DJIA

Company Name	Lt Price	% Chg	Volume
Apple Inc	161.15	-0.22	16,123,413
Microsoft Corp	74.62	-0.19	5,738,879
Exxon Mobil Corp	79.46	0.27	3,174,269
Johnson & Johnson	132.29	-0.69	2,184,248
General Electric Co	23.73	0.02	13,642,182
Jpmorgan Chase & Co	91.00	1.35	5,838,480
Procter & Gamble Co/The	93.27	-0.77	2,593,472
Wal-Mart Stores Inc	79.53	0.57	2,105,888
Verizon Communications Inc	46.81	1.10	4,610,812
Pfizer Inc	35.49	3.41	19,329,292
Visa Inc-Class A Shares	106.20	0.04	2,180,636
Chevron Corp	112.22	-0.27	2,218,134
Coca-Cola Co/The	46.64	0.25	3,279,420
Intel Corp	36.20	1.19	6,594,678
Merck & Co. Inc.	65.54	0.63	2,843,019
Cisco Systems Inc	32.38	0.59	7,334,578
Home Depot Inc	159.81	0.91	2,688,031
Intl Business Machines Corp	146.14	0.88	2,346,619
Walt Disney Co/The	97.46	0.38	3,602,184
Unitedhealth Group Inc	198.19	-0.70	643,186
3M Co	209.61	0.02	541,954
Mcdonald's Corp	156.11	-3.36	5,555,123
Nike Inc -Cl B	53.56	1.00	3,622,086
United Technologies Corp	110.04	0.36	1,695,958
Boeing Co/The	239.32	-0.53	897,463
Goldman Sachs Group Inc	226.99	2.68	1,952,866
American Express Co	86.50	0.94	997,847
Du Pont (E.I.) De Nemours	83.93	0.00	34,861,021
Caterpillar Inc	120.82	1.64	2,498,407
Travelers Cos Inc/The	122.71	0.12	648,431

FTSE 100

Company Name	Lt Price	% Chg	Volume
Wpp Plc	1,385.00	-0.72	5,865,615
Worldpay Group Plc	417.70	-0.36	2,842,913
Wolseley Plc	0.00	0.00	-
Wm Morrison Supermarkets	243.70	-1.30	8,493,402
Whitbread Plc	3,761.00	-0.40	915,859
Vodafone Group Plc	214.55	-0.76	49,393,385
United Utilities Group Plc	904.50	-1.58	1,452,926
Unilever Plc	4,441.00	-1.88	3,001,286
Tui Ag-Di	1,334.00	-0.30	870,946
Travis Perkins Plc	1,478.00	0.82	900,673
Tesco Plc	185.05	-0.59	22,094,436
Taylor Wimpey Plc	193.10	-1.38	16,305,415
Standard Life Plc	0.00	0.00	-
Standard Chartered Plc	753.90	0.57	4,360,012
St James's Place Plc	1,135.00	-1.30	1,624,769
Sse Plc	1,428.00	-0.70	2,446,960
Smith & Nephew Plc	1,394.00	-0.14	2,465,767
Sky Plc	937.00	-1.63	12,612,532
Shire Plc	4,074.50	-0.13	2,241,090
Severn Trent Plc	2,240.00	-1.32	1,065,112
Schroders Plc	3,325.00	0.76	360,021
Sainsbury (J) Plc	239.10	1.27	9,592,019
Sage Group Plc/The	698.00	0.22	1,661,639
Abi Sab Group Holding Ltd	0.00	0.00	-
Rsa Insurance Group Plc	644.00	0.08	1,897,522
Royal Mail Plc	377.10	-0.79	2,964,173
Royal Dutch Shell Plc-B Shs	2,178.00	-0.41	4,224,321
Royal Dutch Shell Plc-A Shs	2,135.50	-0.42	4,656,575
Royal Bank Of Scotland Group	249.70	2.42	10,841,457
Rolls-Royce Holdings Plc	900.00	-0.22	3,255,867
Rio Tinto Plc	3,690.50	0.34	5,738,334
Rexam Ltd	0.00	0.00	-
Relx Plc	1,679.00	-0.47	3,338,806
Reckitt Benckiser Group Plc	7,033.00	-0.94	1,111,836
Randgold Resources Ltd	7,765.00	-2.94	616,154
Prudential Plc	1,805.00	0.84	5,345,001
Provident Financial Plc	832.00	0.85	1,611,532
Persimmon Plc	2,503.00	-2.04	1,890,092
Pearson Plc	587.00	-0.17	2,148,552
Paddy Power Betfair Plc	7,235.00	0.14	81,721
Old Mutual Plc	200.60	0.25	7,796,180
Next Plc	4,400.00	1.34	602,788
National Grid Plc	958.60	-1.37	7,111,534
Mondi Plc	2,080.00	1.46	2,028,080
Merlin Entertainment	456.40	-0.72	1,787,002
Mediclinic International Plc	748.50	-0.33	823,917
Marks & Spencer Group Plc	322.80	0.56	5,438,169
London Stock Exchange Group	3,893.00	-0.03	1,802,864
Lloyds Banking Group Plc	64.84	1.90	135,939,844
Legal & General Group Plc	258.20	0.43	9,453,431
Land Securities Group Plc	1,001.00	-0.50	2,216,065
Kingfisher Plc	290.90	0.10	13,774,576
Johnson Matthey Plc	2,908.00	1.54	530,394
Itv Plc	161.10	0.31	10,293,078
Intu Properties Plc	242.40	-1.34	2,280,928
Intl Consolidated Airline-Di	598.50	-1.48	8,354,818
Intertek Group Plc	5,015.00	-1.47	823,300
Intercontinental Hotels Grou	3,781.00	-0.32	287,126
Inmarsat Plc	651.00	-1.06	1,486,475
Informa Plc	679.50	-0.51	1,110,171
Imperial Brands Plc	3,322.50	-0.14	3,221,318
Hsbc Holdings Plc	736.20	0.08	21,209,315
Hargreaves Lansdown Plc	1,402.00	0.14	596,558
Hammerson Plc	552.00	-1.25	3,674,312
Glencore Plc	372.50	0.87	68,768,397
Glaxosmithkline Plc	1,496.50	-0.10	7,920,245
Gkn Plc	330.10	-0.06	4,643,860
Fresnillo Plc	1,570.00	-2.30	1,416,931
Experian Plc	1,521.00	0.00	2,065,011
Easyjet Plc	1,194.00	-0.08	2,945,089
Dixons Carphone Plc	168.50	2.37	7,237,769
Direct Line Insurance Group	382.90	-0.67	3,672,794
Diageo Plc	2,580.50	-0.23	4,363,510
Dcc Plc	7,290.00	-0.88	229,235
Crh Plc	2,654.00	-0.41	6,550,735
Compass Group Plc	1,636.00	-0.61	2,129,219
Coca-Cola Hbc Ag-Di	2,657.00	-0.30	564,474
Centrica Plc	193.80	-0.31	11,969,688
Carnival Plc	5,140.00	-0.77	448,380
Capita Plc	629.00	-0.63	1,679,689
Burberry Group Plc	1,772.00	-1.01	1,517,328
Bunzl Plc	2,286.00	0.31	645,231
Bt Group Plc	283.25	-0.25	17,512,422
British Land Co Plc	609.00	0.00	4,342,190
British American Tobacco Plc	4,798.50	-2.02	4,448,107
Bp Plc	448.90	-0.04	20,311,678
Bhp Billiton Plc	1,438.00	1.30	12,122,218
Berkeley Group Holdings/The	3,547.00	-1.25	930,299
Barratt Developments Plc	596.00	-1.65	6,140,124
Barclays Plc	191.35	2.52	54,860,470
Bae Systems Plc	595.00	-0.42	6,175,789
Babcock Intl Group Plc	815.00	0.56	1,218,040
Aviva Plc	511.50	0.39	7,510,625
Astrazeneca Plc	4,925.00	0.72	3,174,770
Associated British Foods Plc	3,142.00	1.26	1,270,573
Ashtead Group Plc	1,759.00	4.45	3,437,492
Arm Holdings Plc	0.00	0.00	-
Antofagasta Plc	1,008.00	-1.75	4,306,755
Anglo American Plc	1,393.50	0.04	5,787,936
Admiral Group Plc	1,831.00	-0.44	685,352
3I Group Plc	936.00	-0.74	1,633,470

TOKYO

Company Name	Lt Price	% Chg	Volume
East Japan Railway Co	10,185.00	0.30	495,200
Itochu Corp	1,780.00	-0.42	4,445,600
Fujifilm Holdings Corp	4,275.00	0.92	1,290,000
Yamato Holdings Co Ltd	2,220.00	-0.16	1,767,100
Chubu Electric Power Co Inc	1,418.50	0.39	1,206,700
Mitsubishi Estate Co Ltd	1,854.50	0.73	3,585,300
Mitsubishi Heavy Industries	423.50	-0.59	15,589,000
Toshiba Corp	331.00	0.00	15,945,000
Shiseido Co Ltd	4,761.00	2.15	1,471,100
Shionogi & Co Ltd	5,854.00	0.98	1,221,000
Tokyo Gas Co Ltd	577.00	0.65	3,663,000
Tokyo Electron Ltd	15,770.00	2.30	1,204,800
Panasonic Corp	1,538.00	3.81	13,110,800
Fujitsu Ltd	808.60	-0.31	11,041,000
Central Japan Railway Co	19,155.00	1.06	422,700
T&D Holdings Inc	1,521.00	3.65	4,704,400
Toyota Motor Corp	6,361.00	1.03	6,073,100
Kddi Corp	2,960.50	-0.08	4,265,700
Nitto Denko Corp	9,541.00	0.52	809,100

WORLD INDICES

Indices	Lt Price	Change
Dow Jones Indus. Avg	22,113.74	+56.37
S&P 500 Index	2,493.58	+5.47
Nasdaq Composite Index	6,438.87	+6.61
S&P/Tsx Composite Index	15,120.33	+80.03
Mexico Bolsa Index	50,633.16	+273.84
Brazil Bovespa Stock Idx	75,004.77	+685.55
Ftse 100 Index	7,400.69	-12.90
Cac 40 Index	5,209.01	+32.30
Dax Index	12,524.77	+49.53
Ibex 35 Tr	10,336.20	+13.60
Nikkei 225	19,776.62	+230.85
Japan Topix	1,627.45	+15.19
Hang Seng Index	27,972.24	+17.11
All Ordinaries Indx	5,806.39	+31.34
Nzx All Index	1,422.96	-2.45
Bse Sensex 30 Index	32,158.66	+276.50
Nse S&P Cnx Nifty Index	10,093.05	+87.00
Straits Times Index	3,235.69	+7.18
Karachi All Share Index	29,603.15	+50.20
Jakarta Composite Index	5,872.38	+0.50

TOKYO

Company Name	Lt Price	% Chg	Volume
Rakuten Inc	1,268.00	-1.44	6,477,000
Kyocera Corp	6,732.00	1.45	1,055,600
Nissan Motor Co Ltd	1,115.00	1.41	17,962,700
Hitachi Ltd	755.30	1.27	14,538,000
Takeda Pharmaceutical Co Ltd	6,140.00	0.18	1,606,500
Jfe Holdings Inc	2,227.00	-0.74	4,367,100
Ana Holdings Inc	426.30	0.68	10,443,000
Mitsubishi Electric Corp	1,694.50	1.22	5,320,300
Sumitomo Mitsui Financial Gr	4,104.00	1.89	6,865,900
Honda Motor Co Ltd	3,188.00	2.21	5,295,500
Fast Retailing Co Ltd	32,000.00	4.54	982,500
Ms&Ad Insurance Group Holdin	3,579.00	2.11	1,535,100
Kubota Corp	1,927.00	1.47	3,663,500
Seven & I Holdings Co Ltd	4,295.00	0.42	1,467,700
Inpex Corp	1,064.00	0.57	2,539,400
Resona Holdings Inc	537.70	1.76	9,111,000
Asahi Kasei Corp	1,333.50	1.02	3,640,000
Kirin Holdings Co Ltd	2,483.50	2.12	2,385,600
Marubeni Corp	735.90	1.88	9,222,200
Mitsubishi Ufj Financial Gro	672.50	1.71	58,452,000
Mitsubishi Chemical Holdings	1,028.50	0.24	6,086,900
Fanuc Corp	21,720.00	2.36	954,500
Daito Trust Construct Co Ltd	19,150.00	0.34	320,400
Otsuka Holdings Co Ltd	4,336.00	-0.91	1,155,400
Oriental Land Co Ltd	8,572.00	1.17	824,000
Sekisui House Ltd	1,850.00	0.60	2,669,100
Secom Co Ltd	8,193.00	1.15	594,000
Tokio Marine Holdings Inc	4,374.00	3.28	3,964,600
Aeon Co Ltd	1,611.00	0.88	1,535,400
Mitsui & Co Ltd	1,648.00	0.06	5,248,400
Kao Corp	6,862.00	1.73	1,376,900
Dai-Ichi Life Holdings Inc	1,778.00	3.16	9,601,100
Mazda Motor Corp	1,590.00	1.31	3,595,800
Komatsu Ltd	3,154.00	-0.54	3,962,900
West Japan Railway Co	8,018.00	0.58	381,300
Murata Manufacturing Co Ltd	16,750.00	0.96	689,100
Kansai Electric Power Co Inc	1,545.00	0.68	1,910,600
Denso Corp	5,356.00	-0.56	1,534,700
Sompo Holdings Inc	4,291.00	2.95	1,944,100
Daiwa House Industry Co Ltd	3,757.00	-0.16	1,415,100
Jxtg Holdings Inc	539.10	0.24	9,511,900
Nippon Steel & Sumitomo Meta	2,657.00	2.11	2,883,900
Suzuki Motor Corp	5,827.00	0.73	1,129,200
Nippon Telegraph & Telephone	5,174.00	-0.65	2,425,800
Ajinomoto Co Inc	2,135.50	1.30	1,794,800
Mitsui Fudosan Co Ltd	2,335.00	2.19	3,933,800
Ono Pharmaceutical Co Ltd	2,375.00	-0.02	1,886,900
Daikin Industries Ltd	10,655.00	-0.19	918,500
Bank Of Yokohama Ltd/The	0.00	0.00	-
Toray Industries Inc	1,036.50	0.53	2,617,900
Astellas Pharma Inc	1,409.50	0.53	4,575,500
Bridgestone Corp	4,875.00	1.08	1,931,100
Sony Corp	4,418.00	-1.16	7,287,800
Hoya Corp	6,194.00	1.66	1,069,400
Sumitomo Mitsui Trust Holdin	3,844.00	1.77	2,141,300
Japan Tobacco Inc	3,696.00	0.74	2,837,100
Osaka Gas Co Ltd	423.70	-0.05	3,766,000
Sumitomo Electric Industries	1,718.50	0.97	2,276,000
Daiwa Securities Group Inc	611.20	1.93	7,581,000
Softbank Group Corp	8,609.00	1.19	4,537,200
Mizuho Financial Group Inc	189.30	1.12	119,033,000
Nomura Holdings Inc	593.30	2.31	29,214,300
Daiichi Sankyo Co Ltd	2,582.50	0.68	2,173,200
Subaru Corp	3,878.00	0.36	2,175,500
Ntt Docomo Inc	2,523.50	0.16	3,826,800
Sumitomo Realty & Developmen	3,291.00	2.20	1,396,000
Sumitomo Metal Mining Co Ltd	1,923.00	4.94	10,454,000
Orix Corp	1,749.50	2.07	4,998,000
Asahi Group Holdings Ltd	4,659.00	1.59	1,395,900
Keyence Corp	59,380.00	0.99	225,500
Nidec Corp	13,195.00	2.80	1,284,400
Isuzu Motors Ltd	1,467.00	1.95	1,554,400
Unicharm Corp	2,576.00	1.20	1,044,800
Shin-Etsu Chemical Co Ltd	9,810.00	0.26	1,384,100
Smc Corp	39,380.00	2.69	292,900
Mitsubishi Corp	2,564.50	0.29	3,677,300
Nintendo Co Ltd	37,880.00	3.27	2,666,100
Eisai Co Ltd	5,819.00	0.99	709,600
Sumitomo Corp	1,578.00	-0.44	3,501,100
Canon Inc	3,766.00	0.72	2,516,400
Japan Airlines Co Ltd	3,799.00	1.52	1,639,200

SENSEX

Company Name	Lt Price	% Chg	Volume
Zee Entertainment Enterprise	532.45	2.34	2,535,800
Yes Bank Ltd	1,850.75	0.47	2,216,326
Wipro Ltd	298.10	-1.01	8,531,236
Vedanta Ltd	330.70	0.30	7,620,827
Ultratech Cement Ltd	4,220.25	1.09	196,291
Tech Mahindra Ltd	441.40	-0.02	1,494,362
Tata Steel Ltd	682.90	3.06	10,932,362
Tata Power Co Ltd	81.00	0.50	6,480,732
Tata Motors Ltd	388.25	3.45	9,842,967
Tata Consultancy Svcs Ltd	2,488.45	1.39	724,246
Sun Pharmaceutical Indus	483.40	3.41	6,309,913
State Bank Of India	273.45	0.92	9,052,467
Reliance Industries Ltd	823.75	0.72	3,112,105
Punjab National Bank	141.50	2.42	7,919,708
Power Grid Corp Of India Ltd	215.30	-0.14	2,505,412
Oil & Natural Gas Corp Ltd	162.30	-0.46	10,814,996
Ntpc Ltd	170.35	-0.12	4,377,797
Maruti Suzuki India Ltd	8,154.50	0.15	408,728
Mahindra & Mahindra Ltd	1,300.75	1.61	1,133,201
Lupin Ltd	981.85	0.47	1,236,280
Larsen & Toubro Ltd	1,230.25	1.02	2,625,112
Kotak Mahindra Bank Ltd	1,021.75	1.52	1,817,040
Itc Ltd	277.65	1.48	11,943,408
Infosys Ltd	884.05	0.61	8,887,674
Indusind Bank Ltd	1,741.90	-2.76	2,226,657
Idea Cellular Ltd	78.70	0.06	16,466,360
Icici Bank Ltd	291.20	0.14	9,064,297
Housing Development Finance	1,798.10	0.92	2,363,554
Hindustan Unilever Ltd	1,249.80	2.45	1,213,535
Hindalco Industries Ltd	250.95	0.36	7,072,952
Hero Motocorp Ltd	3,918.90	-0.65	233,721
Hdfc Bank Limited	1,835.20	0.65	1,737,377
Hcl Technologies Ltd	864.05	0.39	880,915
Grasim Industries Ltd	1,257.60	2.02	1,563,125
Gail India Ltd	409.60	3.75	9,879,125
Dr. Reddy's Laboratories	2,165.75	0.29	560,282
Coal India Ltd	257.55	0.19	4,094,082
Cipla Ltd	560.50	1.20	1,458,606
Cairn India Ltd	0.00	0.00	-
Bosch Ltd	22,110.30	0.24	8,285
Bharti Airtel Ltd	405.20	0.56	2,444,034
Bharat Petroleum Corp Ltd	533.85	4.22	4,189,894
Bharat Heavy Electricals	131.90	1.03	3,201,529
Bank Of Baroda	141.85	3.20	16,257,669
Bajaj Auto Ltd	2,935.75	0.21	146,204
Axis Bank Ltd	496.50	0.53	3,485,932
Asian Paints Ltd	1,256.35	1.48	1,792,175
Ambuja Cements Ltd	288.80	1.30	1,366,618
Adani Ports And Special Econ	389.05	0.96	2,656,977
Acc Ltd	1,851.25	2.99	735,027

Traders work at the Frankfurt Stock Exchange. The DAX 30 closed up 0.4% to 12,524.77 points yesterday.

Europe markets mostly climb as dealers look past N Korea, Irma

AFP
London

World stock markets mostly rose yesterday as concerns over North Korea and Hurricane Irma faded, but London dipped as strong inflation data sent the pound to a one-year dollar peak.

On Wall Street, stocks were higher ahead of a big Apple product launch and as worries about US hurricanes continued to recede.

Frankfurt and Paris equities also pushed higher as the North Korea crisis eased and dealers breathed a sigh of relief that Hurricane Irma caused less damage to Florida than initially feared.

London's benchmark FTSE 100 index was hobbled as official data showed Britain's 12-month inflation rate jumped to 2.9% in August compared to 2.6% in July. In reaction, sterling jumped on hopes the Bank of England could lift its key interest rate sooner than expected, although it is not forecast to make any change at its policy meeting on Thursday.

In London, the FTSE 100 closed down 0.2% at 7,400.69 points; Frankfurt — DAX 30 ended up 0.4% at 12,524.77 points and Paris — CAC 40 rose 0.6% at 5,209.01 points yesterday.

The strong pound weighs on multinational companies that earn income abroad, and therefore tends to send their share prices sliding.

"Once again we find ourselves in a scenario in which no news is good news and while underlying risks remain, the longer we go without another nuclear or missile test, the more positive investors will become," said Oanda analyst Craig Erlam.

"The only problem with this is that, with the UN having just agreed on new sanctions against North Korea — spearheaded by the US — I wonder how long we will have to wait for an act of provocation in response."

Spreadex analyst Connor Campbell said that "sterling's FTSE-damaging rise prevented the UK index from indulging in the same North Korea and Hurricane Irma-related relief that lifted the US markets last night and is continuing to work its magic on the eurozone bourses."

Eurozone indices were also partly buoyed by the weaker euro versus the pound.

"The effect has been to push the FTSE 100 into negative territory with London's main index stumbling, while across the channel eurozone stocks continue to find buyers," added Chris Beauchamp, chief market analyst at IG.

Tokyo stocks meanwhile led gains in Asia after yet another record performance on Wall Street.

The UN Security Council voted unanimously on Monday to step up sanctions against North Korea, having won the crucial support of Russia and China, while the US held out hope for a peaceful resolution to the crisis.

The move provided a much-needed boost to investor sentiment after Pyongyang's September 3 nuclear test hammered markets last week and sent investors fleeing for the safe havens of gold and the yen.

Despite widespread speculation, North Korea did not mark its foundation day Saturday with another missile launch.

This helped lift all three main New York indices more than 1% on Monday, with the S&P 500 at a new record.

Eyes will now turn to the release of US inflation figures later in the week, which could provide some clues as to the Federal Reserve's plans for raising interest rates again this year.

A weak run of data in recent months has led dealers to lower their expectations for any more tightening.

HONG KONG

Company Name	Lt Price	% Chg	Volume
Aluminum Corp Of China Ltd-H	6.53	6.70	135,731,219
Bank Of East Asia Ltd	35.25	0.00	770,237
Bank Of China Ltd-H	4.06	-0.25	225,991,869
Bank Of Communications Co-H	5.81	-0.34	13,097,194
Belle International Holdings	0.00	0.00	-
Boc Hong Kong Holdings Ltd	38.90	0.00	8,149,090
Cathay Pacific Airways	12.02	-0.50	2,381,673
Ck Hutchison Holdings Ltd	100.40	-0.59	4,041,998
China Coal Energy Co-H	3.98	2.84	25,254,727
China Construction Bank-H	6.79	-0.15	160,243,026
China Life Insurance Co-H	24.40	0.62	24,586,964
China Merchants Port Holding	25.60	-0.19	2,320,083
China Mobile Ltd	82.70	-0.06	8,021,110
China Overseas Land & Invest	27.40	0.18	13,283,043
China Petroleum & Chemical-H	6.05	0.50	49,564,456
China Resources Beer Holdin	20.50	-0.24	3,138,040
China Resources Land Ltd	24.95	0.20	6,995,714
China Resources Power Holdin	14.74	1.94	11,489,307
China Shenhua Energy Co-H	19.40	0.52	15,383,771
China Unicom Hong Kong Ltd	11.28	-0.70	37,061,231
Citic Ltd	11.84	-0.34	6,995,657
Clp Holdings Ltd	82.05	-0.24	1,167,103
Cnooc Ltd	9.23	-0.43	58,210,007
Cosco Shipping Ports Ltd	8.91	-0.45	2,360,883
Esprit Holdings Ltd	4.51	0.22	1,655,840
Fih Mobile Ltd	2.55	-0.78	6,541,892
Hang Lung Properties Ltd	18.82	-1.67	4,102,897
Hang Seng Bank Ltd	183.50	0.77	951,814
Henderson Land Development	52.45	-0.66	6,502,762

HONG KONG

Company Name	Lt Price	% Chg	Volume
Hong Kong & China Gas	14.82	-0.94	5,978,587
Hong Kong Exchanges & Clear	212.80	-0.28	3,105,363
Hsbc Holdings Plc	75.80	0.46	17,139,841
Hutchison Whampoa Ltd	0.00	0.00	-
Ind & Comm Bk Of China-H	5.86	-0.17	223,746,966
Li & Fung Ltd	3.80	-2.06	52,851,004
Mtr Corp	46.45	-0.11	2,507,804
New World Development	11.30	-0.53	19,711,869
Petrochina Co Ltd-H	5.02	0.40	78,817,839
Ping An Insurance Group Co-H	62.00	0.32	28,203,497
Power Assets Holdings Ltd	68.15	-0.58	1,906,813
Sino Land Co	14.14	-0.84	6,128,799
Sun Hung Kai Properties	134.80	-0.59	4,108,299
Swire Pacific Ltd - Cl A	80.30	-0.31	900,661
Tencent Holdings Ltd	333.00	0.67	15,271,955
Wharf Holdings Ltd	72.50	-0.55	3,218,806

GCC INDICES

Indices	Lt Price	Change
Doha Securities Market	8,471.60	-60.80
Saudi Tadawul	7,399.98	-11.32
Kuwait Stocks Exchange	6,905.98	-21.05
Bahrain Stock Exchage	1,307.60	-3.04
Oman Stock Market	5,010.68	-28.01
Abudhabi Stock Market	4,470.12	+31.66
Dubai Financial Market	3,652.88	-1.16

CURRENCIES

	DOLLAR	QATAR RIYAL	SAUDI RIYAL	UAE DIRHAMS	BAHRAINI DINAR	KUWAITI DINAR
US DOL	1.000000	3.641500	3.750000	3.672700	0.377000	0.301300
EURO	1.196600	4.357419	4.487250	4.394753	0.451118	0.360536
AUS DOL	0.803600	2.926309	3.013500	2.951382	0.302957	0.242125
CAN DOL	1.211800	3.005034	3.094570	3.030781	0.311107	0.248638
SING DOL	1.342400	2.712679	2.793504	2.735921	0.280840	0.224449
HKG DOL	7.812300	0.466124	0.480012	0.470118	0.048257	0.038567
STERLING PD	1.327400	4.833727	4.977750	4.875142	0.284014	0.399946
EGY.POUND	17.642500	0.206405	0.212555	0.208173	0.021369	0.017078
NEW ZEALAND DOL	0.730600	2.660480	2.739750	2.683275	0.275436	0.220130
LBP	1505.700000	0.002418	0.002491	0.002439	0.000250	0.000200
SWISS FR	0.957600	3.802736	3.916040	3.835317	0.393693	0.314641
DANISH KR	6.217900	0.585648	0.603098	0.590666	0.060631	0.048457
SWEDISH KR	7.963600	0.457268	0.470893	0.461186	0.047340	0.037835
NORWEGIAN KR	7.854200	0.463637	0.477452	0.467610	0.048000	0.038362
INDIAN RUP	63.995000	0.056903	0.058598	0.057390	0.005891	0.004708
SRILANKA	152.800000	0.023832	0.024542	0.024036	0.002467	0.001972
PAK RS	105.250000	0.034599	0.035629	0.034895	0.003582	0.002863
JORDAN DINAR	0.707800	5.144815	5.298107	5.188895	0.532636	0.425685
OMANI RIAL	0.384650	9.467048	9.749123	9.548161	0.980112	0.783310
JAP YEN	109.690000	0.033198	0.034187	0.033483	0.003437	0.002747
BANGLA TAKA	81.950000	0.044436	0.045760	0.044816	0.004600	0.003677

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Huishan Dairy debt woes deepen as banks demand $220mn repayment

Reuters
Hong Kong/Shanghai

HSBC and other lenders have demanded China Huishan Dairy Holdings to repay a combined $220mn in loans this week – a move set to make it more difficult for the firm to extricate itself from a debt mountain and find a white knight.

Billed as the nation's largest integrated dairy firm in a high-profile $1.3bn IPO in 2013, Huishan has since become a cautionary tale about risky financing and the complexity of resolving corporate debt problems in China.

Shares in the company, which has been heavily dependent on short-term loans, plunged 85% in March before being suspended.

Since then most of its directors have quit, it has missed loan payments and lost contact with a key executive in charge of its finances, and is also under investigation by Hong Kong's securities regulator.

Huishan said late on Monday it had received letters from HSBC on a $200mn loan made by a group of banks including the UK lender in 2015, saying the loan and interest were immediately due because of "one or more events of default".

Repayment of the $200mn loan was due within three days from September 11, Huishan said in the statement to the Hong Kong stock exchange, citing a letter sent by HSBC.

The demand follows a letter of warning about broken loan covenants in April.

Accrued interest added a further $6.4mn to that loan tranche. HSBC also demanded immediate repayment of a $13.7mn loan it had extended in 2014.

Hong Kong's banking watchdog is separately questioning banks over the $200mn syndicated loan raised by Huishan from lenders including China CITIC Bank International, Hang Seng Bank, and HSBC, sources told Reuters in April.

Huishan said in its statement on Monday that it continued to be in talks with its major bank creditors in China about debt restructuring and that it is seeking legal advice on HSBC's demands.

HSBC declined to comment when contacted by Reuters.

As of March this year, Huishan owed $3.9bn to creditors including Industrial and Commercial Bank of China, Bank of China Ltd and HSBC.

It has hired debt restructuring advisers and forensic accountants to investigate gaps in its financial statements.

Huishan said in July it was planning to carve up shares in the company among its creditor banks and existing shareholders as part of restructuring plans and was ultimately looking for a white knight to financially support the firm.

Huishan made headlines in 2016 when it sold and leased back part of its herd of cows, in what its executives called "innovative financing".

But risks linked to its debt-fuelled growth took centre stage after a December report from US-based short-seller Muddy Waters questioned its accounting and debt burden.

Toshiba favours Bain for chip unit's sale

Reuters
Tokyo

Toshiba Corp now favours a group led by Bain Capital and SK Hynix to buy its prized semiconductor business, as it failed to bridge key gaps with its business partner and rival bidder Western Digital Corp, two people briefed on the matter said yesterday.

The dramatic twist in the sale process, beset by legal wrangling and revised bids, comes just a day before Toshiba's latest deadline.

The Japanese conglomerate, which needs to sell the chip business to plug a huge hole in its finances, had been trying to seal a deal by today with the Western Digital group but now hopes to reach agreement with the Bain group by next week, said the sources, who declined to be identified as the talks were private.

A Toshiba spokesman said the firm could not comment on details of the talks.

The parties have already missed two deadlines by Toshiba's banks, which want a deal to pump $18bn or more into the company to pull it out of negative shareholder equity and prevent it from being delisted.

Yoshimitsu Kobayashi, an external Toshiba director, told reporters earlier yesterday that although the deadline is important, it is also important that negotiations head in a good direction.

A Western Digital spokeswoman also declined to comment.

The Japanese unit of Bain Capital and SK Hynix could not be reached for comment outside business hours.

Toshiba is desperate to sell the unit to cover billions of dollars in liabilities from its bankrupt US nuclear unit Westinghouse.

The board had been seeking to decide on the preferred bidder today, people involved in the talks previously told Reuters.

The ¥2tn ($18bn) bid led by Western Digital Corp and US private equity fund KKR & Co had been in the lead, sources had previously said.

But those talks hit snags as Toshiba, fearing that Western Digital was angling to eventually take over the chip business, sought to control the US firm's stake in return for a better position in their current chipmaking joint venture, the sources said.

The offer by Bain and the Korean chipmaker is designed to get around that problem as it will invite two state-backed investors – the Innovation Network Corp of Japan (INCJ) and the Development Bank of Japan – to invest in the business only after any arbitration with Western Digital is settled, several sources have said.

The Bain-led group had been chosen preferred bidder in June.

But those talks lapsed as Japan government investors who had been part of that consortium told Toshiba they were reluctant to close a deal in the face of the legal challenges posed by California-based Western Digital, which jointly invests in Toshiba's key NAND memory plant in central Japan.

On Friday, the Bain group raised its offer by nearly ¥500bn to ¥2.4tn ($22bn), including a ¥200bn investment in infrastructure, sources have said.

Yesterday's reversion to the Bain group contradicts a report earlier in the day in the *Nikkan Kogyo* business daily that Toshiba had chosen the Western Digital bid and would announce the deal today.

In addition to the Bain and Western Digital bids, Toshiba has said it was also considering a bid led by Taiwan's Hon Hai Precision Industry Co, also known as Foxconn.

All three bidder groups have roped in major chip buyer Apple Inc to bolster their offers, sources have said.

INCJ held its investment committee meeting yesterday without making any decision.

Chinese Premier Li Keqiang (centre), World Bank president Jim Yong Kim (left) and International Monetary Fund managing director Christine Lagarde attend a news conference in Beijing yesterday. "Free trade is a good medicine for resolving problems. Through free trade, we can resolve many problems in the difficult recovery, help companies transform and give consumers more choices," Li said.

Nations should maintain free trade amid fragile global economy, says Li

Reuters
Beijing

The world economy is showing positive signs but is still fragile and countries should rely on structural reforms, not quantitative easing, to support growth, Chinese Premier Li Keqiang said yesterday.

Li, who met with the heads of global bodies, including International Monetary Fund managing director Christine Lagarde and World Bank president Jim Yong Kim in Beijing, said that countries should maintain free trade.

"There are increased positive factors in the global economy and signs of warming-up in some aspects.

But at the same time, the fragility persists and unstable and uncertain factors are still increasing," Li told a joint news conference with the heads of international agencies.

"Free trade is a good medicine for resolving problems. Through free trade, we can resolve many problems in the difficult recovery, help companies transform and give consumers more choices," he said.

Turning to China, Li said the economy would remain steady and continue to improve.

China's economy grew a stronger-than-expected 6.9% in the first half, defying expectations of a slowdown and putting the country on pace to easily meet its growth target of around 6.5%.

"Based on the growth trend in recent months, the economy will continue to maintain the trend seen in the first half," Li said.

He also addressed China's high leverage ratio, which has been the focus of a campaign by policymakers to control risks.

China's leverage has stabilised and has even shown some declines, Li said.

Li also reiterated China's pledge not to resort to competitive currency devaluation.

At the official local close on Monday, the onshore spot yuan had gained around 6.5% so far this year, about the same percentage loss it suffered in 2016.

The global economy is recovering, but could easily be derailed by policy uncertainty and the threat of protectionism, IMF chief Lagarde told the same briefing.

The global economy is recovering, but could easily be derailed by policy uncertainty and the threat of protectionism, International Monetary fund managing director Christine Lagarde said in Beijing.

Malaysia Airlines to buy Boeing jets for $1.8bn

Reuters
Singapore/Kuala Lumpur

Malaysia Airlines will announce a deal to buy eight widebody Boeing 787 jets during the visit of Prime Minister Najib Razak to the United States, two industry sources said yesterday.

The deal, worth more than $1.8bn at list prices, is expected to be one of the announcements that will be made after Najib meets with US President Donald Trump, the sources said.

The United States was Malaysia's third-largest trading partner in 2016.

The meeting with Trump is critical for Najib, who is looking to raise his standing globally, and in Malaysia, where he is expected to call general elections in the coming months.

An international graft probe by the United States and several other nations into state fund 1Malaysia Development Berhad (1MDB) has hurt Najib's popularity.

With the US visit, Najib is hoping to put the 1MDB scandal behind him.

Najib is scheduled to witness a memorandum of understanding signing ceremony between Malaysia Airlines and Boeing, according to a schedule of the Prime Minister's events in Washington reported by Malaysian media outlets.

The two sources said Malaysia Airlines considered buying Airbus A330neos before settling on the 787 order.

Aircraft manufacturers typically give discounts to list prices.

Malaysia Airlines said it would not comment on reports that are speculative in nature. Boeing and Airbus declined to comment.

The sources did not want to be named because the discussions were private.

Brendan Sobie, chief analyst at independent aviation research firm CAPA Centre for Aviation, said the timing of the order alongside Najib's visit raised concerns of potential political influence over the purchase.

"This has happened before with Malaysia Airlines – and other airlines in this region for that matter – where the government has decided to buy an airplane that wasn't really required," Singapore-based Sobie said. "I think in this case the 787 is required anyway.

But now that it is a political thing there are questions." Malaysia Airlines has been transforming its operations under two consecutive non-Malaysian bosses as it recovers from two tragedies in 2014, when flight MH370 disappeared in what remains a mystery and flight MH17 was shot down over eastern Ukraine.

The carrier is targeting a return to profit next year.

Malaysia Airlines chief executive Peter Bellew said in June the carrier was in early negotiations with Airbus and Boeing for the purchase of 35-40 new long-range jets.

CAPA analyst Sobie said the airline needed widebodies for growth, as well as to replace ageing A330 aircraft over the next several years, making eight aircraft a smaller than expected order.

In the eight months ended August 31, Boeing announced 426 net orders compared to 215 at Airbus.

Men watch Malaysia Airlines aircraft at Kuala Lumpur International Airport. The airline will announce a deal to buy eight widebody Boeing 787 jets during the visit of Prime Minister Najib Razak to the US, two industry sources said yesterday.

Thailand suspends international flights by some Thai airlines

Reuters
Bangkok

Thailand's military government has suspended international flights by Thai airlines that have not received new operator certificates from the country's aviation body, a spokesman said.

The measure will affect 12 airlines which together have a market share of only 2% and so will have little impact on the country's tourism-dependent economy, the head of the Civil Aviation Authority of Thailand (CAAT) said yesterday.

Thailand's aviation industry has been under scrutiny after the UN's International Civil Aviation Organisation (ICAO) downgraded the country in June 2015, giving it a red flag for missing a deadline to resolve significant safety concerns.

The government's move comes ahead of an ICAO's visit to Thailand next week.

"They want to see a strict measure.

The government had to order CAAT to suspend operations of airlines which did not pass assessment," government spokesman Sansern Kaewkumnerd told reporters.

The Thai military junta often invokes executive power, known as Article 44, to clear bureaucratic hurdles.

CAAT was set up in 2015 by the military government to tackle flaws in commercial aviation.

It is tasked with auditing and recertifying Thai commercial airlines to make sure they are in line with ICAO standards.

Chula Sukmanop, director general of CAAT, told Reuters the suspension will affect 12 airlines, including Orient Thai Airlines and Thai Vietjet Air.

"It's not that they failed the assessment, but the assessment has not been completed yet," Chula said.

"They can resume their flights as soon as they pass the assessment," he said, adding that the two airlines are expected to resume their international flights as soon as next month. The suspension is expected to be lifted for the other airlines by January 31, 2018, Chula said.

The two airlines named were not immediately available for comment when contacted by Reuters.

China's biggest banks halt transactions for N Koreans

AFP
Beijing

A Chinese national flag flies in front of the China Construction Bank (CCB) tower at Hong Kong's central business district. Employees at bank branches in Beijing and the border city of Yanji, a major trade and transportation hub between the two neighbours, said their banks have banned North Koreans from opening new accounts and some have even started to close existing ones.

Branches of China's biggest banks have suspended financial transactions for North Koreans, employees told AFP, suggesting that Beijing has pursued stronger measures against its nuclear-armed ally than previously thought.

Staff at branches in Beijing and the border city of Yanji – a major trade and transportation hub between the two neighbours – said their banks have banned North Koreans from opening new accounts and some have even started to close existing ones.

The restrictions were imposed well before the United Nations Security Council unanimously approved, with China's blessing, new sanctions on Pyongyang on Monday following its latest and largest nuclear test.

Employees at several branches of the country's "big four" – Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and China Construction Bank – confirmed the financial curbs for North Korean clients.

"We have frozen their accounts, which means they cannot withdraw (money)," a staff member at a Yanji branch of China Construction Bank told AFP.

"They cannot use (their accounts) in Yanji anymore, as well as our services. We have already started to inform them to cancel their account.

If they can cancel, we let them cancel. If they cannot, we will not let them use it," the staffer said.

An employee at the Industrial and Commercial Bank of China in Yanji said the restrictions began last year or the previous year.

"We also won't open new accounts now. We offer no service to them. Opening accounts or foreign currency operations, we don't offer such services to them," the employee said.

Other local bank branches said the bans have been carried out for a while, but they did not remember exactly when. Some said they have received a written document on the ban but others said there has only been a "verbally delivered" message.

A staff member at a Beijing branch of China Construction Bank said they received a notice in May, and North Koreans can no longer conduct transactions.

An Agricultural Bank of China employee in Beijing said North Koreans are barred from opening new accounts but those with current accounts can carry out transactions.

Zhang Liangui, a professor at the Chinese Communist Party Central Committee school, said the ban is "very normal" and in accordance with UN resolutions.

"Chinese banks restricting financial flows between (China and) North Korea is actually restricting trade on the whole," Zhang said.

"It mainly aims at limiting North Korea's foreign exchange revenue and cutting off the foreign exchange (supply) that it needs to develop its nuclear plans."

A 2013 UN Security Council resolution stipulates that member states must curb financial services or transactions that could subsidise North Korea's nuclear programmes. China has long been accused of lax enforcement of UN sanctions on North Korea, and US President Donald Trump complained earlier this year that trade between the two countries surged in the first quarter.

In June, the United States slapped sanctions on the Bank of Dandong, a Chinese bank located at the border with North Korea which it accused of "facilitating millions of dollars of transactions for companies involved in North Korea's WMD (weapons of mass destruction) and ballistic missile programmes."

But China has insisted that it adheres to the UN sanctions.

It suspended North Korean coal imports in February and more recently banned new business ventures and stopped buying iron, seafood and lead from its neighbour.

China also backed Monday's UN resolution, which bans textile exports and restricts shipments of oil products, though it did so only after Washington toned down its original proposal to secure the backing of Beijing and Moscow.

Cindat to join $660mn QHotels acquisition

Bloomberg
Hong Kong

China's Cindat Capital Management is joining an acquisition of QHotels Group valuing the UK hospitality company at more than £500mn ($660mn), people with knowledge of the matter said.

Cindat, which focuses on overseas property deals, is negotiating a joint purchase of QHotels with UK investment firm Aprirose, according to the people, who asked not to be identified because the information is private. Aprirose, which was previously pursuing the acquisition on its own, now plans to take a 50% stake in QHotels while Beijing-based Cindat would hold the remainder, the people said.

The suitors aim to reach an agreement with QHotels's owners, Bain Capital Credit and Canyon Partners, in the next few weeks, one of the people said. QHotels runs four-star hotels catering to golf weekends and spa retreats, as well as accommodations for weddings and conferences.

QHotels, founded in 2003, has a portfolio of 26 hotel properties across the UK, according to its website. Bain Capital Credit and Canyon Partners invested in QHotels in 2014, when they bought a portfolio of QHotels loans during Irish Bank Resolution Corp's liquidation proceedings.

Representatives for Aprirose and Bain declined to comment, while an official in Cindat's Beijing headquarters said she couldn't provide an immediate comment. A representative for Canyon Partners didn't immediately respond to e-mailed queries.

Hotel acquisitions by Chinese companies have become more sensitive since the government formally laid down new rules on overseas investments last month. China said it will restrict foreign dealmaking in areas including property, film and sports while encouraging deals in areas like agriculture and oil exploration.

Any deal would add to the $4.2bn in hotel acquisitions by Chinese buyers this year, more than double the volume during the same period in 2016, data compiled by Bloomberg show. No final decisions have been made, and there's no certainty the discussions will lead to a transaction, the people with knowledge of the matter said.

Cindat, backed by China Cinda Asset Management Co, agreed to buy 70% of seven Manhattan hotels from Hersha Hospitality Trust for $571mn last year. It plans to diversify into warehouses and student housing in developed markets like the US, the UK and Australia, chief executive officer Greg Peng said in a March interview.

Profits on producing gasoil, jet fuel soar in Asia

Reuters
Singapore

Profits on churning out barrels of gasoil and jet fuel in Asia could keep climbing after marking their highest in nearly two years this month, boosted as demand outpaces supply hit by a string of refinery outages both internationally and in the region.

Royal Dutch Shell shut its Pernis refinery in Rotterdam, the largest in Europe, in late July following a fire, while Hurricane Harvey curtailed refining production on the US Gulf Coast.

Along with refinery outages in Asia, that helped push the profit-margin on producing gasoil, used in heating and as a transport fuel, to its strongest since September, 2015 on Friday, Reuters data showed.

The jet fuel margin on the same day touched its highest since November, 2015.

"Inventories for both diesel and jet usually build through September and draw-down in winter, but we have missed a re-stocking window due to Shell's Pernis refinery and Harvey, so we'll enter winter with low stocks," said Nevyn Nah, a Singapore-based analyst at Energy Aspects.

He added that Asian gasoil and jet fuel margins from October to December would likely average at their highest quarterly level since the first quarter of 2015. GS Caltex, South Korea's second-largest oil refiner, this week said it was unsure when it would be able to restart a middle distillates producing hydrocracker unit which was hit by a fire last month, with exports likely to be crimped.

Middle distillates include gasoil and jet fuel.

Elsewhere, Taiwan's Formosa Petrochemical Corp and South Korea's S-Oil Corp have scheduled maintenance at gasoil producing units for September and October, while at least two refineries in Japan will be undergoing maintenance at crude distillation units over the same months.

"There is less supply from South Korea, Taiwan and China, but stronger demand especially from Bangladesh and the Philippines," a Singapore-based trader said.

He declined to be identified as he was not authorised to speak with media.

The end of monsoon season in India is also expected to reduce exports of gasoil from the nation as it focuses on robust domestic demand for the fuel, traders said.

In Singapore, oil traders Winson Oil and Unipec have snapped up 11.9mn barrels of gasoil since early last week, according to Reuters calculations from industry data, stoking cash differentials for the fuel.

And appetite for gasoil has also been boosted as the annual fishing ban in the South China Sea was lifted in August, said a second trader.

Meanwhile, North Asian refiners are expected to start stockpiling heating fuel kerosene for winter and reduce their production of jet fuel, which could boost margins for the latter, traders said.

Jet fuel demand-growth is also generally robust in the fourth quarter due to year-end travel.

Not scared: Australian regulator takes aim at country's powerful banks

Australian Securities and Investment Commission chairman Greg Medcraft speaks at a Reuters Newsmaker event in Sydney yesterday. One of the emerging problems in the Australian banking sector is loan fraud in the mortgage market, Medcraft said.

Reuters
Sydney

Australia's corporate regulator took aim at the nation's four major banks, saying the powerful institutions "with a lot of hubris" aren't used to being taken on by regulators who have stepped up scrutiny of the scandal-hit sector.

Australia's highly profitable banks have been hit by a series of scandals including allegations of benchmark rate-rigging and, in the case of Commonwealth Bank of Australia, alleged money-laundering breaches. "When I became chairman I decided we need to build a war chest to take on big cases...I am not scared of anybody," Australian Securities and Investment Commission (ASIC) chairman Greg Medcraft said at a Reuters Newsmaker event in Sydney, as he prepares to step down in November.

One of the emerging problems in the sector is loan fraud in the mortgage market, Medcraft said.

But it has been out-of-cycle mortgage rate changes that have generated the biggest public and political outcry, as home-owners struggle to meet high repayments with modest wages growth.

The banking sector should start repairing its reputation by offering variable mortgages at a set level above the cash rate rather than exposing customers to irregular pricing changes, he said.

"I would think the biggest thing the banks could do to win the trust of Australians would be to at least offer the option of a variable rate mortgage priced over something like the cash rate."

Australian regulators have been pushing banks to tighten mortgage lending standards on worries a debt-fuelled bubble and bust in the country's property market could destabilise the financial system and hurt the broader economy.

Medcraft censured the banks for increasing home loan rates for existing customers while offering discounts to entice new borrowers.

Representatives of Australia's four biggest retail banks were not immediately available to comment yesterday.

The head of the Australian banking lobby Anna Bligh said offering such a product would "add considerable risk into the banking system" due to the volatility of banks' cost of funding.

Medcraft said improving the culture and conduct of the biggest banks was one of his "unfinished businesses" as he prepares to step down in November.

Medcraft was not surprised that China had started to clamp down on private cryptocurrencies, which included last week's move to ban so-called "initial coin offerings", or the practice of creating and selling digital currencies or tokens to investors in order to finance start-up projects.

He said that while it wasn't the job of the Australian regulator to ban private digital currencies, he added it was becoming problematic.

"It's classic non-cash economy in digital form," he said. "If you don't cut it off quickly, it will flower."

"Having something that is issued by the state is going to be something more likely in the future than essentially a cryptocurrency."

Bitcoins are not regulated in Australia as a financial product.

The government recently proposed new laws to bring in bitcoin providers under the regulatory fold for the first time ever.

Australia would make a renewed push to integrate its capital markets with the United States, Medcraft said, opening up the country's A$2.3tn ($1.85tn) retirement savings to American companies while giving Australians access to the deepest capital market in the world.

"What Canada has is what we want...which is mutual recognition," he told the conference, adding he would raise the issue the next time he met the US Securities and Exchange Commission chair.

Australia and the United States signed a cooperation agreement to mutually recognise each other's laws for raising capital in 2008, but little has come from it.

Local media has speculated that Medcraft will be heading to Paris when he finishes up at ASIC in November, likely as a special adviser to the OECD secretary general.

The former investment banker lived in Paris for three years in the late 1980s when he worked for Societe Generale.

"It would be a very interesting area wouldn't it," Medcraft told Reuters, without elaborating.

Car makers face electric reality as combustion engine outlook dims

Electric cars may be half as profitable at first — Daimler; shift to EVs could lead to more outsourcing, risking jobs; Merkel says government must do more on incentives

Reuters
Frankfurt

European car bosses are beginning to address the realities of mass vehicle electrification, and its consequences for jobs and profit, their minds focused by government pledges to outlaw the combustion engine.

As the latest such announcement on Monday by China added momentum to a push for zero-emissions motoring, Daimler, Volkswagen and PSA Group gave details about their electric programmes that could give policymakers some pause.

Planned electric Mercedes models will initially be just half as profitable as conventional alternatives, Daimler warned — forcing the group to find savings by outsourcing more component manufacturing, which may in turn threaten German jobs.

"In-house production is almost irrelevant to the consumer," Daimler boss Dieter Zetsche told reporters on the eve of the Frankfurt auto show, in the midst of a German election campaign in which automotive jobs have loomed large.

The company set a target of saving €4bn ($4.8bn) by 2025 to help fund the cost of its electric cars.

"Daimler is the first company to state explicitly how much electric vehicles are going to hurt margins," said Bernstein analyst Max Warburton. "It was brave to go first — but of course it won't be the last."

Volkswagen (VW), for its part, said it was seeking new global supplier contracts to source €50bn ($60bn) of electric car content including batteries, which are not yet manufactured competitively in Europe.

"A company like Volkswagen must lead, not follow," chief executive Matthias Mueller told reporters.

VW diesel emissions-cheating exposed by US regulators in 2015 triggered global public outrage, dozens more investigations into test-rigging by the wider industry and a push by some lawmakers to ban diesel and eventually all engines.

Tesla shares jumped nearly 6% on Monday after a Chinese minister said it was a question of when, not if, Beijing bans fossil-fuel cars, tightening the noose around the combustion engine.

France and Britain have promised its outright abolition by 2040.

But PSA, the maker of Peugeots and Citroens, said it was concerned about the risks if consumers were left behind in the rush, and a new generation of battery cars does not sell.

"If it doesn't gain acceptance in the market, then everybody — industry, employees and politicians — has a big problem," PSA chief executive Carlos Tavares said in a pre-show interview with German weekly Bild am Sonntag.

While Tesla has carved itself a successful premium niche, electric vehicles have yet to penetrate mass markets, with the heavily subsidised exception of Norway, and still account for less than 1% of global car sales.

Automakers have sought to adapt to the changing tide — and in some cases distance themselves from "dieselgate" — by announcing multibillion-euro investments in electric cars, underpinned by plans to sell millions within a decade.

A year into the scandal, VW unveiled plans to develop 30 new electric cars and sell 2-3mn annually by 2025.

On Monday it upped the goal to 80 models and said it would need four times the capacity of Tesla's "gigafactory" to supply their batteries.

Since the battery is the single biggest-value item in an electric car, however, experts point out that mass adoption would shift business and jobs from European suppliers to China, which already dominates the automotive power-pack market.

According to consulting firm AlixPartners, electric drive-trains including batteries require 40% less manufacturing labour than mechanical ones.

That would hit 112,000 jobs at European suppliers, even before any ouin tsourcing.

A phase-out of combustion engines by 2030 could cost 600,000 jobs Germany alone, the country's Ifo economic institute has warned.

Chancellor Angela Merkel, on course for re-election on September 24, said she was "no friend of bans", in a Berliner Zeitung interview published yesterday.

Speaking to a television audience of voters on Monday evening, Merkel said the industry would need support in its transformation. "The government still has to do more to set incentives," she said, without giving details.

Bosch, the world's biggest automotive supplier, yesterday lamented the "one dimensional nature" of the debate, saying electric vehicles were not the only way to reduce pollution.

The German company is exploring synthetic fuels, which would have the advantage of being able to use existing filling stations and engines, its CEO Volkmar Denner told a news conference, adding this could potentially save 2.8 gigatonnes of CO2 by 2050 — three times as much as Germany produced in 2016. "This is a faster way of limiting global warming," he said.

Independent analyst Richard Windsor warned that far from boosting the industry, a shift to electric cars — which are expected to last longer than combustion-engined equivalents and require less maintenance — could inflict long-term damage.

"Vehicle makers are queuing up to announce their commitment to electric vehicles but at the same time they may be cheering for their own demise," he said.

Ferrari's new Portofino faces $2.5mn Mercedes

Bloomberg
Frankfurt

An employee polishes a Volkswagen e-Golf electric automobile in the light tunnel inside the VW factory in Dresden, Germany. Two years after "dieselgate" crashed the last IAA party the organisers are hoping to turn the page this year by focusing on the cleaner cars of the future.

Ferrari is introducing a new "entry-level" supercar, while Mercedes-Benz is testing the segment's upper price limit as the rivals vie for the world's most lucrative customers.

At the Frankfurt International Motor Show, Ferrari rolled out the €196,000 ($234,000) Portofino — 3% more than the California, the convertible's predecessor. Mercedes's AMG high-performance sub-brand is highlighting the Project ONE concept, which sports Formula 1 hybrid technology and has a whopping price tag of €2.2mn.

The models are crucial to the strategic plans of both automakers. Ferrari is banking on the Portofino to help boost sales to 9,000 cars in 2019, up from a target of 8,400 this year, to help secure its independence as the industry grapples with the strains of shifting to electric cars. AMG is critical to parent Daimler's €10bn effort to ramp up electric offerings by showing that cleaner powertrains can still be upscale and sporty.

Lamborghini is also wrestling with the changing dynamics in the supercar segment, especially as parent Volkswagen embarks on a €20bn push to electrify its entire lineup. The first sign of that shift for the exotic Italian brand will come later this year with the unveiling of a model based on the Urus prototype, which Lamborghini teased in a video in Frankfurt as the world's first "super sport" utility vehicle. The model will also be the brand's first hybrid.

"The next step for Lamborghini will be for sure hybridisation," Stefano Domenicali, the brand's chief, said in a Bloomberg TV interview. "But these iconic cars have to be different from others, so this is really the position we need to keep in order to keep alive the dream."

For Ferrari, spun off from Fiat Chrysler Automobiles in 2016, the Portofino is less about technology than expansion as it seeks to gradually increase sales and boost profit, with a goal of eventually pushing past the 10,000 mark for deliveries.

The Portofino's deliveries, which will start in the first quarter in Europe before hitting the US in the summer, are forecast to amount to about 3,200 cars, 40% more than the California this year, according research company IHS Markit.

"If the good beginning bodes well, our dealers got orders even before the debut," said Enrico Galliera, the Italian brand's head of sales.

Chief executive officer Sergio Marchionne is equipping the hard-top convertible with a 600-horsepower V8 engine, 40 horsepower more than its predecessor. The car can accelerate to 100 kph (62 mph) in as little as 3.5 seconds.

The Maranello-based manufacturer is showing off the model to the wider public for the first time yesterday following a customers-only unveiling last week in the picturesque Italian harbour town of Portofino. The event was part of the 70th-anniversary celebration of the car maker's founding.

While Ferrari's growth effort might risk diluting the brand's exclusive cachet, Marchionne has complemented the strategy by offering exclusive limited-edition models, such as the $2.1mn LaFerrari Aperta convertible.

Mercedes is now seeking to push into this elite league. That means ratcheting up the exclusivity factor by making just 275 of the Project One, which has a fin running down the middle and reaches a top speed of 350km per hour (220 mph).

In line with Mercedes's plan for electrified models, the V6 gasoline engine will be complemented with plug-in hybrid technology. The extra battery boost will also make the two-seater more responsive on initial acceleration, hitting 200 kph in six seconds. The car isn't just for classic petrol heads but technology fans as well, chief executive officer Dieter Zetsche told reporters in Frankfurt.

"It shows electric technology isn't equivalent to eating muesli, but is part of comfortable as well as high-performing vehicles," he said after the unveiling of the Project One featuring race-car driver Lewis Hamilton.

"And all of it road legal."

TomTom to offer EV recharging maps in Europe, N America

Reuters
Frankfurt

Dutch map-making company TomTom is introducing a live service to help drivers locate and pay for electric car-battery charging stations, an application built off its core automotive navigation business.

At a news conference at the Frankfurt auto show yesterday, the company unveiled its TomTom EV Service, which it plans to licence to auto makers to build into upcoming navigation systems for electric vehicles starting in Europe and North America.

The service connects TomTom car navigation systems to information on the availability of charging points from market leaders in vehicle recharging networks.

Data include opening hours, payment methods and plug types and are updated continuously throughout a driver's journey, it said.

The TomTom EV service will initially launch in Europe, with expansion into North America planned for early next year.

At that point, TomTom said its EV Service will list 35,000-plus charging stations globally.

The company did not disclose its current partners, but a TomTom demonstration system suggests it is working with German recharging network Hubject, which has previously said it offers up to 25,000 charging stations across Europe.

Hubject is backed by Germany's top three car makers BMW, Daimler and Volkswagen as well as the country's major electric utilities and engineering groups. It aims to standardise how drivers locate and pay for recharging.

In addition, German luxury auto maker Daimler has chosen to incorporate TomTom maps into its car navigation systems in Mercedes A, C, B and E-class vehicles it offers in North America, TomTom said.

It also said it is now offering high-resolution maps to automotive partners covering 360,000 kilometres of highways and roads across Europe and North America for future testing of their autonomous driving projects.


A driver holds a Tom Tom navigational device in London. At a news conference at the Frankfurt auto show yesterday, the company unveiled its TomTom EV Service, which it plans to licence to auto makers to build into upcoming navigation systems for electric vehicles starting in Europe and North America.

VW's CEO says has no plans to divide group

Reuters
Frankfurt

Volkswagen has no plans to follow local rival Daimler in considering changing the group's legal structure, its chief executive said, even as the company undergoes the biggest transformation in its history.

The world's largest vehicle maker by sales said on Monday it was stepping up the pace on its electric car programme, announcing more than €20bn ($23.86bn) of new investments over the next 12 years.

Daimler said in July it may split parts of its business into separate legal entities, a move that investors have said could unlock billions of euros in value by listing separate parts of the business and help fund its development of electric and robotic cars.

Asked by reporters at the Frankfurt auto show whether he could imagine following rivals in looking at changing the group's structure, VW chief executive Matthias Mueller said: "Others are always faster than Volkswagen but, somehow, we are still successful."

"No, one of my major tasks is to always and again look into such matters and reflect on the situation," he added. "That is what we do and what I do with all authority and calm. And I will not let anyone push me."

A broader move by VW to create a holding structure could unlock an incremental €50bn in value, on top of the group's €68bn in market capitalisation, analysts at research firm Evercore ISI said in a note.

Politicians responsible for fate of Opel engine testing jobs: PSA boss

Reuters
Frankfurt

PSA Group's chief executive Carlos Tavares said yesterday European policymakers were responsible for the fate of 800 jobs at Opel's engine testing facility, given that many are under threat from a regulatory push to promote electric cars.

PSA is in the process of integrating Opel, after buying it from General Motors, a task which analysts say will lead to sweeping job cuts since most vehicles will be migrated to platforms engineered by the French car maker.

Some 800 of Opel's 7,700 engineers work at its seven-story engine development centre in Ruesselsheim, Germany, where the car maker has 45 state-of-the-art engine test benches.

With several European ministers warning car makers about potential bans on combustion-engined cars, Tavares said he could not be held responsible for the fate of those jobs. "Well this is the decision made by the governments, to forbid the usage of the internal combustion engine, this is not my decision....

If they decide that, my role as the president of the company is to comply."

PSA Group and Opel will have to "reorganise ourselves in a way which is adapted to the new reality which is that governments want electrification."

With governments pushing electrification, Europe's industry is taking a significant bet.

"The scientific responsibility of selecting one technology and instructing the car makers to go in this direction, this scientific responsibility is in the hands of the governments," Tavares said.

"If you ask everybody to make electric vehicles and you cannot subsidise them, then you have to raise prices or you have to smash the margins of the companies, and then you have a problem of the sustainability of the companies," he added.

PSA Group CEO Carlos Tavares speaks during a news conference in Paris. With several European ministers warning car makers about potential bans on combustion-engined cars, Tavares said he could not be held responsible for the fate of jobs. Some 800 of Opel's 7,700 engineers work at its seven-story engine development centre in Ruesselsheim, Germany, where the car maker has 45 state-of-the-art engine test benches.

Trump said to plan aggressive road show to sell tax overhaul

Bloomberg
Washington

President Donald Trump plans an aggressive travel schedule, taking him to as many as 13 states over the next seven weeks, to sell the idea of a tax overhaul as the administration tries to avoid repeating the communications failures of its attempt to repeal Obamacare.

With a make-or-break legislative battle looming on taxes, the White House is moving to clean up a disorganised communications operation, said four people familiar with the effort.

The strategy was revealed by top advisers to about 40 allies during a closed-door meeting last week. It calls for the president to visit states he won where a Democratic senator is up for re-election next year, including Florida, Indiana, Michigan, Montana, Ohio and Pennsylvania, said three people who attended. The people asked not to be identified discussing internal strategy.

In some instances, cabinet members will be deployed behind Trump in a "second wave" after the president's speeches and town hall meetings to amplify his message.

White House officials held the private meeting on September 8 to share details on its political strategy for tax legislation with allies who can deliver the message on cable news and in local media interviews. Separately, they're prepping economists such as Arthur Laffer, Lawrence Kudlow and Stephen Moore, who served as informal advisers to Trump's campaign.

Top communications staffers were at the meeting, including White House communications director Hope Hicks, counselor Kellyanne Conway, press secretary Sarah Huckabee Sanders and Cliff Sims, a messaging strategist.

The administration plans to mount the full-bore sales campaign even though congressional Republicans haven't yet determined key elements of the plan, including tax brackets for individuals, a corporate tax rate, what popular tax advantages will be eliminated or even whether the changes will be permanent or temporary. It's unclear when additional details will emerge.

But White House officials have concluded that, even without a specific tax plan, Trump can build support early by making a broad case for lower rates, a simpler tax code and more incentives for multinational Corps based in the US to bring home profits stashed overseas.

Trump has already tested this strategy with trips to two states, Missouri and North Dakota, that he carried in 2016 and that are represented by a Democratic senator facing re-election in 2018. He also plans to make time for another stop next week, even though he is scheduled to attend the UN General Assembly in New York September 19 through 21.

A lack of planning and coordination hampered the White House's effort on health care and other legislative fights, said several people tapped by the White House to serve as surrogates on tax reform.

"It didn't put them on the best footing to be successful," said James Davis, executive vice president of Freedom Partners, a group partially funded by the Koch brothers. "This is vastly different the level of engagement than what we saw in health care."

"Team of Teams," a management book by former general-turned-business consultant Stanley McChrystal, is serving as the template for retooling the White House communications operation. The White House is trying to overcome high staff turnover and past rivalries, with a new emphasis on good communication between various administration teams and with congressional leaders' offices.

Hicks, who has been serving as interim communications director, will now lead the communications team on a permanent basis, two White House officials said. She's viewed by staff as a strong leader because she is one of the president's most trusted aides and therefore secure in her standing.

Fox News analyst Mercedes Schlapp is joining the team to help with long-term planning. Treasury Department spokesman Tony Sayegh has been detailed to the White House to help coordinate "all the moving pieces," one official said. Shahira Knight, a tax aide with the National Economic Council, is interfacing with the communications team, speechwriters and the Hill. Steven Cheung will move to the press team to do rapid response.

The White House legislative affairs and political affairs teams are choosing the target states for Trump to visit. They've also put red states with GOP senators on the calendar to help Republicans stay motivated, one of the people familiar with the plan said.

"It's only about the votes," said Bryan Lanza, who was a deputy communications director for the Trump campaign.

In an effort to maximise the impact with local members of Congress, the administration is planning the president's visits with an eye toward gaining additional attention in the run-up and afterwards.

Although details of the tax plan remain fluid, the White House is planning for future speeches to highlight specific components of the proposed legislation. Those addresses will be drafted with input from the president himself, as part of a joint effort between top aide Stephen Miller's speech-writing staff, the communications team, and economic advisers.

The White House plans to turn to prominent corporate chief executives and members of the public to reinforce Trump's case for a tax overhaul through media interviews. Trump is expected to mix up the format at some of his events, hosting town halls and other more interactive sessions.

Administration officials were pleased with a Trump speech in North Dakota that highlighted the potential impact of a tax overhaul on Julie Ellingson, a local fourth-generation rancher who feared an estate tax might encourage her heirs to sell the farm. The anecdote generated additional coverage as local media interviewed Ellingson afterward.

Murdoch faces wide-ranging UK probe over Fox bid for Sky

Bloomberg
London

The UK said it planned to expand its probe into 21st Century Fox's bid for pay-TV broadcaster Sky, exposing Rupert Murdoch and his family to further scrutiny over governance at their media empire and adding to the uncertainty about the £11.7bn ($15.5bn) deal's fate.

Culture Secretary Karen Bradley is inclined to ask the Competition and Markets Authority to investigate Fox's commitment to broadcasting standards, as well as whether the deal would give the Murdochs too much influence over UK media, she said yesterday in Parliament.

The scope of the planned CMA referral surprised investors, given an earlier regulatory review had cleared Fox on its commitment to broadcast standards. Shares of Sky, which is 39% owned by Fox, fell as much as 5.1% to 903.5 pence, their biggest drop since the 2016 vote to leave the European union.

Fox chief executive officer James Murdoch and fellow managers now face the prospect of months of interrogation over recent events at scandal-hit Fox News and past corporate governance failings in the Murdoch media empire. Wrongdoing at News Corp's UK newspapers scuppered a 2010 attempt to buy the rest of Sky, while this time, publicity over sexual - and racial - harassment allegations at Fox News has given opponents ammunition to slow a deal that initially appeared on track to sail through.

James Murdoch and Fox co-chairman Lachlan Murdoch had previously warned that any delay to approving the merger would signal to other companies that the UK isn't "open for business" as the country leaves the European Union. Britain is under pressure to reassure investors of the nation's future path amid stalling Brexit talks with the EU.

Bradley will make the final decision on whether to clear the merger after considering the CMA's feedback, which could come as late as March 2018. At issue for the CMA will be the scope of the Murdoch family's media influence in the UK and Fox's broadcasting record. On media influence, Rupert Murdoch is both co-chairman of Fox and executive chairman of News Corp, which owns the Times of London, the Sunday Times and the Sun newspapers. Adding Sky News to the mix would give the Murdoch family influence over a third of the news sources used in the UK, according to a June report by communications watchdog Ofcom.

On broadcasting standards, the CMA would have to weigh the relevance of recent revelations of alleged misconduct at Fox News, including claims of fabricated quotes for a story and alleged instances of racial and sexual harassment. Ofcom's initial review of the takeover found no broadcasting standards concerns given Fox's favourable record of compliance with the UK's Broadcasting Code.

The CMA has the infrastructure to do a much more thorough study than that initially conducted by Ofcom. It would likely entail hearings with Fox and Sky executives, as well as harvesting huge amounts of data from the companies, their rivals and industry bodies. The CMA is set to appoint a panel of experienced competition lawyers and industry grandees who would give their recommendation to Bradley.

The deal's progress has already been set back by the upheaval of the UK general election, the furor over racial and sexual harassment allegations at Fox News and obstruction by the deal's opponents.

Political advocacy group Avaaz has already challenged a review by Ofcom that found Sky would continue to be a "fit and proper" media outlet under Fox ownership. The group has further threatened Bradley with a legal challenge if she were to choose not to call for a deeper probe of Fox's commitment to broadcasting standards.

The CMA referral makes it almost certain that Sky will now have to pay a special dividend of about £170mn to its shareholders as the takeover won't complete by December 31. Fox has said it expects the deal to complete by mid-2018, after previously saying it would be done by the end of 2017.

Rupert Murdoch (left) and Lachlan Murdoch, co-chairmen of 21st Century Fox, arrive for a morning session during a conference in Sun Valley, Idaho, US on July 13. UK Culture Secretary Karen Bradley is inclined to ask the Competition and Markets Authority to investigate Fox's commitment to broadcasting standards, as well as whether its bid for pay-TV broadcaster Sky would give the Murdochs too much influence over UK media, she said in Parliament yesterday.

Goldman lays out plan to add $2.5bn in profit by 2020

Bloomberg
New York

Goldman Sachs Group, which posted its worst first-half trading performance under chief executive officer Lloyd Blankfein, said turning that business around and lending more could generate at least $2.5bn in pre-tax earnings growth in the next three years.

The firm has doubled lateral hires in its fixed-income, currencies and commodities business this year and sees growth opportunities in equities and investment management as well, co-president Harvey Schwartz said yesterday in a presentation. The strategy could boost revenue by $5bn, including $1bn from the debt-trading business, according to Schwartz.

"We believe this is attainable even if the market remains challenged, like it is today," Schwartz said. "If we see modest or perhaps more significant improvement in the operating environment, we expect FICC could deliver significantly more upside."

Return on equity could climb 1.5 percentage points over three years, the company said.

Goldman Sachs lost ground to rivals including JPMorgan Chase & Co and Citigroup this year. In prior presentations and interviews over recent months, executives have preached improving cooperation among trading desks, relieving clients from some fees and reducing a reliance on hedge funds as keys to boosting performance.

Schwartz said there are roughly 600 clients where Goldman Sachs isn't among the top three trading partners. That's "not only unacceptable, it's also a great opportunity," he said.

Among the areas Schwartz highlighted for the next three years was an estimated $12bn in loan growth from the firm's Marcus platform, which will originate about $2bn in loans by the end of 2017. He said the fixed-income environment remains "pretty challenging," with third-quarter activity much the same as during the first half of the year.

Pablo Salame, the firm's co-head of trading, has implored traders this year to look for ways to reward favourite customers with free add-ons, coining the slogan "Just Add Butter" in a nod to restaurant-industry practice. Too often, top clients are confronted with a tangle of fees from disparate desks that don't work together, or they're snubbed by a misguided trader who may think a transaction is too small, he told employees in April.

Equifax's seismic breach tests Trump pledge to dismantle rules

Bloomberg
Washington

The massive Equifax Inc data breach has triggered demands on Capitol Hill for stiffer rules and new requirements for what financial companies must do to fend off cyberattacks.

Yet tougher oversight would all but certainly require support from the Trump administration and buy-in from congressional Republicans — both of whom want to reduce financial regulation not stiffen it. Democrats so far have led the calls for more rules in the wake of Equifax's disclosure that 143mn Americans' personal information was stolen.

Tighter constraints would pose a particularly difficult choice for GOP lawmakers because it would most likely mean further empowering the Consumer Financial Protection Bureau, a controversial agency created after the 2008 financial crisis that many Republicans have been trying to weaken or put out of business almost from its first day of existence. No other federal regulator supervises Equifax or has officials inside the firm conducting onsite exams.

"Republicans by nature are loath to regulate," US Senator Dick Durbin, an Illinois Democrat, said in an interview. "But there comes a moment when a company has so much information and is not handling it in a professional way where I think we are duty-bound to step in on behalf of innocent citizens."

While President Donald J Trump has pledged to cut back government red tape, White House press secretary Sarah Huckabee Sanders said on Monday that the severity of the Equifax breach could mean more rules are needed. She said the administration will look at the situation "extensively," and that Trump's homeland security adviser Tom Bossert will lead efforts to respond to the hack. Equifax is among a handful of companies that control data such as credit histories that banks rely on to assess whether consumers should get loans. The Atlanta-based company said September 7 that the compromised information includes Social Security numbers, drivers licence records and birth dates. It faces multiple state and federal investigations, and at least one multibillion-dollar class action lawsuit.

Unlike banks, Equifax and competitors TransUnion and Experian Plc don't have multiple regulators constantly looking over their shoulders. The Federal Reserve and Office of the Comptroller of the Currency, for example, have teams of supervisors assigned to specific lenders. The officials have daily responsibilities for monitoring any transactions and weaknesses in computer systems that could threaten financial stability.

Before the CFPB begin policing the industry in 2012, it faced almost no federal oversight. The Federal Trade Commission has authority to sanction the companies for failing to protect consumers, but it doesn't engage in proactive monitoring. Durbin said the size of penalties that the FTC is allowed to impose aren't big enough to adequately punish a breach on the scale of Equifax's.

Much of the CFPB's scrutiny of Equifax and its rivals has been on trying to ensure that credit reports are based on accurate data and that the firms are properly responding to consumer complaints. At least publicly, less of the agency's focus has been on cybersecurity. The CFPB is led by Director Richard Cordray, who was appointed by former President Barack Obama.

In January, the consumer bureau accused Equifax and TransUnion of misleading consumers about credit products they had sold them. Without admitting or denying the allegations, Equifax agreed to provide almost $3.8mn in restitution to affected consumers, while paying a $2.5mn fine. The CFPB has said it is investigating Equifax's data breach as well as the company's response.

The CFPB has authority to make sure financial companies maintain standards to keep customer information safe. The agency brought its first cybersecurity case last year, fining online payment company Dwolla Inc $100,000 for allegedly deceiving companies about how secure its systems were. The settlement could provide a roadmap for how the agency deals with Equifax's breach. Lawmakers have repeatedly tried to tighten restrictions for how companies report consumer breaches and to expand cybersecurity protections — with limited success. Banks have long lobbied Congress to limit their industry's financial losses following hacks on other companies.

When criminals get access to consumer data and use it to commit identify theft, it's banks and credit unions that often bear the brunt of financial losses. Lenders also face costs associated with managing the fallout of a breach, such as reissuing new credit cards and managing consumer complaints. The Equifax breach has reinvigorated calls for Congress to create national standards to ensure all companies are adequately protecting data.

"It's time for companies who lose consumer data or do not protect it to be held responsible," said Dan Berger, president of the National Association of Federally-Insured Credit Unions. "I think you're going to see Congress really take a closer look at this."

Democrats have used the Equifax breach to push a number of policy goals, including their desire to impose new requirements on companies' tracking of consumer data and to remove barriers to customer lawsuits. On Monday, a group of lawmakers led by Brian Schatz, a Hawaii Democrat, reintroduced legislation that would make it easier for consumers to deal with identify theft and mistakes in their credit reports.

Multiple congressional committees have called for hearings and sought information from Equifax to try to get to the bottom of what happened. While Republicans have been less vocal than Democrats in demanding more rules, they have said they want to know went wrong and whether Equifax violated any laws.

"This event certainly is striking," US Representative Patrick McHenry, the North Carolina Republican who is vice chairman of the House Financial Services Committee, said in an interview. "These companies should be better, they should protect our data in much stronger forms and any failure to do that, we should have a broader discussion about how we improve this market."

HE al-Attiyah, HE al-Sada among other dignitaries at the Quarterly CEO Roundtable' hosted by The Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development in Doha yesterday.

Al-Attiyah Foundation holds 'CEO Roundtable' on global climate action

The Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development hosted its 'Quarterly CEO Roundtable' at the Four Seasons Doha yesterday.

The backdrop for the 'CEO Roundtable' dialogue was the increasing top-down/bottom-up climate action being witnessed globally. The top-down action by governments has increased in speed and scale over the past five years, with many countries making serious commitments, collectively and individually. The bottom-up actions by the private sector and other stakeholders are outpacing the international process, on many fronts.

HE Abdullah bin Hamad al-Attiyah, chairman, The Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development, said, "As chairman of the leading think tank in the Middle East, I am delighted to host our 5th CEO Roundtable. Sharing our knowledge is a vital step in identifying new opportunities for Qatar and others. Collaboration and partnership are always fruitful for all parties, and by the application of science, we can create better societies."

As an intimate group, the CEOs from Qatar's energy and business sectors came together to share their own views and company's response to the Paris Agreement and beyond. The conversations were private but the content will be published in a white paper made available to members on the foundation's website.

The foundation attracted world renowned guest speakers to the event including Dr Dirk Forrister, CEO and President, International Emissions Trading Association (IETA), Dr Karsten Sach, member of the GCF Board, and David Hone, Chief Climate Change Advisor, Shell International.

HE the Minister of Energy and Industry, Dr Mohamed bin Saleh al-Sada was among the dignitaries present.

The group touched upon the local and global implications of the Paris Agreement, Qatar's ecological footprint and the major challenges faced by oil and gas companies as the world moves towards a low carbon economy.

The Al-Attiyah Foundation examines energy and sustainable development related themes and uses its influence to help shape the global landscape. The foundation's chairman and founder al-Attiyah has been bestowed with many awards during his illustrious career, including his appointment as Qatar's Deputy Prime Minister, Minister of Energy and Industry and managing director of Qatar Petroleum. He is the driving force behind the foundation.

Main QSE index to figure Al Meera, QFB, Mazaya Qatar from Oct 1

The Qatar Stock Exchange's (QSE) main barometer will figure Al Meera Consumer Goods Company, Qatar First Bank (QFB) and Mazaya Qatar from October 1, replacing Aamal Company and Qatar Insurance. In its semi-annual review of the indices, the bourse also announced that Qatar Islamic Insurance would join Al Rayan Islamic Index. Under the new index practices, a review is carried out twice a year to ensure that the selection and weighting of the constituents continues to reflect the purpose of the index.

The main 20-stock barometer Qatar Index will continue to have QNB, Industries Qatar (IQ), Masraf Al Rayan, Qatar Islamic Bank (QIB), Ooredoo, Qatar Electricity and Water, Barwa, Nakilat, Commercial Bank, QIIB, Milaha, Qatari Investors Group (QIG), United Development Company (UDC), Doha Bank, Gulf International Services, Vodafone Qatar and Medicare Group (MCG).

Apart from Qatar Islamic Insurance, the other constituents of Al Rayan Islamic Index are Masraf Al Rayan, IQ, QIB, Barwa, Gulf Warehousing, UDC, Vodafone Qatar, QIG, MCG, Aamal Company, Al Meera, QIIB, Qatar First Bank, Qatar National Cement, Qatar Industrial Manufacturing Company, Widam Food (formerly Mawashi) and Mazaya Qatar.

The bourse has seven sectors — banks and financial services (with 13 constituents), insurance (five), industrials (nine), real estate (four), telecom (two), transportation (three) and consumer goods and services (nine) in the 'All Share Index', which comprises listed stocks with annual share velocity greater than 1%.

Ahli Bank would be removed from All Share Index and Banks and Financial Services indices.

The QSE had revised its key benchmark methodology, stipulating that at least 80% of the trading days and a minimum of 5% annualised velocity during the final quarter of the 12-month review period.

The changes to the index methodology of QSE Index comes following a decision by the QSE Index Committee and the approval of the Qatar Financial Markets Authority.

The decision by the index committee is designed to enhance the tradability of the index and ensure that consistent liquidity is a determinant of index inclusion.

S&P affirms its 'BBB+' ratings on Doha Bank Assurance Co

Standard and Poor's (S&P), an international credit rating agency, has affirmed its 'BBB+' long-term insurer financial strength and counterparty credit ratings on Doha Bank Assurance Company (DBAC) and removed the ratings from "credit watch with negative implications".

"We continue to view DBAC as a strategically important subsidiary of Doha Bank, given its contribution to the bank's product offering, as well as integration of management and some operational functions. Our ratings on DBAC therefore benefit from two notches of support above its stand-alone credit profile," S&P said.

As of June 30, 2017, DBAC's gross written premiums increased in line with its expectations by about 6% to QR47.1mn from QR44.3mn during the first six months of 2016, as the insurer grew its motor insurance portfolio.

The company's net profit after tax reduced to about QR1.4mn from QR3.9mn at mid-year 2016. The reduction in net profit was mainly on a significant increase in motor insurance claims during the first six months of 2017.

"We therefore expect that, provided there is no further deterioration in operating performance, DBAC's net profit after tax for full-year 2017 will be broadly in line with its result at year-end 2016, when the company recorded a net profit after tax of QR3.1mn," the rating agency said.

Continuing to monitor the effect of the ongoing boycott of Qatar's economy on DBAC's operations, S&P said although Qatari equities have seen losses, DBAC has a limited investment allocation to this class so the effect on performance is "limited".

Should the current political situation persist for an extended period, DBAC might be exposed to a general slowdown in both new business and collections of outstanding receivables, it said, adding in this scenario, "We would reassess our expectations for the company's growth and profitability."

Highlighting that DBAC's capital adequacy remains above its 'AAA' benchmark and its liquidity position is "exceptional", it said in the event of a general tightening of liquidity and a slowdown in premium collections, these qualities would help to insulate the insurance company and preserve its claims-paying ability.

"We expect that DBAC's capital adequacy will remain at the 'AAA' level (based on our model), supporting what we regard as ambitious growth plans over the next two years. We also anticipate that DBAC will continue to expand its cooperation with its parent to strengthen its market position through profitable growth," S&P said.

Qatar startups, manufacturing sector gain more govt support

By Peter Alagos
Business Reporter

Three months into the Saudi-imposed economic blockade, Qatar startups and the manufacturing sector "are getting more support" from the government, which has laid out a number of self-sufficiency and sustainability-related projects, an official of a Qatari company said.

"As a nation we are aiming to become more self-sufficient; considering the amount of Qatar's wealth, this goal can be achieved through the wise leadership of His Highness the Emir Sheikh Tamim bin Hamad al-Thani. This will also enable the government to develop areas it had not focused on earlier.

"Today, several new startups are getting a major push from the Qatari government and companies are beginning to invest more in newer projects. So definitely the blockade has acted as a great stimulant for the development of local businesses in Qatar, said Anoop Krishnan, the COO of end-to-end IT solutions provider Cherry Computer.

Prior to the blockade, Krishnan said the market was rife with "freelancers" or unregistered companies that are operating in some Asian and GCC countries. However, increased focus on local companies since June 5 helped considerably trim down the presence of freelancers in the market, "some of which do not even have a physical presence in Qatar," Krishnan said.

Krishnan: A major push.

"While there are still some freelancers operating in the market, the focus on local businesses since the blockade was a positive development for companies like us," Krishnan pointed out.

He also underpinned the role of Qatar's small and medium-sized enterprise (SME) sector in nation-building and economic development. "Two of the primary roles of the SME sector would be wealth creation and employment generation in the country," he said.

Krishnan said the development of Qatar's SME sector will create a spill-over effect on less-developed areas around the country when SMEs start setting up new businesses in less populated locations "to maintain cheaper operating costs."

"The growth of industries and business in these areas will lead to great infrastructural development like better roads, new schools, hospitals, shopping malls, and other public and private services that would otherwise have taken a different timeframe had there not been a blockade.

"Adding to this is the already developing Qatar Rail project, which is going to interconnect neighbouring communities. There will be a serious growth in GDP and per capita income, which is again one of the essential goals of economic development," Krishnan stressed.

The expected rise in the standard of living in Qatar and infrastructural development in areas like education, healthcare, and other public services "would be a direct result of the country's growing entrepreneurship culture," Krishnan said.

Turkish Airlines profits in Africa, where others fear to fly

Reuters
Nairobi

When Turkish Airlines opened a direct daily route to a war-ravaged African state, industry insiders were sceptical. Not anymore.

"Somalia is one of our most profitable destinations worldwide," Mustafa Ozkahraman, Kenya country manager for Turkish Airlines, told Reuters in an interview. "Because we are the only (international airline). The first and the only one."

The Istanbul-based carrier is replicating the move across Africa, expanding to destinations shunned by others.

The move comes as political unrest at home last year pushed the airline into the red for the first time in 17 years.

In 2011, Turkish Airlines flew to 14 African cities. By the end of this year, it will operate 52 routes from Istanbul across Africa, after launching a route to Freetown, the capital of Sierra Leone.

From January to June, just under a tenth of total passenger and cargo revenues came from Africa, according to results for the first half of 2017 that showed a net loss of $434mn.

Turkish Airlines, which is 49 % state-owned, is bullish on Africa, a continent of 1bn people. Ozkahraman denied the growing ties between Ankara and many African states drove the airline's strategy.

"A lot of people would think our flights to Somalia were not business-related," he said."(But) we do the feasibility and we have to believe the route will be profitable, either now or imminently." He declined to give a specific breakdown on profits for African flights, but said routes like the daily flight on a wide-body jet from the Nigerian city of Lagos were critical to the airline's bottom line.

Despite challenges like poor security or electricity cuts at some airports, such flights feed passengers into Turkish Airline's hub, making routes like Istanbul to London profitable.

"You have to have those destinations to make your hub busy and your profitable destinations more profitable," he said.

Last year the company posted a net loss for the first time since 2000, after a demand slump caused by political turmoil and militant attacks at home.

Ozkahraman said some of the shortfall was also due to new planes — 210 have been ordered, he said.

Load factors — a measure of how full planes are — are over 70 % on many African routes, just below the airline's global average of 80 %, he added.

The wide network means that, unlike Ethiopian Airlines, Turkish does not partner with smaller African carriers notorious for poor service.

It opened a business class lounge in Nairobi's airport in July 2016, its second international lounge after Moscow.

Local retail investors turn buyers on QSE

By Santhosh V Perumal
Business Reporter

Local retail investors yesterday turned net buyers on the Qatar Stock Exchange, which otherwise kept weakening to settle below 8,500 points.

An across-the-board selling led the 20-stock Qatar Index shrink 0.71% to a multi-year low of 8,471.6 points and market capitalisation erode 0.74% to QR460.71bn.

Islamic equities were seen declining faster than the main index in the bourse, whose year-to-date losses were at 18.83%.

Opening weak but to remain above 8,500 levels, the market saw strong selling pressure within the first 90 minutes, taking the index to a low of below 8,400 points, after which there was a sustained buying support in the remainder of the session but overall it settled 61 points lower.

Local retail investors turned net buyers to the extent of QR18.33mn compared with net sellers of QR5.11mn on September 11

Trade turnover and volumes were on the decline on the market, where telecom and banking sectors together accounted for about 77% of the total volumes.

The Total Return Index shed 0.71% to 14,206.37 points, Al Rayan Islamic Index by 0.82% to 3,389.5 points and All Share Index by 0.79% to 2,410.26 points.

The telecom index tanked 1.97%, transport (1.64%), realty (1.51%), industrials (1.2%), consumer goods (0.36%), insurance (0.31%) and banks and financial services (0.24%).

Major gainers included Qatar Islamic Bank, Doha Bank, Alijarah Holding, Nakilat, Mazaya Qatar and Medicare Group; while Aamal Company, Gulf International Services, Ooredoo, QIIB, Qatar First Bank, Dlala, Qatari German Company for Medical Devices, Milaha, Vodafone Qatar, Ezdan and Mazaya Qatar were among the losers.

Local retail investors turned net buyers to the extent of QR18.33mn compared with net sellers of QR5.11mn on September 11. Non-Qatari institutions' net profit booking weakened to QR18.64mn against QR20.24mn the previous day.

However, the GCC (Gulf Cooperation Council) retail investors were net sellers to the tune of QR6.09mn compared with net buyers of QR0.89mn on Monday.

Non-Qatari individual investors also turned net sellers to the extent of QR0.91mn against net buyers of QR2.31mn on September 11.

The GCC institutions' net profit booking increased perceptibly to QR4.81mn compared to QR0.51mn the previous day.

Domestic institutions' net buying weakened considerably to QR12.12mn against QR22.69mn on Monday.

Total trade volumes fell 18% to 9.05mn shares and value by 12% to QR205.74mn, while deals were up 4% to 3,229.

There was 77% plunge in the industrials sector's trade volume to 0.68mn equities, 42% in value to QR26.55mn and 7% in transactions to 615.

The real estate sector's trade volume plummeted 27% to 0.59mn stocks and value by 12% to QR10.78mn, whereas deals were up 1% to 375.

The banks and financial services sector saw 25% increase in trade volume to 2.52mn shares and 23% in value to QR95.09mn but on 2% jump in transactions to 1,159.

However, the insurance sector's trade volume almost quadrupled to 0.19mn equities and value also almost quadrupled to QR11.47mn on 39% increase in deals to 163.

The transport sector's trade volume more than doubled to 0.45mn stocks and value also more than doubled to QR13.77mn on 72% expansion in transactions to 369.

The telecom sector reported 28% surge in trade volume to 4.44mn shares and 10% in value to QR40.36mn but on 17% decline in deals to 354.

The consumer goods sector's trade volume soared 27% to 0.19mn equities, value by 23% to QR7.71mn and transactions by 7% to 194.

In the debt market, there was no trading of treasury bills and government bonds.