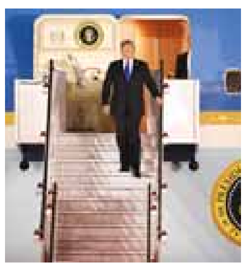

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US blames Canada for G7 fiasco

Monday, June 11, 2018
Ramadan 26, 1439 AH

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BUSINESS

HYDROCARBONS BOOST : Page 12

Qatar's goods trade surplus benefiting from recovering imports, buoyant exports: QNB

ILO Doha office seen sparking more interest from Swedish companies

By Peter Alagos
Business Reporter

The inauguration of the International Labour Organisation's (ILO) office in Doha is a "very positive step," and will bolster Sweden's future bilateral trade and investment programmes, according to Swedish ambassador Ewa Polano.

Polano said the opening of the ILO's office in April follows through to the implementation of a three-year technical agreement signed by Qatar and the ILO in October 2017.

"This will lead to an increased interest from Swedish companies, which, before, have sometimes seen worker's rights as an obstacle. But now, Qatar is showing a strong interest to become a role model in the Gulf for worker's rights…and abolishing the Kafala (sponsorship) system in the new legislation from December 2016. This is very positive for Swedish bilateral trade and investment initiatives in the coming year," Polano said.

The opening of the ILO office is among the many initiatives implemented by Qatar in the past year amid an ongoing economic blockade imposed on Qatar by four Arab countries in June 2017, according to Polano. Despite the blockade, Polano said, Qatar and Sweden continued to pursue various co-operation and partnership initiatives in several sectors. Earlier this month, Polano said, she met with Qatar University president Dr Hassan al-Derham to discuss how to implement Qatar academia-related initiatives by Sweden.

"I believe this is great and can be a much-focused follow-up with the young generation of Qataris going to study at the Swedish top ranked universities," Polano pointed out.

Polano also lauded Qatar's focus on entrepreneurship and innovation as it diversifies the country's economy away from the hydrocarbons industry, which, she said, was accelerated by the economic blockade led by Saudi Arabia and its allies, Bahrain, the UAE, and Egypt.

She said "the positive side" of the economic blockade was that "it sped up the already ongoing paradigm shift in Qatar away from its oil and gas economy into a knowledge-based and diversified economy."

"Because of the blockade, I firmly believe that Qatar has developed into a much stronger country than it was before the Gulf crisis," Polano emphasised.

Polano: Qatar has developed into a much stronger country.

Nakilat wins Microsoft Digital Transformation award

Nakilat was presented with 'Microsoft Digital Transformation Award 2018' during a ceremony hosted by Microsoft in Doha recently.

The award was received by Nakilat's Information Technology manager Hamad Rashid Suwaid.

The award is a recognition of Nakilat's "outstanding" efforts in executing its comprehensive digital transformation strategy across its integrated operations.

"Taking advantage of leading-edge technologies, Nakilat creates a space for enhanced collaborations between employees and improves decision-making capabilities using real-time business data and analytics," a company release said.

Nakilat has received several awards in IT, which is a testament to the company's continuous dedication in pursuing innovative ways to create additional value to its operations and increase its competitive advantage.

The 'Microsoft Digital Transformation Award 2018' was received by Nakilat's IT manager Hamad Rashid Suwaid.

Nakilat's chief administration officer Rashid Hamad al-Marri said, "We are grateful to be recognised for our efforts and contributions to the IT sector, as well as to all our partners for their support and co-operation throughout the journey. This award serves as a great acknowledgement of Nakilat's impressive journey and is a testament to the skill, ingenuity, and vision of our employees. "This award further highlights Nakilat's continuous dedication in pursuing innovative ways to create additional value to its operations and increase its competitive advantage and strengthening its position to be a global leader and provider of choice for energy transportation and maritime services".

Qatar CPI inflation edges higher in May

By Santhosh V Perumal
Business Reporter

Higher expenses, particularly towards transportation, clothing and food, led Qatar's cost of living, based on consumer price index (CPI), to grow 0.5% year-on-year this May, according to official data.

The CPI inflation was, however, down 0.3% month-on-month in May 2018 as five main groups saw declines, as the country witnessed price freeze owing to Ramadan, the Ministry of Development Planning and Statistics data suggest.

The International Monetary Fund, in its latest Article IV consultation with Qatar, said inflation is expected to peak at 3.9% in 2018 before easing to 2.2% in the medium term.

The transport sector, which has a 14.59% weight, saw its group index vault 7.8% year-on-year and 1.9% on a monthly basis. The sector has the direct linkage to the dismantling of administered prices in petrol and diesel, which have witnessed sustained increase in the recent past as part of lessening the subsidies.

The index of clothing and footwear, which carries a 5.11% weight, gained 4.3% year-on-year in May this year and 0.1% on a monthly basis.

The index of health, which carries a 1.79%, soared 3.4% on a yearly basis and was flat month-on-month in May 2018.

Food and beverages, which has a bearing of 12.58% in the CPI basket, witnessed a 1.8% surge in its group index on a yearly basis but was down 1.5% on a monthly basis.

Furniture and household equipment, which has a 7.7% weightage in the CPI basket, saw its index gain 0.8% year-on-year but was down 0.1% month-on-month this May.

Miscellaneous goods and services, which has a 5.69% weight, saw its index increase 0.8% on a yearly basis whereas it was down 0.3% month-on-month in May this year.

Education, with a 5.75% weight, saw its index gain 0.9% on yearly basis in May 2018 but was flat month-on-month.

The index of restaurants and hotels, which has a 6.08% weight, grew 0.8% on yearly basis whereas it was unchanged on a monthly in May 2018.

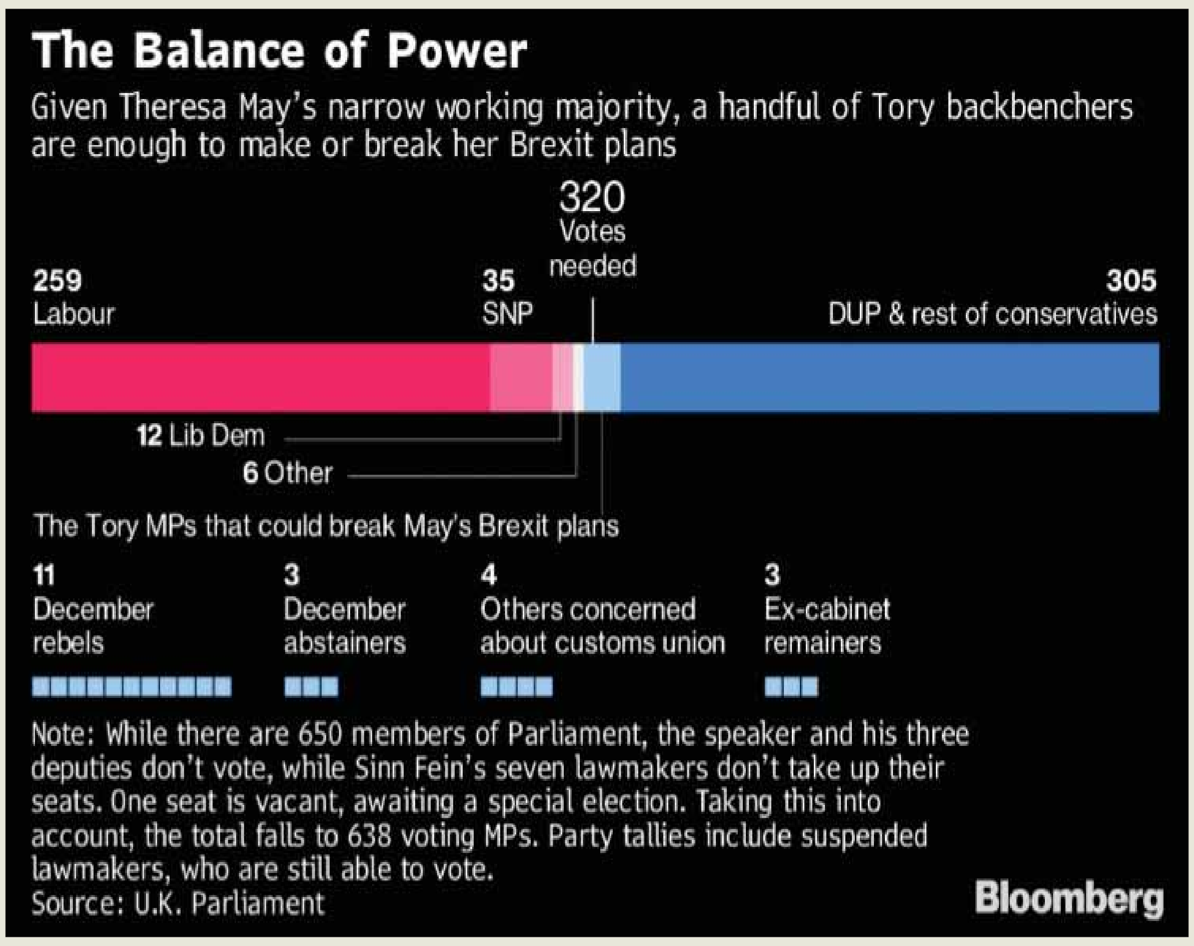
However, housing, water, electricity and other fuels, with a weight of 21.89% in the CPI basket, saw a 4.8% year-on-year plunge in its index in May 2018 and 1.1% on a monthly basis.

The CPI of March 2018, excluding "housing, water, electricity, gas and other fuels" showed an increase of 2.1% on a yearly basis but was down 0.1% a monthly basis

Recreation and culture, which has a 12.68% weightage in the CPI basket, saw 2.4% and 1.5% declines year-on-year and month-on-month respectively.

Communication, which carries a 5.87% weight, saw its group index shrink 1% year-on-year in May 2018 but remained flat month-on-month.

The tobacco segment, which has a 0.27% weight, stood unchanged both annually and monthly in May 2018.



US President Donald Trump steps off his plane as he arrives at Paya Lebar Air Base in Singapore yesterday, ahead of a summit with North Korean leader Kim Jong-un tomorrow. Trump has predicted "great success" and said it's possible he could sign an agreement with Kim to formally end the Korean War.

Brace for the world economy's most important week of the year

Bloomberg
London

The world economy's most important week of the year?

That's what Bank of America Corp strategists asked clients in a report ahead of five days of presidential standoffs, trade tensions and central bank meetings.

Each carries the potential to propel financial markets and shape the outlook for global growth after signs it slowed in the first quarter.

So here's what to watch for:

MONDAY

Investors get their first opportunity to pass judgment on what happened at the summit of leaders from the Group of Seven. The gathering ended with President Donald Trump broadsiding allies via Twitter, undermining the bloc and potentially causing fresh friction over trade.

TUESDAY

Trump and North Korea leader Kim Jong-un convene in Singapore for their on-off summit, the first such meeting ever. Trump last week predicted "great success" and said it's possible he could sign an agreement with Kim to formally end the Korean War. Back in Washington, the government releases a monthly report on inflation that will be a key gauge of how hot – or not – the US economy is getting.

UK Prime Minister Theresa May's flagship Brexit legislation returns to the lower House of Commons after receiving a battering in the upper House of Lords, where it was amended 15 times. Ministers will be trying to overturn most of those defeats, with a combination of compromises and attempts to win rebel pro-EU lawmakers round. In two days of debating and votes on Tuesday and Wednesday, the key questions are about what kind of vote Parliament gets on the final Brexit deal, and whether Britain should be trying to stay in a customs union.

WEDNESDAY

The US Federal Reserve is set to hike its benchmark interest rate for a second time this year. Chairman Jerome Powell holds a press conference, and his colleagues will also publish new projections which could show them tilting toward four increases this year as a whole, rather than the three they hinted at in March.

Elsewhere, Argentina's central bank is expected to keep its benchmark rate 40% as it tries to stabilise the peso.

Also for the today, Italy's auction of debt will draw scrutiny by handing investors another opportunity to react to the election of the populist government and its promises of hefty spending increases. The risks for the securities are already seen in the fact that the gap between Italian 10-year yields and those of Spain is at its widest since 2012. In the UK, inflation data will help the Bank of England determine whether to raise interest rates.

THURSDAY

The European Central Bank is shifting closer to the end of its bond-buying programme with Thursday's meeting of policymakers poised to hold the first formal talks on when and how to do it. About a third of respondents to a Bloomberg survey of economists predicted President Mario Draghi will set an end-date for purchases on the day, while 46% said he will wait until July to reveal details.

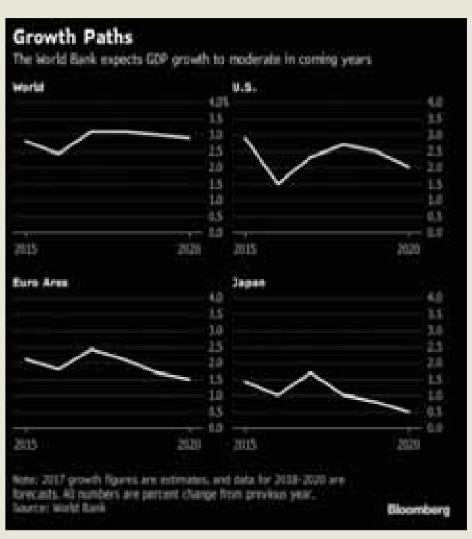
Vladimir Putin, the Russian president, and Mohammed bin Salman, the Saudi crown prince, meet at the opening game of the World Cup soccer tournament. The encounter could influence the global oil market given it comes a week before a crucial Opec meeting in Vienna, providing a last-minute chance for the two leaders to iron out a possible oil-output increase.

China releases retail sales and industrial production data which will shed light on the strength of the world's second largest economy.

FRIDAY

The Bank of Japan is likely to end the week exactly where it started with no tightening of monetary policy on the agenda. The BoJ is still buying vast quantities of Japanese government bonds and will have been encouraged to keep doing so by data showing its still far off its 2% inflation target and that the economy shrank in the first quarter.

June 15 is the deadline for the US to publish the final list of Chinese products subject to $50bn in tariffs, which could be imposed shortly after. Also, the Russian central bank sets interest rates with economists currently leaning toward no change in the 7.25% benchmark although there is a chance of a cut.



Bloomberg QuickTake Q&A

What to know about sanctions before the Trump-Kim meeting

Bloomberg
Hong Kong

Economic sanctions will be a key issue in negotiations between US President Donald Trump and North Korean leader Kim Jong-un. These tools of international diplomacy – which can take the form of embargoes, travel bans, asset freezes, capital restraints and trade restrictions – have been a core part of the "maximum pressure" the US and its allies have been applying to force concessions from Kim's regime on its nuclear-weapons programme. North Korea is expected to require sanctions relief in return for the surrender of its nuclear arsenal. Some temporary respite might be needed just to let the June 12 Trump-Kim summit happen at all.

1. What sanctions are on North Korea?

UN sanctions started more than a decade ago with a focus on exports of military supplies and luxury goods and grew to include bans on exports of coal, iron ore, seafood and textiles. It's also put asset freezes and travel bans on designated individuals and entities and mandated that all North Koreans working abroad must return home by late 2019. After US president George W Bush declared North Korea a threat to the US in 2008, the US imposed sanctions on select individuals and entities. Trump, in 2017, imposed a full trade and financial embargo that includes penalties for non-US banks, companies and people that do business with North Korea. South Korea's initial sanctions in 2010 banned most trade, most cultural exchanges and North Korean ships from South Korean waters. Japan and Australia also have sanctions on North Korea.

2. How are sanctions lifted?

The UN Security Council would have to vote on a proposal to lift specific UN resolutions. Five countries – the US, China, Russia, Britain and France – can veto such a measure, though that's an unlikely scenario in the case of North Korea. As for US sanctions imposed by presidential executive order, such as Trump's September financial embargo, these can also be lifted by executive order. President Barack Obama signed such an order to end sanctions on Sudan in January 2017, with a proviso that the measures remain in place for 25 weeks to give Trump's administration time to assess the situation. The sanctions were lifted in October.

3. Why is China's role so important?

It accounts for 90% of North Korea's trade. In 2017, Trump pressured China's leaders to agree on sanctions on North Korea's exporting of commodities such as iron ore, seafood and textiles. North Korea's trade with China went down by more than 60% in the first quarter of 2018.

4. What's been the effect of sanctions on North Korea?

That's not easy to answer, as the Kim regime doesn't publish economic statistics. Last year, North Korea declared that sanctions were causing a "colossal amount of damage" to its people and its development. A rising current account deficit caused by sanctions, and particularly from China's participation in them, is known to be burning through the nation's foreign currency reserves. The New York Times, in April, reported that because of the sanctions, some North Korean factories have closed for lack of raw materials, fishermen have deserted their boats and military units turned to charcoal-engine vehicles or ox-driven carts for transport. On the other hand, recent visitors to the North say they saw few outward signs of economic distress or a report of past nationwide famines. Prices for staples such as rice have remained relatively stable, according to NK Daily, a website that tracks prices based on sources inside the country. Trump claims the "maximum pressure" campaign is what's bringing Kim to the table.

5. What would it take to lift sanctions?

US National Security Adviser John Bolton advanced the hardline view that there would be no easing of pressure until North Korea achieves complete, verifiable, irreversible denuclearisation, a high bar that's sometimes shorthanded as CVID. That's the standard that the US enforced on Libya to pressure it to dismantle its nuclear-weapons programme. US Secretary of Defense James Mattis said North Korea must demonstrate "verifiable and irreversible steps to denuclearisation," which could be considered a slightly lower bar. But Trump himself injected some uncertainty by saying, after a meeting with North Korean envoy Kim Yong Chol, that he no longer wants to use the term "maximum pressure."

6. How tightly are sanctions enforced?

Enforcement is a constant battle, and North Korea is known to have many tricks to get around the sanctions it faces. Trump, via Twitter, has suggested that China's enforcement might be lapsing. The news website Daily NK published photos it claims show trucks carrying dried fish into China and female workers entering China, both of which would be violations of the sanctions. In other indications of China-North Korea business, China resumed regular flights between Beijing and Pyongyang on June 6 after a six-month hiatus, and new-home prices in the Chinese border city of Dandong, which are considered a barometer on how well sanctions are working, gained a record 2% in April from March. On a trip to Dandong late last month, Bloomberg reporters found that China was fully implementing sanctions even though optimism was growing that a detente could soon boost business.

7. What sanctions need to be lifted for the summit to happen?

Should host nation Singapore (or any other party) pick up the hotel bill for cash-strapped Kim to attend the summit, the payment would run afoul of US Treasury Department sanctions and require a waiver from the Office of Foreign Assets Control, the *Washington Post* reported. The US was expected to request waivers from Treasury and the UN for a range of payments associated with North Korea's travel.

Qatar shares edge lower despite buy interests

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange yesterday opened the week weak despite strong buying interests in real estate, telecom and consumer goods sectors.

The 20-stock Qatar Index fell for the second straight session by 0.19% to 9,224.74 points as there was weakened net buying from foreign and Gulf funds.

Masraf Al Rayan and Doha Bank sponsored exchange traded funds QATR and QETF saw 3.43% and 0.42% declines respectively.

Islamic stocks were, however, seen gaining amidst an overall bearish market, which is up 8.23% year-to-date.

Profit-booking within micro and small caps led to a 0.04% dip in market capitalisation to QR511.32bn.

Trade turnover and volume were on the decline in the market, where the banking and industrials sectors together accounted for more than 53% of the total volume.

The Total Return Index shed 0.19% to 16,252.96 points, while the All Share Index gained 0.06% to 2,708.97 points and the Al Rayan Islamic Index (Price) by 0.21% to 2,241.04 points.

The banks and financial services index shrank 0.57%, followed by insurance (0.57%) and transport (0.39%); while realty gained 1.84%, consumer goods 1.38%, telecom 0.91%) and industrials (0.01%).

Major losers included Commercial Bank, Milaha, Masraf Al Rayan, Alijarah Holding, Qatari German Company for Medical Devices, Qatari Investors Group, Qatar Insurance, QNB and Mazaya Qatar; whereas Ezdan, Ooredoo, Gulf Warehousing, Dlala and Mannai Corporation were among the gainers.

Non-Qatari institutions' net buying declined considerably to QR42.97mn compared to QR90.23mn on June 10.

Gulf institutions' net buying weakened significantly to QR3.92mn against QR19.84mn the previous trading day.

Gulf individual investors turned net sellers to the tune of QR0.22mn compared with net buyers of QR0.04mn last Thursday.

However, local individual investors' net selling fell substantially to QR18.08mn against QR62.41mn on June 10.

Domestic institutions' net profit-booking shrank sizably to QR25.51mn compared to QR40.03mn the previous trading day.

Non-Qatari individual investors' net selling fell perceptibly to QR3.08mn against QR7.72mn last Thursday.

Total trade volume fell 50% to 4.93mn shares, value by 45% to QR239.11mn and transactions by 40% to 3,130.

The transport sector's trade volume plummeted 82% to 0.27mn equities, value by 82% to QR4.55mn and deals by 67% to 197.

The insurance sector reported a 67% plunge in trade volume to 0.16mn stocks, 66% in value to QR6.45mn and 62% in transactions to 109.

The banks and financial services sector's trade volume tanked 58% to 1.71mn shares, value by 50% to QR126.32mn and deals by 30% to 1,437.

The industrials sector saw a 46% shrinkage in trade volume to 0.92mn equities, 58% in value to QR26.7mn and 48% in transactions to 487.

The consumer goods sector's trade volume declined 33% to 0.41mn stocks, whereas value grew 30% to QR44.54mn despite 21% lower deals at 389.

There was a 20% fall in the real estate sector's trade volume to 0.68mn shares, 35% in value to QR8.47mn and 36% in transactions to 264.

However, the telecom sector's trade volume expanded 15% to 0.77mn equities, while value dipped 22% to QR22.07mn and deals by 46% to 247.

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

Wall Street eyes EM bargains from China equities to the rand

Bloomberg
Lagos

South Africa's rand seems to be in plenty of investors' bargain bins these days. So are the Colombian peso, Indian bonds and Chinese stocks as a slew of banks from Goldman Sachs Group Inc to Morgan Stanley and Societe Generale SA advocate a return to emerging markets.

Investors are searching for cheap currencies, stocks and bonds following an emerging-market rout sparked by concerns over a strengthening dollar and rising US yields. But the days when money managers could rely on high growth and low inflation to fuel returns across most emerging-market assets are gone, according to SocGen.

"The world has moved on very quickly from a 'Goldilocks scenario' in which investors were able to pick up yield in a variety of asset classes, to an environment in which significantly more discernment is necessary," SocGen strategists including Alain Bokobza said in a note last week.

Here's where some analysts and investors are looking for value:

The rand: South Africa's currency has weakened 12% against the dollar since late February. Morgan Stanley and SocGen say it's probably oversold, a victim of its status as one of the most liquid currencies among peers and as a bellwether for emerging markets.

Morgan Stanley, which forecasts the rand appreciating 15% by the end of the year to 11.4 against the greenback, sees a structural economic recovery on the back of Cyril Ramaphosa becoming president in February.

The Wall Street lender doubts weaker-than-expected growth figures - which sent the rand tumbling as much as 2.1% - will derail that progress. Goldman says the rand is one of the "clearest idiosyncratic opportunities."

JPMorgan Chase & Co is also bullish, holding an overweight position on South Africa's local-currency bonds thanks to the rand's expected stability and attractive real yields. It's either neutral or underweight for all other local bonds among European and African emerging markets.

Still, it can be a risky bet. Strategists at Standard Chartered Plc closed long trades in the rand and rand-denominated bonds on Friday, just four days after entering them. That was after both trades hit their stop losses, or points at which investors should pull out of loss-making positions.

Colombian peso: Latin America's fourth-biggest economy should be a beneficiary of crude oil prices that have climbed almost 60% in the past year. JPMorgan has it as the biggest overweight holding in its basket of emerging currencies. Nomura Holdings Inc is also optimistic. Craig Chan, head of emerging-markets strategy at the Tokyo-based bank, recommends shorting the Brazilian real against the peso.

Indian and Indonesian bonds: Goldman says that the recent selloff of rupee debt has gone too far and advises clients to buy five-year Indian government bonds. Yields on securities maturing in May 2023 have risen about 150 basis points since September to above 8%, the highest in more than two years. India's central bank raised its benchmark interest rate for the first time since 2014 on Wednesday, setting the stage for a gradual tightening cycle as economic growth rebounds from a four-year low and price pressures build.

JPMorgan likes Indonesia's local bonds. In a June 1 note, analysts including Anezka Christovova applauded the government's "commitment to keeping a firm leash on its twin balances - fiscal and current-account deficits - which already stack up well in the EM world."

China's stocks: SocGen and Goldman think investors should load up on Chinese stocks. The former says they will benefit from China's growth rate, which at 6.5% is still one of the highest in the world. The country's inclusion this month in MSCI's indexes and a "low correlation with developed equities" also count in their favour.

Traders work on the floor of the New York Stock Exchange (file). Investors are searching for cheap currencies, stocks and bonds following an emerging-market rout sparked by concerns over a strengthening dollar and rising US yields.

China, Russia solidify growing eastern bloc as Trump rattles G7

Bloomberg
Qingdao

As US President Donald Trump left the Group of Seven nations in turmoil last weekend, China's Xi Jinping and Russia's Vladimir Putin were putting on a very different show on the other side of the world.

Yesterday, Xi and Putin toasted the expansion of the Shanghai Co-operation Organisation, an eight-member bloc designed to co-ordinate security policies across Asia. The group, which welcomed new members India and Pakistan, as well as the presidents of Iran and Mongolia, pledged to increase co-operation on energy and agriculture and create more favourable conditions on trade and investment.

The carefully choreographed affair contrasted with the discord in Canada, as Trump disavowed the G7's joint statement and criticised his host, Prime Minister Justin Trudeau. Even as the scope of the breakdown over US tariffs became clear, Xi was taking the podium to criticise what he said were new forms of "unilateralism" and "protectionism."

"We oppose the practice of sacrificing other countries' security for their own absolute security," Xi told a gathering of the SCO's heads of state in the Chinese port of Qingdao. "We need to reject selfish, short-sighted and closed policies, uphold the rules of the World Trade Organisation, support the multilateral trading system and build an open world economy."

China's state-run media had fun with the contrasting images of the feuding democratic states and the orderly proceedings of the China- and Russian-led bloc. The English-language Twitter of account of the Communist Party's *People's Daily* newspaper posted photos of a tense scene in La Malbaie, Quebec, and another of Xi and Putin smiling, with the caption, "G7 vs SCO: two meetings on the same day."

The comparison only goes so far. While the 17-year-old SCO has increasingly extended into trade and economic co-operation - the G7's central focus - it was founded as a security group. The bloc, which also includes Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan has rallied around opposition of the "three evils" of terrorism, separatism and religious extremism.

The SCO has its own tensions lurking below the surface, as China seeks to use the group as a vehicle to promote its Belt and Road Initiative, a vast infrastructure-building programme that runs through Russia's strategic backyard. The addition of India and Pakistan have also raised questions about the group's long-term cohesiveness.

Pang Zhongying, a senior fellow at Pangoal, a Beijing-based research institution, said the SCO faced the same underlying tensions as the G7 as governments favour unilateral actions over collective ones.

Pound set for tumultuous week as Brexit bill goes to Parliament

Bloomberg
London

The pound could be in for a wild ride as the UK's Brexit bill goes to a vote in Parliament.

Traders will be watching for signs of what kind of Brexit UK lawmakers will decide on, as well as how Prime Minister Theresa May is faring, with the pound set to sell off if her leadership looks to be under threat.

Investors also have to weigh up UK data, with production, jobs and inflation all due this week.

"We've got the most important data of the month squeezed into the same week as the politics," said Jane Foley, head of foreign-exchange strategy at Rabobank. "In terms of the politics, if anything I'd expect sterling to be on the back foot."

The premium that traders demand to insure against one-week volatility in sterling rose to its highest in almost four months on Thursday, ahead of the June 12 vote in the House of Commons. Yet strategists said they were surprised it wasn't higher.

This could be because a lot of investors are "sidelined", opting to wait for a clearer path before betting on the pound, said Rabobank's Foley.

This means the currency's reaction to political headlines could be more muted than expected, she said.

After May wrangled with her cabinet over Brexit policy, she has to get her Brexit law through Parliament, but opposition Labour party lawmakers are also divided on the approach.

The top-tier data due this week may provide a clearer signal to traders. Inflation is seen holding steady while jobs figures, crucial to the Bank of England view of slack in the economy, are also seen in line.

Market pricing shows a 92% chance of an interest-rate hike by November this year, with banks including Nomura International Plc expecting the BoE to increase borrowing costs in August.

Bond traders face $193bn appetiser before Fed main course

Bloomberg
New York

Bond traders have their work cut out for them before they get to the pivotal event for US financial markets this week - Wednesday's announcement from the Federal Reserve.

The Treasury is about to pack $193bn of debt sales into the next two days. That potentially puts the onus on Wall Street to absorb the deluge if investors are reluctant to choke it down before the central bank's decision.

There is much at stake this week: In addition to a widely expected hike in borrowing costs, officials will also update their projected rate path for 2018 and beyond.

Last week's emerging-markets turmoil may have made it more likely that bond dealers will be left holding the bag. The 10- year yield flirted with 3% at one point before spooked investors piled into the haven of US government debt.

The yield ended the week at 2.95%, making for less appealing auctions at a time when Treasury is ramping up sales to plug growing budget deficits.

"I don't think that it sets up particularly well," said Thomas Simons, a money-market economist at Jefferies LLC. "There needs to be more concessions in the auctions, or more than the underlying market dynamics are showing." The Treasury Department will issue a combined $68bn of 3-, 10- and 30-year securities today and tomorrow, $4bn more than the equivalent round of sales in April.

There's also an estimated $125bn pile of Treasury bills that's about to hit the market. The size of the four-week auction will be announced today.

Amid all these debt sales, the bond world will get a fresh read on inflation, with a report tomorrow forecast to show consumer prices probably matched the quickest annual pace of increases since 2012.

The extent of investor demand will prove crucial this week. As Treasury increases supply, there are signs that investors aren't keeping pace, so dealers are taking on that additional debt, Simons said.

In April, for example, dealers took 38.4% of the 10- year reopening, the largest share since September.

If the dealers have to continue picking up the slack, it may lead to higher yields as the firms demand compensation for absorbing so much debt, said Gennadiy Goldberg, senior US rates strategist at TD Securities.

"There are certainly concerns of this being a boiling-frog- type of event," Goldberg said. "You don't realise the magnitude of these increases until you come in and you're in boiling water."

Hedge fund with 69% return sees more to come from oil recovery

Bloomberg
Oslo

A hedge fund run by a former associate of billionaire John Fredriksen has gained 69% in two years betting on shunned oil-related assets - and it's not nearly done exploiting the recovery.

The Titan Opportunities Fund, which now manages about $100mn, started investing in June 2016 after a collapse in crude prices had decimated stocks and bonds issued by oil- related companies. It has benefited from an historic deal between Opec and other producers to cut output, supporting an oil price rally that's been reinforced by increasing geopolitical tensions this year.

Yet the recovery still has much more to run, according to chief investment officer Espen Westeren.

US shale production has made a spectacular come-back, but is capped by insufficient pipeline capacity. And we're only now starting to see the negative impact on global output of oil companies' dramatic spending cuts from 2014 to 2017, Westeren said.

"If investments don't rise substantially, we'll have a problem," he said in a June 6 phone interview. "There's a good probability" that oil prices will return to $100 a barrel within a couple of years, he added.

Titan is betting that bottlenecks affecting the Permian region, the most prolific US shale oil area, will boost pipeline companies such as Energy Transfer Partners LP and Energy Transfer Equity LP, which now make up about 10% of the fund's assets.

It's also shifting positions in offshore drilling, cutting its holding in Oslo-listed Borr Drilling Ltd by more than half since the third quarter. While Borr was still the fund's biggest asset at the end of April, Titan has now also established an ownership stake in Transocean Ltd and Fredriksen's new rig company Northern Drilling Ltd, while boosting investments in Ensco Plc bonds.

The Philadelphia Oil Service Sector Index, which includes Transocean and Schlumberger Ltd, still hasn't recovered after halving from a high in 2014 and is trailing Norwegian oil-service stocks.

"It will soon be clear to the market that there's a recovery also in offshore capital expenditure," Westeren said. "We'll then get a repricing of a lot of offshore-related investments, whether that's bonds in large US offshore drillers or equity in drillers, supply-vessel companies or subsea construction."

Titan is also betting on shipping, where the amount of ordered vessels as a portion of the global fleet is at the lowest level since the 1990s, Westeren said. After a 10-year slump, that's a "very interesting setup for an up-cycle," Westeren said.

In May, the firm started Titan Credit Fund with capital of $20mn, mostly from existing Titan investors. It aims to generate annual returns in the "mid-teens," lower than the Opportunities fund's ambition of 30% and with a longer time horizon. Titan hopes to attract more capital to both funds, Westeren said.

The 39-year-old Norwegian managed Fredriksen's private investments from 2010 to 2015. Westeren and Fredriksen have since had a conflict over the former trader's bonuses. An arbitration court is yet to consider the matter. Westeren declined to comment.

Dollar-yen options suggest traders are underestimating event risks

Bloomberg
Singapore

Dollar-yen options show traders may be underestimating the downside potential near term and the prospects of heightened risk-aversion. All that may change with the spate of key global events in coming days.

One-month risk reversals in the spot is still relatively cheap compared to levels seen last month during Italy's political crisis. This suggests limited demand to protect against declines in dollar-yen. Yet, over the next seven days, the US will face off its trading partners at the Group-of- Seven summit, President Donald Trump is due to meet North Korea's Kim Jong-un and the central banks of America, Europe and Japan will decide on monetary policies.

The yen's status as a haven currency means the dollar-yen's bullish start to June could quickly reverse amid these event risks. During the recent rout triggered by Italy, one-month dollar-yen risk reversals more than doubled to 1.28 - with puts favoured over calls - in just over a week. Compared to that, Friday's level of 0.87 makes traders appear a bit complacent.

Technically, the spot pair has breached initial resistance around 110.00, but failure to push through resistance at 111.40, May 21 high, could result in a bearish head-and-shoulders formation. This may lead to a test of 108.00, with a decline to 106 not improbable. Options traders will watch this closely.

A global trade spat still looms and the only real winner in event of further tit-for-tat tariffs will be the yen.

Next is the historic Trump-Kim summit on June 12. Anticipation of the event has gripped financial markets for weeks. The highly unpredictable meeting means traders may be more sensitive to negative headlines than positive ones, to the yen's benefit.

As for the monetary policy meetings, a Fed rate hike this week is largely expected by the market. Likewise, expectations for the BoJ to remain on hold. As such, the divergent monetary policy theme will focus on the central banks' signals. If the Fed adopts a sanguine tone and keeps its 2018 rate hike projection to three, it may well be the yen that rallies.

Finally, the turmoil in Italy is far from over even with the populist government in power. Italian 10-year yield is already back above 3%, and if its ascent accelerates, the rout in global risk assets last month may be just the preview.

Dollar-yen options show traders may be underestimating the downside potential near term and the prospects of heightened risk-aversion

Pakistan economy unlikely to feel impact of global trade war

Internews
Karachi

The world has got engaged in a trade war with major economies imposing tariffs and duties, a move which can have far-reaching implications for global trade.

With countries like the US, China, the EU and Canada all taking retaliatory measures, which may lead to tariff aggravation, the impact on Pakistan is likely to be benign due to limited integration with the global supply chain. However, things may change, if the situation escalates.

Consequent to fears of the trade war, some experts anticipate only a limited impact on the global economy.

In line with his agenda of 'America First', US President Donald Trump introduced tariffs on its allies, which sparked a global trade war as the allies responded with retaliatory tariffs.

Tariffs of 25% on steel and 10% on aluminium imports were decided in March, and in a striking act, they came into effect on June 1 that targeted close allies Canada, Mexico and the European Union.

A day later, the industrialised countries announced counter-balancing measures. EU chief Jean-Claude Juncker said the 28-nation bloc would introduce a settlement dispute with the World Trade Organisation (WTO).

In the meantime, the US and China also concluded third round of trade talks without a breakthrough. The White House has announced tariffs on $50bn worth of Chinese goods. China will not take the measures lightly and has promised to hit back with tariffs on US goods, which will escalate the trade war.

Trump's unpredictable and erratic tariff regime has created perceptions of a downturn in global trade, but some experts do not expect a large-scale impact.

The world is aware of the consequences of Smoot-Hawley Tariff Act of 1930, adding to the considerable strain in international economic climate. The punitive tariffs of that time, however, gave a much greater weight to the overall import volume as compared to current tariffs, which takes a much lesser proportion of the trading volume.

In one of its latest editions, The Guardian has reported that exports of steel and aluminium from the EU to the US make up just 0.3% of worldwide goods and represent a tiny 0.05% of the bloc's GDP.

Thus, the tariffs on just $60bn out of trillions are unlikely to disrupt the global trade. Speaking about the impact of the trade war on global economy, former WTO ambassador Dr Manzoor Ahmed said that the recent tariff measures and the 1930s tariff war were so far not comparable in size.

He said in the 1930s, the US imposed tariffs on more than 20,000 products and for over 3,000 products, tariff rates were increased by 60%, which meant quadrupling previous tariff rates.

However, the current tariffs are limited in scope and they just apply to two products worth about $60bn of imports, which means covering about 2% of US imports of about $2,400bn, he added.

Ahmed said the world is far more globalised now than it was before, which will not allow the situation to go out of hand. All parties are aware of the consequences, which gives the reason to speculate that the current trade spat will be resolved through ongoing negotiations rather than aggravating towards a full-fledged trade war.

Although the global climate has been strained by the ongoing talks on the trade war, Pakistan remains far from the melee.

It is not likely to be disrupted by the split between the western alliance as we export very little of the products that are targets of the tariffs. We have a very small volume of trade with the US with no trade in steel and aluminium.

Speaking on the impact on Pakistan, Ahmed said, "Pakistan will hardly feel any impact in the short term as the tariffs are mostly on products not of our interest."

He said if the tariff war escalates to products such as textiles and clothing, "we could gain some market share at the expense of other countries." However, if the tariff war results in a global recession, Pakistan's economy could suffer as happened in the 2008 economic crisis, he added.

Pakistan is not a major international economic power and thus has a very small amount of trade with the US, largely favouring Pakistan in this scenario. NUST dean Ashfaque Hasan also echoed similar sentiments, adding that the US is not using any Pakistani products, which are in surplus.

"Pakistan's total trade with the US has a value of $4.5bn, which does not matter in the overall trade relation with the rest of the world," he said.

He said the administration is talking about a huge number, which is in billions and the developing countries are not the bone of contention here.

The main target of the US is China and EU and thus Pakistan should not be over-concerned on the ongoing global trade war as it is not so much integrated with the global value chain.

Despite Trump deal, China's ZTE and Huawei to face closed doors in US market

AFP
Washington

The headquarters of ZTE in Shenzhen, China. ZTE and Huawei face severely tightened access to the US market despite the Trump administration's deal last week to give ZTE a lifeline after it agreed to a steep fine.

Chinese telecoms companies like ZTE and Huawei face severely tightened access to the US market despite the Trump administration's deal last week to give ZTE a lifeline after it agreed to a steep fine.

Amid persistent worries that their phones, routers and other products will open a path for Beijing's spying on the United States, analysts say the US government will remain broadly closed to products of the two companies and that the US telecoms industry will remain under pressure to avoid their equipment.

Indeed, four Democratic and Republican senators, criticising the deal that will permit ZTE to resume purchasing US electronics components, proposed legislation Thursday for an outright ban on the government buying products and services from both ZTE and Huawei.

"Huawei and ZTE pose a serious threat to America's national security. These companies have direct links to the Chinese government and Communist Party," said Republican senator Marco Rubio.

"Their products and services are used for espionage and intellectual property theft, and they have been putting the American people and economy at risk without consequence for far too long."

But experts say the move could hinder the growth of next-generation 5G wireless networks in the United States.

The two Chinese companies are poised to become global leaders in the 5G rollout, just beginning this year in several countries.

"The overall concern is that these companies are close to the Chinese government," said Paul Triolo, a China security specialist at the Eurasia Group.

With fifth-generation mobile technology, he said, "the concern becomes magnified" because the technology is heavily cloud-based, potentially leaving sensitive data accessible by the service provider.

Indeed, US officials have repeatedly suggested that the two companies could design their equipment to allow Chinese intelligence to hack into American networks and siphon off personal data and communications from cellphones.

A 2012 congressional report said the use of Huawei and ZTE equipment in US critical infrastructure "could undermine core US national-security interests."

In February, six top intelligence and security chiefs told a Senate panel they would not use equipment from either company.

"We are deeply concerned about the risks of allowing any company or entity that is beholden to foreign governments that don't share our values to gain positions of power inside our telecommunications networks," said FBI Director Christopher Wray.

And in May the country's top counterintelligence official, William Evanina, likewise confirmed that ZTE phones are too risky.

The warnings come at a time of growing concerns over Chinese technology and spying.

Facebook was excoriated this week for having allowed Chinese smartphone makers, including Huawei, to access a broad range of Facebook users' personal data. The threat is plausible.

Many intelligence experts believe that the US government has asked American technology vendors for backdoor access to technology.

And US intelligence is constantly pressuring Silicon Valley to create ways they can get around encryption apps.

Still, no one has publicly detailed any concrete examples of such attempts by Huawei or ZTE.

"So far there is no smoking gun on these companies," said Triolo.

But one recent example shows the risks.

In 2016, US security consultant Kryptowire discovered that millions of Android smartphones made in China contained firmware that relayed their data, contacts and texts back to a Shanghai marketing company every 72 hours, unknown to users.

The Shanghai company, which counts Huawei and ZTE as its customers, said the function was intended to monitor how the phones were used, and was not supposed to be installed on units sold in the United States.

But it was, and no one could be certain how the data would be employed.

"We can't know the intention of the persons who actually created the vulnerability," said Tom Karygiannis, vice president of Kryptowire. "Is it an accident or is it there intentionally?"

But Karygiannis said the danger is near-impossible to avoid in consumer electronics, since all devices have risks, and an overwhelming number of them are manufactured in China.

It's impossible for a consumer to test the firmware on a phone, which is often updated automatically.

Only large enterprises can really vet the technology they are getting, he said. Triolo said network operators can control what's on their equipment. The problem is proving it's clean. "It's really hard for the companies to prove the negative of this," he said.

Airbnb freezes swathe of Japan listings ahead of stricter new rules

Bloomberg
Tokyo

Airbnb Inc has frozen a major portion of its home listings and guest reservations in Japan at the behest of local regulators, but promised to compensate travellers who find themselves stranded at the height of the summer tourist season.

The startup had warned hosts it would delist those that hadn't registered with local agencies for licences, as required by stringent new rules governing home-sharing that take effect on June 15.

But Japan's tourism agency on June 1 notified home-sharing services they must cancel reservations made with unregistered listings – a full two weeks before the deadline. That surprised Airbnb, which plans to begin notifying thousands of visitors about the cancellations, said Mike Orgill, the company's head of public policy for the Asia Pacific.

Airbnb has established a $10mn fund to cover the additional expenses of affected guests, and plans to offer full refunds and coupons worth the value of their booking. It's also deactivated all Japanese listings that hadn't completed registration with the government, Orgill said, declining to give specifics. The *Nikkei* newspaper reported that listings across the nation had declined by almost 80% to just 13,800.

Airbnb had welcomed regulations that legitimised home-sharing in Japan, one of its fastest-growing markets. Intended to bring clarity to a legal gray area and level the playing field for hotels, the rules limit private home stays to 180 nights and require hosts to register with local governments.

But local authorities have since piled on more restrictions and raised the hurdle for hosts trying to go legit. The Shinjuku ward of central Tokyo, for example, prohibits lodging in residential areas on weekdays, while Kyoto limits its stays in such locations to about 60 days between January and March for hosts without a special license.

"We always knew that the number was going to come down and that it would set us up for sustainable growth in the long run," Orgill said in an interview in Tokyo.

In past months, hosts in Japan have received e-mails from Airbnb urging them to register with local authorities. The company even set up a website to guide its users through the process.

Those who did not secure approval would be removed once the new law took effect June 15, it warned.

Hosts willing to jump through all the hoops still have to contend with a market that's shifting from couch-surfing toward professional services. Japan's Rakuten Inc announced plans to enter the home-sharing business.

The e-commerce giant has teamed up with real-estate listing operator Lifull Co, Expedia Group Inc's home-rental subsidiary HomeAway and Tujia.com, Airbnb's biggest rival in China.

Airbnb, valued at $29bn by CB Insights, is counting on Japan and China to turbo-charge its longer-term growth in the region.

The startup is courting travellers to and within those countries with local excursions and services, while exploring newer areas from luxury tourism to airfares.

Japan, in turn, is keen for tourism to help jumpstart a flagging economy. More than 26mn tourists visited Japan in 2017, topping the record for a fifth straight year according to the nation's tourism organisation. That number will probably rise as Japan prepares to host the Rugby World Cup in 2019 and the Olympic Games the following year.

"We are pretty confident that we will grow back" in Japan, said Orgill, who had previously worked as a public policy lead for Google in Singapore.

The list of worries grows for Asia's equity investors

Bloomberg
Hong Kong

From an escalating trade spat to increasing geopolitical uncertainty, the list of worries just grows for Asia's stock investors.

Take Hugh Young, head of Asia at $779bn money manager Aberdeen Standard Investments, who says the markets may be shifting after a period characterised by buoyant returns and low volatility.

"I wouldn't say there's anything major we're focusing on to look to go wrong, but will there be something?" Young said. "I'm sure there will be."

As the calendar rolls into June, here's a look at a few of the things that could go wrong for investors:

Politics

There's plenty of political uncertainty around the globe to choose from:

- The US-North Korea peace summit that is either happening on June 12... or not, depending on who or when you ask
- Political upheavals in Spain and Italy, which has roiled markets, while the UK continues its slow-motion Brexit
- Key elections this year in Brazil, Mexico and elsewhere as countries struggle with the rise of populist candidates
- Unrest in the Middle East from Iran to Israel

Geopolitical uncertainty has contributed to a malaise hanging over global markets for much of this year, after a global equity rout killed an early rally.

"Geopolitical risks would be the concern," Young said. "Will it dramatically affect the earnings outlook for companies we are investing in, well in certain circumstances, yes."

The trade war

The escalating trade war between China and the US – part of a wider strategy by US President Donald Trump to enforce new terms with other countries – looms over all other political issues.

As many Asian companies are export driven, trade issues between different countries "is one main thing that is really affecting the earnings trajectory", said Felix Lam, fund manager with BNP Paribas Asset Management, in a phone interview. "They do stand to lose if there are any hiccups." A compromise between trade partners is Lam's base case but that doesn't mean there can't be bumps along the road that can derail growth expectations for companies.

Wendy Liu, the head of China equity research at Nomura Holdings Inc, expects the US to continue to engage China in "reality TV-style" negotiations ahead of the mid-term elections. She predicts a resolution by September that may include increased imports of natural gas and crude oil into China.

Fear of the Fed

Don't forget the central bank stateside. While most expect two or three more rate hikes this year, some think the transition from an easy monetary policy environment to one with stronger growth and higher bond yields will be a difficult one.

"There will be winners and losers," said Nader Naeimi, a fund manager at AMP Capital Investors Ltd "Even smaller changes are enough to cause disruptions in pockets of markets," he said, emphasising that the high levels of debt in the market have not been priced in with a strong belief in "lower for longer." Oanda's Innes agrees.

Investors should position for higher interest rates, perhaps even a little higher than what's expected, he said. "They have to start doing it. We know the economy is going to take a downturn in a couple of years."

End of the earnings season

In contrast to last year, investors have been wrestling with an uncertain outlook for corporate earnings amid higher valuations.

Results have been mixed. Tencent Holdings has managed to soothe fears with a record profit in May, others like Japan's Mitsubishi UFJ Financial Group and Sony Corp have lowered expectations for the future. The average sales surprise for companies on the MSCI Asia Pacific Index was 3.7% in the first quarter – the lowest since 2016 – which is about half of the previous quarter. "That earnings upgrade cycle is over," said Andrew Gillan, the Singapore-based head of equities for Asia excluding Japan at Janus Henderson Investors. "People have upgraded their earnings and now we're waiting for reasons to upgrade further. It is natural that you've got a lull in markets in that environment."

He still expects more than 10% earnings growth in Asia this year.

Volatility's back

And finally – as every manager emphasised – volatility, although worrisome for passive investors, means they're back in the game. The Cboe Volatility Index, which is the most prominent tracker of volatility, posted a record one-day surge in February as stocks tumbled. It is now back to January levels, below its one-year average.

"There are always going to be risks around but it doesn't mean that we can't stay invested in good companies that we like," said Joanna Kwok, whose Asia growth fund at JPMorgan Asset Management has returned over 20% in the last 12 months, beating 91% of its peers.

BUSINESS

QATAR

Company Name	Lt Price	% Chg	Volume
Zad Holding Co	81.00	0.80	180
Widam Food Co	61.06	0.26	5,007
Vodafone Qatar	8.62	0.23	687,664
United Development Co	14.85	0.68	113,814
Salam International Investme	5.30	0.57	22,500
Qatar & Oman Investment Co	6.21	-0.64	21,919
Qatar Navigation	58.50	-2.01	4,723
Qatar National Cement Co	55.95	0.63	2,911
Qatar National Bank	162.97	-0.63	428,085
Qatar Islamic Insurance	50.00	-0.99	4,573
Qatar Industrial Manufactur	41.00	1.91	1,469
Qatar International Islamic	54.00	0.69	107,752
Qatari Investors Group	30.70	-0.94	13,632
Qatar Islamic Bank	123.00	0.16	241,623
Qatar Gas Transport(Nakilat)	15.70	0.19	255,715
Qatar General Insurance & Re	50.00	0.00	-
Qatar German Co For Medical	5.26	-1.68	13,968
Qatar Fuel Qsc	146.00	1.42	314,164
Qatar First Bank	5.42	0.18	216,289
Qatar Electricity & Water Co	189.99	-0.01	35,549
Qatar Exchange Index Etf	91.65	-0.42	2,835
Qatar Cinema & Film Distrib	22.00	0.00	-
Al Rayan Qatar Etf	21.71	-3.43	14,438
Qatar Insurance Co	39.00	-0.79	159,294
Ooredoo Qpsc	75.75	1.34	81,834
National Leasing	9.65	-0.41	17,733
Mazaya Qatar Real Estate Dev	6.81	-0.15	274,543
Mesaieed Petrochemical Holdi	15.50	-0.96	505,076
Al Meera Consumer Goods Co	153.00	0.66	49,683
Medicare Group	63.80	1.30	3,608
Mannai Corporation Qsc	48.50	3.19	5,293
Masraf Al Rayan	34.69	-0.91	373,021
Al Khalij Commercial Bank	10.90	0.00	24,049
Industries Qatar	109.00	0.14	85,116
Islamic Holding Group	28.19	1.04	9,403
Investment Holding Group	5.54	-0.36	194,298
Gulf Warehousing Company	41.97	1.72	6,457
Gulf International Services	17.25	-0.23	45,642
Ezdan Holding Group	9.08	2.83	205,431
Doha Insurance Co	12.90	0.00	-
Doha Bank Qpsc	27.41	0.92	88,068
Dlala Holding	13.94	2.58	127,257
Commercial Bank Pqsc	36.98	-2.71	53,611
Barwa Real Estate Co	34.87	0.69	89,074
Al Khaleej Takaful Group	11.10	0.91	320
Aamal Co	9.24	0.00	40,943

SAUDI ARABIA

Company Name	Lt Price	% Chg	Volume
United Wire Factories Compan	16.98	-0.24	87,413
Etihad Etisalat Co	20.66	-1.62	2,248,087
Dar Al Arkan Real Estate Dev	11.40	2.33	20,583,958
Alawwal Bank	14.40	0.00	213,090
Rabigh Refining And Petroche	26.75	1.33	1,532,407
Banque Saudi Fransi	33.85	-3.15	131,290
Saudi Enaya Cooperative Insu	8.86	-0.11	236,886
Mediterranean & Gulf Insuran	19.36	-0.72	70,570
Saudi British Bank	31.80	-2.15	606,593
Red Sea International Co	18.80	0.53	111,825
Takween Advanced Industries	11.38	-1.56	628,842
Sabb Takaful	19.80	-2.94	95,280
Saudi Arabian Fertilizer Co	60.90	-0.81	222,911
National Gypsum	13.76	-0.15	443,451
Saudi Ceramic Co	20.20	1.81	231,849
National Gas & Industrializa	30.80	0.00	172,385
Saudi Pharmaceutical Industr	32.00	-1.54	166,949
Thimar	29.85	-0.17	323,621
National Industrialization C	21.20	-2.12	2,308,548
Batic Investments And Logist	39.90	0.25	31,647
Saudi Electricity Co	22.18	-1.07	639,496
Saudi Arabia Refineries Co	43.75	1.51	478,009
Arriyadh Development Company	18.04	-0.99	256,138
Al-Baha Development & Invest	20.20	-0.49	34,638
Saudi Research And Marketing	88.00	-2.11	35,939
Aldrees Petroleum And Transp	27.75	-0.89	96,917
Saudi Vitrified Clay Pipe Co	49.90	1.32	32,371
Jarir Marketing Co	177.40	-0.45	65,097
Arab National Bank	33.40	-2.62	191,816
Yanbu National Petrochemical	73.50	0.14	295,870
Arabian Cement	29.00	-1.02	20,232
Middle East Specialized Cabl	8.08	-0.49	244,176
Al Khaleej Training And Educ	16.06	-1.83	104,186
Al Sagr Co-Operative Insuran	27.50	-0.54	79,011
Trade Union Cooperative Insu	22.90	-0.17	73,023
Arabia Insurance Cooperative	20.48	-2.01	213,223
Saudi Chemical Company	34.50	1.32	92,712
Fawaz Abdulaziz Alhokair & C	25.70	-2.84	857,503
Bupa Arabia For Cooperative	90.20	0.45	198,645
Wafa Insurance	12.70	2.58	777,220
Jabal Omar Development Co	40.15	-3.83	1,432,404
Saudi Basic Industries Corp	125.00	-1.42	4,010,027
Saudi Kayan Petrochemical Co	14.96	0.40	4,996,199
Etihad Atheeb Telecommunicat	5.34	-0.56	284,918
Co For Cooperative Insurance	71.40	2.15	314,298
National Petrochemical Co	27.90	0.54	177,393
Gulf Union Cooperative Insur	15.06	0.00	21,046
Gulf General Cooperative Ins	16.00	0.00	44,389
Basic Chemical Industries	24.30	1.59	387,909
Saudi Steel Pipe Co	19.98	-0.70	33,295
Buruj Cooperative Insurance	29.90	-0.66	63,681
Mouwasat Medical Services Co	94.00	-1.05	117,559
Southern Province Cement Co	40.90	-0.73	171,641
Maadaniyah	18.90	0.64	90,185
Yamama Cement Co	16.18	-0.12	97,724
Jazan Energy And Development	15.00	0.67	139,192
Zamil Industrial Investment	24.18	-0.41	38,314
Alujain Corporation (Alco)	29.75	-1.33	116,981
Tabuk Agricultural Developme	11.24	-0.53	58,580
United Co-Operative Assuranc	10.30	0.00	68,631
Qassim Cement/The	38.90	-0.51	83,413
Saudi Advanced Industries	13.40	-0.30	146,860
Kingdom Holding Co	8.72	-0.23	54,998
Saudi Arabian Amiantit Co	6.76	-1.02	457,674
Al Jouf Agriculture Developm	25.10	-0.79	28,021
Saudi Industrial Development	9.26	0.65	491,984
Riyad Bank	16.04	-0.37	409,393
The National Agriculture Dev	35.80	-0.28	28,469
Halwani Bros Co	52.40	-0.57	4,238
Arabian Pipes Co	12.34	-0.64	194,922
Eastern Province Cement Co	24.40	0.74	9,012
Al Gassim Investment Holding	12.02	-1.80	293,790
Filing & Packing Materials M	33.80	-0.59	18,434
Saudi Cable Co	8.52	0.71	798,774
Tihama Advertising & Public	48.40	-0.92	330,244
Saudi Investment Bank/The	17.72	-0.34	143,157
Astra Industrial Group	19.40	2.75	452,671
Saudi Public Transport Co	14.88	-2.11	442,745
Taiba Holding Co	31.05	0.32	19,394
Saudi Industrial Export Co	215.00	-0.83	12,502
Saudi Real Estate Co	32.70	-0.46	184,677
Saudia Dairy & Foodstuff Co	95.20	-1.45	38,069
National Shipping Co Of/The	29.50	0.51	311,468
Methanol Chemicals Co	9.41	-0.42	349,659
Chubb Arabia Cooperative Ins	22.10	-0.81	41,920
Mobile Telecommunications Co	6.72	-1.03	1,013,824
Saudi Arabian Coop Ins Co	14.96	2.00	191,489
Axa Cooperative Insurance	21.50	-1.65	211,373
Alsorayai Group	16.76	-9.99	3,420,000
Bank Albilad	23.68	-0.92	176,598
Al-Hassan G.I. Shaker Co	11.10	-0.54	447,832
Wataniya Insurance Co	24.80	-0.80	17,071
Abdullah Al Othaim Markets	75.40	-1.18	73,148
Hail Cement	9.05	-0.33	152,487
Saudi Re For Cooperative Rei	8.75	0.81	1,020,358

SAUDI ARABIA

Company Name	Lt Price	% Chg	Volume
Solidarity Saudi Takaful Co	19.56	-0.81	60,517
Amana Cooperative Insurance	14.32	-0.28	32,683
Alabdullatif Industrial Inv	12.82	-0.62	124,083
Saudi Printing & Packaging C	19.00	-0.84	89,208
Saudi Paper Manufacturing Co	8.00	-1.84	374,553
Alinma Bank	21.36	-0.84	15,644,200
Almarai Co	59.60	-2.13	314,645
Falcom Saudi Equity Etf	32.30	-0.62	166,126
United International Transpo	33.30	0.91	326,428
Hsbc Amanah Saudi 20 Etf	32.40	0.00	201
Saudi International Petroche	21.40	-0.19	1,016,120
Falcom Petrochemical Etf	31.90	0.00	-
Walaa Cooperative Insurance	28.20	-0.70	151,260
Bank Al-Jazira	14.52	-0.41	4,222,935
Al Rajhi Bank	87.00	-0.23	2,174,609
Samba Financial Group	30.95	-0.16	1,085,932
United Electronics Co	66.00	-3.51	569,618
Allied Cooperative Insurance	19.54	-2.59	44,427
Malath Insurance	15.10	-0.92	539,896
Alinma Tokio Marine	20.52	-1.54	66,879
Arabian Shield Cooperative	24.98	-0.68	50,772
Savola	39.75	-0.38	181,844
Wafrah For Industry And Deve	13.80	-3.77	251,216
Fitaihi Holding Group	12.14	0.00	219,410
Tourism Enterprise Co/ Shams	33.00	-0.60	27,281
Sahara Petrochemical Co	18.02	-0.22	920,056
Herfy Food Services Co	47.50	-0.21	16,817
Saudi Ind Investment Group	27.10	-2.34	1,018,210
Salama Cooperative Insurance	20.10	-3.27	240,009
Emaar Economic City	12.92	-5.56	6,099,631
Alahli Takaful Co	27.80	0.00	37,628
Anaam International Holding	11.80	-1.67	121,687
Saudi Telecom Co	88.20	-1.45	880,672
Al Alamiya Cooperative Insur	29.05	0.69	97,858
Saudi Industrial Services Co	15.12	-1.05	260,431
Al-Ahsa Development Co.	11.66	-0.34	222,966
National Co For Glass In/The	19.50	0.52	21,945
Dur Hospitality Co	20.00	-0.40	38,686
Tabuk Cement Co	12.96	0.00	33,872
Sasco	15.02	0.00	126,704
Saudi Cement	50.00	-0.99	123,673
Aseer Trading Tourism & Manu	11.76	-1.18	130,778
Nama Chemicals Co	26.80	-1.83	629,172
Saudi Arabian Mining Co	58.50	-1.02	267,294
Yanbu Cement Co	26.15	-0.57	103,394
Saudi Fisheries	25.75	-2.83	53,122
Ash-Sharqiyah Development Co	53.20	-0.93	46,937
Makkah Construction & Devepl	78.00	-0.64	21,225
Al Jouf Cement	9.45	0.21	195,752
Abdullah A.M. Al-Khodari Son	7.61	-1.81	2,466,233
Knowledge Economic City	11.60	-0.85	460,519
Al-Ahlia Cooperative Insuran	10.36	-1.15	73,256
Al Rajhi Co For Co-Operative	60.00	-3.54	208,049
Alkhodar Ab Equity	53.50	-1.83	174,228
Kec Ab Equity	25.85	0.39	197,090
Alahlia Ab Equity	25.60	-5.36	171,236
Arcci Ab Equity	9.74	0.10	3,211,210
Appc Ab Equity	26.05	-0.57	663,631
Albabtai Ab Equity	48.55	0.10	615,264

KUWAIT

Company Name	Lt Price	% Chg	Volume
Sultan Center Food Products	71.00	0.00	769,200
Kuwait Foundry Co Sak	196.00	0.11	10,020
Kuwait Financial Centre Sak	104.00	-1.22	12,030
Ajial Real Estate Entmt	135.00	0.00	16,000
Kuwait Finance & Investment	44.00	0.00	7,000
National Industries Co Ksc	170.00	0.59	921
Kuwait Real Estate Holding C	28.70	0.00	1,907
Securities House/The	46.80	0.00	62,339
Boubyan Petrochemicals Co	833.00	0.00	748,400
Al Ahli Bank Of Kuwait	325.00	-4.04	690,150
Ahli United Bank (Almutahed)	249.00	-0.43	286,555
National Bank Of Kuwait	748.00	0.58	1,420,783
Commercial Bank Of Kuwait	500.00	1.41	10,039
Kuwait International Bank	219.00	0.00	454,476
Gulf Bank	255.00	0.00	101,000
Al-Massaleh Real Estate Co	35.50	0.00	20,150
Al Arabiya Real Estate Co	30.30	0.00	50,000
Kuwait Remal Real Estate Co	0.00	0.00	-
A'ayan Real Estate Co Sak	47.00	0.00	153,501
Investors Holding Group Co.K	12.50	0.00	521,958
Al-Mazaya Holding Co	88.90	0.00	115,808
Al-Madar Finance & Invt Co	70.00	0.00	3,000
Gulf Petroleum Investment	26.00	0.00	439,400
Mabanee Co Sakc	635.00	0.00	5
Inovest Co Bsc	71.40	0.00	3,618
Al-Deera Holding Co	20.90	0.00	33,900
Mena Real Estate Co	27.50	0.00	34,200
Amar Finance & Leasing Co	0.00	0.00	-
United Projects For Aviation	635.00	0.00	5,000
National Consumer Holding Co	41.00	0.00	212,932
Amwal International Investme	52.00	0.00	60,500
Equipment Holding Co K.S.C.C	26.80	0.00	150,000
Arkan Al Kuwait Real Estate	78.00	0.00	4,000
Gfh Financial Group Bsc	105.00	0.00	257,554
Energy House Holding Co Kscp	31.80	0.00	129,500
Kuwait Co For Process Plant	166.00	0.00	10,000
Al Maidan Dental Clinic Co K	0.00	0.00	-
National Shooting Company	17.00	0.00	10,000
Al-Ahleia Insurance Co Sakp	425.00	0.00	11,633
Wethaq Takaful Insurance Co	26.00	0.00	21,021
Salbookh Trading Co Kscp	44.70	0.00	350
Aqar Real Estate Investments	72.00	0.00	10,000
Hayat Communications	80.00	0.00	100
Soor Fuel Marketing Co Ksc	120.00	0.00	81,596
Tamkeen Holding Co	15.00	0.00	576
Burgan Co For Well Drilling	86.00	0.00	1,044,138
Kuwait Resorts Co Kscc	59.40	0.00	500
Oula Fuel Marketing Co	121.00	0.00	51,944
Palms Agro Production Co	0.00	0.00	-
Mubarrad Holding Co Ksc	56.00	0.00	40,258
Shuaiba Industrial Co	249.00	0.00	100
Aan Digital Services Co	20.50	0.00	170,000
First Takaful Insurance Co	42.00	0.00	9,500
Kuwaiti Syrian Holding Co	31.00	0.00	491,000
National Cleaning Company	48.10		486
United Real Estate Company	57.00		50,000
Agility	750.00		156,450
Kuwait & Middle East Fin Inv	23.00		8,203
Fujairah Cement Industries	74.90		3,500
Livestock Transport & Tradng	186.00		163
International Resorts Co	20.70		43,000
National Industries Grp Hold	151.00		905,552
Warba Insurance Co	60.90		48,021
First Dubai Real Estate Deve	42.00		73,000
Al Arabi Group Holding Co	73.90		250
Mobile Telecommunications Co	390.00		2,444,894
Effect Real Estate Co	21.90		100
Tamdeen Real Estate Co Ksc	0.00		-
Al Mudon Intl Real Estate Co	28.00		50,000
Kuwait Cement Co Ksc	430.00		7,315
Sharjah Cement & Indus Devel	80.00		2,737
Kuwait Portland Cement Co	1,075.00		1,140
Educational Holding Group	309.00		40,000
Asiya Capital Investments Co	41.70		1,247
Kuwait Investment Co	109.00		29,000
Burgan Bank	250.00		305,000
Kuwait Projects Co Holdings	238.00		405,000
Al Madina For Finance And In	28.00		147,040
Kuwait Insurance Co	270.00		74
Al Masaken Intl Real Estate	77.90		95
Intl Financial Advisors	26.00		368,100
First Investment Co Kscc	39.90		134,990
Al Mal Investment Company	20.60		61,500
Bayan Investment Co Kscc	39.90		55,165
Egypt Kuwait Holding Co Sae	343.00		2,063
Coast Investment Development	33.50		728,200
Privatization Holding Compan	60.80		12,000
Injazzat Real State Company	89.90		20,200
Kuwait Cable Vision Sak	8.00		28
Sanam Real Estate Co Kscc	30.00		8,001
Ithmaar Holding Bsc	33.60		365,100
Aviation Lease And Finance C	348.00		19,750
Arzan Financial Group For Fi	28.50		150,000
Ajwan Gulf Real Estate Co	22.00		783,800
Kuwait Business Town Real Es	42.50		273,500
Future Kid Entertainment And	97.00		20,000

KUWAIT

Company Name	Lt Price	% Chg	Volume
Specialities Group Holding C	62.50		1,611,243
Abyaar Real Eastate Developm	18.50		208,540
Kgl Logistics Company Kscc	41.60		238,230
Combined Group Contracting	416.00		15,890
Jiyad Holding Co Ksc	98.90		50
Boubyan Intl Industries Hold	29.00		118,020
Gulf Investment House Ksc	18.90		147,701
Boubyan Bank K.S.C	511.00		900,041
Ahli United Bank B.S.C	175.00		489,298
Osos Holding Group Co	79.20		510,000
Al-Eid Food Ksc	0.00		-
Qurain Petrochemical Industr	332.00		104,705
Ekttitab Holding Co Sak	26.70		285,000
Real Estate Trade Centers Co	21.50		5,000
Acico Industries Co Kscc	220.00		350
Kipco Asset Management Co	68.10		40,127
National Petroleum Services	770.00		15,764
Alimtiaz Investment Co Kscc	130.00		1,043,388
Ras Al Khaimah White Cement	79.30		55,100
Kuwait Reinsurance Co Ksc	192.00		14,040
Kuwait & Gulf Link Transport	108.00		62,150
Human Soft Holding Co Ksc	3,760.00		183,510
Automated Systems Co Kscc	120.00		15,000
Metal & Recycling Co	50.00		3,055
Gulf Franchising Holding Co	24.00		984
Al-Enma'a Real Estate Co	31.10		120,996
National Mobile Telecommuni	855.00		9,889
Unicap Investment And Financ	57.90		5,000
Al Salam Group Holding Co	33.30		3,000
Al Aman Investment Company	50.00		30,000
Mashaer Holding Co Ksc	46.00		9,056
Manazel Holding	32.90		1,419,900
Tijara And Real Estate Inves	57.00		25
Jazeera Airways Co Ksc	769.00		11,790
Commercial Real Estate Co	72.00		214,259
National International Co	59.00		1,173
Taameer Real Estate Invest C	29.20		49,500
Gulf Cement Co	86.80		250
Heavy Engineering And Ship B	311.00		15,612
National Real Estate Co	107.00		106,367
Al Safat Energy Holding Comp	25.00		592,475
Kuwait National Cinema Co	1,050.00		8
Danah Alsafat Foodstuff Co	42.00		1,615
Independent Petroleum Group	425.00		49,000
Kuwait Real Estate Co Ksc	46.10		1,665,525
Salhia Real Estate Co Ksc	330.00		50,000
Gulf Cable & Electrical Ind	360.00		15,010
Kuwait Finance House	0.00		-
Gulf North Africa Holding Co	44.10		780,000
Hilal Cement Co	86.00		1,520
Osoul Investment Kscc	57.20		50,000
Gulf Insurance Group Ksc	630.00		9,300
Umm Al Qaiwain General Inves	70.50		76,369
Aayan Leasing & Investment	30.50		44,100
Alrai Media Group Co Ksc	103.00		1,000
National Investments Co	90.80		5,200
Commercial Facilities Co	162.00		160,994
Yiaco Medical Co. K.S.C.C	141.00		57,542
Munshaat Real Estate Project	86.50		53,505
Noor Financial Investment Co	51.30		699,905
Al Tamdeen Investment Co	0.00		-
Credit Rating & Collection	22.50		3,015
Ifa Hotels & Resorts Co. K.S	102.00		140
Sokouk Holding Co Sak	38.00		440,790
Warba Bank Kscp	233.00		133,196
Viva Kuwait Telecom Co	695.00		5,769
Mezzan Holding Co Kscc	720.00		1,000

OMAN

Company Name	Lt Price	% Chg	Volume
Voltamp Energy Saog	0.29	0.00	73
Vision Insurance Saoc	0.15	0.00	-
United Power/Energy Co- Pref	1.00	0.00	-
United Power Co Saog	3.28	0.00	-
United Finance Co	0.11	0.00	-
Ubar Hotels & Resorts	0.13	0.00	-
Takaful Oman	0.13	0.00	-
Taageer Finance	0.11	0.00	27,579
Sweets Of Oman	1.34	0.00	-
Sohar Power Co	0.11	0.00	-
Sohar Poultry	0.21	0.00	-
Smn Power Holding Saog	0.60	0.00	-
Shell Oman Marketing - Pref	1.05	0.00	-
Shell Oman Marketing	1.65	0.00	-
Sharqiyah Desalination Co Sa	3.96	0.00	-
Sembcorp Salalah Power & Wat	0.22	0.00	10,000
Salalah Port Services	0.60	0.00	-
Salalah Mills Co	1.08	0.00	-
Salalah Beach Resort Saog	1.38	0.00	-
Sahara Hospitality	2.38	0.00	-
Renaissance Services Saog	0.39	0.00	-
Raysut Cement Co	0.60	0.00	-
Phoenix Power Co Saoc	0.12	0.00	-
Packaging Co Ltd	2.21	0.00	-
Ooredoo	0.51	0.00	-
Ominvest	0.36	0.00	-
Oman United Insurance Co	0.32	0.00	-
Oman Telecommunications Co	0.75	0.00	24,095
Oman Refreshment Co	1.75	0.00	-
Oman Qatar Insurance Co	0.12	0.00	-
Oman Packaging	0.28	0.00	-
Oman Oil Marketing Company	1.15	0.00	-
Oman National Engineering An	0.16	0.00	-
Oman Investment & Finance	0.12	0.00	-
Oman Intl Marketing	0.52	0.00	-
Oman Flour Mills	0.76	0.00	28,000
Oman Fisheries Co	0.12	0.88	54,900
Oman Europe Foods Industries	1.00	0.00	-
Oman Education & Training In	0.18	0.00	-
Oman Chromite	3.64	0.00	-
Oman Chlorine	0.40	0.00	-
Oman Ceramic Company	0.42	0.00	-
Oman Cement Co	0.37	0.00	-
Oman Cables Industry	0.89	0.00	-
Oman & Emirates Inv(Om)50%	0.13	0.00	-
Natl Aluminium Products	0.33	2.47	386,189
National Securities	0.04	0.00	-
National Real Estate Develop	5.00	0.00	-
National Pharmaceutical	0.12	0.00	-
National Mineral Water	0.10	0.00	-
National Life & General Insu	0.32	0.00	408,817
National Gas Co	0.35	0.00	-
National Finance Co	0.13	0.00	-
National Detergent Co Saog	0.67	0.00	-
National Biscuit Industries	3.75	0.00	-
National Bank Of Oman Saog	0.18	0.00	10,877
Muscat Thread Mills Co	0.08	0.00	-
Muscat Insurance Co Saog	0.80	0.00	-
Muscat Gases Company Saog	0.32	0.64	6,295
Muscat Finance	0.09	1.12	17,234
Muscat City Desalination Co	0.15	0.00	-
Majan Glass Company	0.18	0.00	-
Majan College	0.45	0.00	-
Hsbc Bank Oman	0.12	2.61	515,400
Hotels Management Co Interna	1.25	0.00	-
Gulf Stone	0.12	0.00	-
Gulf Mushroom Company	0.31	0.00	-
Gulf Investments Services	0.11	0.96	203,000
Gulf Invest. Serv. Pref-Shar	0.11	0.00	-
Gulf International Chemicals	0.19	0.00	-
Gulf Hotels (Oman) Co Ltd	10.49	0.00	-
Global Fin Investment	0.10	0.00	-
Galfar Engineering&Contract	0.11	-0.91	38,690
Galfar Engineering -Prefer	0.39	0.00	-
Financial Services Co.	0.18	0.00	-
Financial Corp/The	0.10	0.00	-
Dhofar Tourism	0.49	0.00	-
Dhofar Poultry	0.18	0.00	-
Dhofar Intl Development	0.31	0.00	-
Dhofar Insurance	0.16	0.00	-
Dhofar Fisheries & Food Indu	1.28	0.00	-
Dhofar Cattlefeed	0.17	-8.42	12,127
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	0.00	53,372
Bank Sohar	0.14	0.00	222,657
Bank Nizwa	0.09	0.00	947,499
Bank Dhofar Saog	0.17	0.00	-

OMAN

Company Name	Lt Price	% Chg	Volume
Aloula Co	0.53	0.00	-
Al-Omaniya Financial Service	0.28	0.00	-
Al-Hassan Engineering Co	0.04	0.00	-
Al-Fajar Al-Alamia Co	0.75	0.00	-
Al-Anwar Ceramic Tiles Co	0.11	-0.91	10,000
Al Suwadi Power	0.12	0.00	-
Al Sharqiya Invest Holding	0.12	0.00	-
Al Maha Petroleum Products M	0.80	0.00	11,160
Al Maha Ceramics Co Saoc	0.23	0.00	-
Al Madina Takaful Co Saoc	0.11	0.96	5,293
Al Madina Investment Co	0.05	0.00	8,100
Al Kamil Power Co	0.39	0.00	-
Al Jazerah Services -Pfd	0.55	0.00	-
Al Jazeera Steel Products Co	0.31	0.00	-
Al Jazeera Services	0.15	0.00	-
Al Izz Islamic Bank	0.08	0.00	233,951
Al Buraimi Hotel	0.88	0.00	-
Al Batinah Power	0.12	0.00	-
Al Batinah Hotels	1.13	0.00	-
Al Batinah Dev & Inv	0.10	0.00	-
Al Anwar Holdings Saog	0.15	0.00	45,273
Al Ahlia Insurance Co Saoc	0.37	0.00	-
Ahli Bank	0.16	0.00	-
Acwa Power Barka Saog	0.74	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	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-

UAE

Company Name	Lt Price	% Chg	Volume
Waha Capital Pjsc	1.79	0.00	21,362
United Insurance Company	2.00	0.00	-
United Arab Bank Pjsc	1.24	-9.49	10,000
Union National Bank/Abu Dhab	3.62	-0.28	56,782
Union Insurance Co	1.89	0.00	-
Union Cement Co	1.85	0.00	-
Umm Al Qaiwain General Inves	1.00	0.00	-
Sudan Telecommunications Gro	0.53	-1.85	422,087
Sharjah Islamic Bank	1.23	0.00	-
Sharjah Insurance Company	3.15	0.00	-
Sharjah Group	1.40	0.00	-
Sharjah Cement & Indus Devel	0.91	0.00	-
Ras Al-Khaimah National Insu	3.68	0.00	-
Ras Al Khaimah White Cement	1.12	0.00	-
Ras Al Khaimah Ceramics	2.37	0.00	41,500
Ras Al Khaimah Cement Co Psc	0.75	4.17	20,000
Ras Al Khaima Poultry	1.89	3.28	5,000
Rak Properties	0.66	0.00	4,626,046
Ooredoo Qpsc	72.90	0.00	-
Oman & Emirates Inv(Emir)50%	0.50	0.00	-
National Takaful Company	0.75	0.00	-
National Marine Dredging Co	3.00	0.00	-
National Investor Co/The	0.51	0.00	-
National Corp Tourism & Hote	2.13	0.00	-
National Bank Of Umm Al Qaiw	2.95	0.00	-
National Bank Of Ras Al-Khai	4.30	0.00	-
National Bank Of Fujairah	2.86	14.40	50,000
Methaq Takaful Insurance	0.79	1.28	112,200
Manazel Real Estate Pjsc	0.50	0.00	2,968,366
Invest Bank	2.52	0.00	-
Intl Holdings Co Pjsc	1.29	-3.01	1,004,181
Insurance House	0.85	0.00	-
Gulf Pharmaceutical Ind Psc	2.16	2.37	30,252
Gulf Medical Projects	1.90	0.00	-
Gulf Cement Co	0.97	0.00	-
Fujairah Cement Industries	1.20	0.00	-
Fujairah Building Industries	1.56	0.00	-
Foodco Holding Pjsc	3.70	-1.33	4,162
First Abu Dhabi Bank Pjsc	12.40	0.81	835,232
Finance House	1.70	0.00	-
Eshraq Properties Co Pjsc	0.72	0.00	3,068,451
Emirates Telecom Group Co	17.00	1.19	785,618
Emirates Insurance Co. (Psc)	6.90	0.00	-
Emirates Driving Company	7.40	5.71	1,124
Dana Gas	1.08	-0.92	4,974,972
Commercial Bank Internationa	0.90	0.00	-
Bank Of Sharjah	1.09	0.00	-
Axa Green Crescent Insurance	0.54	0.00	-
Arkan Building Materials Co	0.60	0.00	362,500
Alkhaleej Investment	2.15	0.00	-
Aldar Properties Pjsc	2.09	-0.48	3,208,184
Al Wathba National Insurance	12.75	0.00	-
Al Qudra Holding Pjsc	1.10	0.00	20,000
Al Khazna Insurance Co	0.25	0.00	-
Al Fujairah National Insuran	300.00	0.00	-
Al Dhafra Insurance Co. P.S.	3.85	0.00	-
Al Buhaira National Insuranc	2.20	0.00	-
Al Ain Ahlia Ins. Co.	38.00	0.00	-
Agthia Group Pjsc	4.79	0.84	77,459
Abu Dhabi Ship Building Co	2.03	0.00	-
Abu Dhabi Natl Co For Buildi	0.57	0.00	-
Abu Dhabi National Takaful C	4.60	0.00	-
Abu Dhabi National Oil Co Fo	2.39	0.00	589,425
Abu Dhabi National Insurance	3.85	0.00	-
Abu Dhabi National Hotels	2.51	0.00	-
Abu Dhabi National Energy Co	1.19	-4.80	2,374,207

BAHRAIN

Company Name	Lt Price	% Chg	Volume
Zain Bahrain Bscc	0.09	0.00	800,000
United Paper Industries Bsc	0.00	0.00	-
United Gulf Holding Bsc	0.77	10.00	3,930
Trafco Group Bsc	0.00	0.00	-
Takaful International Co	0.00	0.00	-
Seef Properties	0.23	0.00	47,500
National Bank Of Bahrain Bsc	0.61	2.52	20,000
Nass Corp Bsc	0.11	0.00	79,000
Khaleeji Commercial Bank	0.08	0.00	25,000
Ithmaar Holding Bsc	0.11	-4.55	63,201
Investcorp Bank -$Us	0.00	0.00	-
Inovest Co Bsc	0.27	0.00	50,000
Gulf Hotel Group B.S.C	0.51	3.06	10,000
Gfh Financial Group Bsc	0.39	1.30	1,424,650
Esterad Investment Co B.S.C.	0.11	0.00	87,500
Eskan Bank Realty Income Tr	0.10	0.00	100,000
Delmon Poultry Co	0.00	0.00	-
Bmmi Bsc	0.72	0.00	5,001
Bbk Bsc	0.45	0.45	26,400
Bahrain Telecom Co	0.24	1.68	125,000
Bahrain National Holding	0.44	0.00	4,500
Bahrain Kuwait Insurance	0.33	0.00	6,126
Bahrain Islamic Bank	0.13	0.00	12,073
Bahrain Flour Mills Co	0.36	0.00	4,908
Bahrain Duty Free Complex	0.71	0.00	12,500
Bahrain Commercial Facilitie	0.75	0.00	10,000
Bahrain Cinema Co	`	0.00	5,000
Arab Banking Corp Bsc-$Us	0.32	0.00	250,000
Aluminium Bahrain Bsc	0.62	0.00	128,934
Albaraka Banking Group	0.31	0.00	1,570,000
Al-Salam Bank	0.11	0.88	56,350
Ahli United Bank B.S.C	0.59	0.00	50,000
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-

LATEST MARKET CLOSING FIGURES

A mooring rope secures an icebreaker ship to the quayside at the South Harbour in Helsinki. Finnish Finance Minister Petteri Orpo says his country must start paying down its record $125bn in central government debt before the window of opportunity to get the situation under control disappears.

Debt fears are mounting for the eurozone's only Nordic member Finland

Bloomberg
Turku, Finland

A nation that stood shoulder to shoulder with Germany during the European debt crisis in defence of austerity is growing increasingly worried about its own debt burden.

Finnish Finance Minister Petteri Orpo says his country must start paying down its record $125bn in central government debt before the window of opportunity to get the situation under control disappears.

"We need to start paying down debt before the worst cost burden hits us," Orpo said in an interview in Turku, on Finland's southern coast, on Saturday. "In the 2020s, as the population ages and we replace our fleet of Hornet fighter jets, paying off debt may become impossible without very strong growth and a high employment rate. And then we might actually want to be able to borrow some more when the worst of the ageing-related costs hit us."

Finland has been a net borrower for the past ten years, with central government debt almost doubling since a low in 2008. Over that period, the Nordic nation lived through what policy makers dubbed "a lost decade" as the decimation of key industries — paper and consumer electronics — erased 100,000 jobs in an economy the size of Oregon.

To be sure, Finland still carries the second-highest rating at Moody's Investors Service, S&P Global Ratings and Fitch Ratings, and it boasts some of the lowest bond yields in the euro area, reflecting investor confidence in its capacity to service the debt. But debt levels are considerably higher than those in Denmark, Sweden and Norway.

This year, gross domestic product in Finland is finally set to reach the level it had just before the global financial crisis hit a decade ago, with the finance ministry estimating 2.2% average annual expansion through 2022. Quarterly economic growth is at a seven-year high and debt relative to GDP is falling. But in absolute terms, debt is growing and policy makers wonder how they'll tackle the demographic challenge ahead.

The population in Finland, which is due to hold general elections next year, is ageing at almost twice the rate of the average for the European Union, with the share of people aged 65 or over increasing 4.4 percentage points in the decade through 2017, according to the Eurostat. The curve is so steep that some years ago Finland was the fastest ageing nation in the EU. That's adding to projected care costs and pension payments, which are borne by a shrinking group of taxpayers and feeding a gaping hole in public finances.

The growing pressure on government coffers adds to the urgency of action, especially as Orpo warns that the current recovery in economic growth may be over soon. "I have studied enough economics to know that a recession will come at some point," he said. "And given how late Finland got swept into the global economic upswing, there's a risk growth may be short lived."

Verizon's CEO choice puts focus back on industry race towards 5G

Bloomberg
New York

In elevating technology chief Hans Vestberg to lead the overall company on Friday, Verizon Communications Inc sent a message to the rest of the industry: It's doubling down on network expansion to ward off increasingly ambitious rivals.

While AT&T Inc tries to complete an acquisition of Time Warner Inc and T-Mobile US Inc pursues its merger with Sprint Corp, Verizon wants no distractions. It's betting that being first to build a faster fifth-generation network will give it an edge over competitors for years.

Verizon already sat out the latest round of potential deals — such as bidding on CBS Corp or 21st Century Fox Inc's entertainment assets — even as archrival AT&T is attempting to make itself over as a media distribution giant. The company wants to stick to what it knows: networks. But the go-it-alone strategy also raises the stakes of getting its 5G transition right.

"Deals aren't Vestberg's strength — his strength is with the network," said Jennifer Fritzsche, an analyst with Wells Fargo Securities LLC. "It shows that Verizon is all about the network."

Verizon, AT&T and Sprint have all been testing new 5G network equipment in select areas, aiming to be first out of the gate with connection speeds that promise to be 10 to 100 times faster. The idea is that dramatically new speeds will eventually help support self-driving cars, smart appliances and even surgical robots.

Verizon plans to start commercial 5G service by year-end in parts of Los Angeles and Sacramento. The initial product will be a direct wireless connection to a home receiver that serves as an alternative to stringing fibre-optic cable. Using a wireless broadband connection, Verizon will sell Internet, phone and TV service to compete with Comcast Corp and Charter Communications Inc.

Current chief executive officer Lowell McAdam, whom the 52-year-old Vestberg will succeed in August, set the 5G plan in motion. He also steered Verizon away from buying traditional cable-TV programming. Instead, he bought online media in the form of AOL and Yahoo!.

T-Mobile US Inc and Sprint Corp, meanwhile, agreed to a $26.5bn merger that would combine the No 3 and No 4 wireless carriers in the US The companies also have pitched that deal as a 5G strategy: They argue they won't get a truly competitive network without joining forces.

Along the way, investors and analysts have looked for some kind of M&A response from Verizon. For now, at least, that's not coming.

"If M&A drives your strategy you aren't an effective leader," McAdam, 64, said in an interview on Friday.

"Everyone wants to talk about who we buy next, but we aren't going to be tricked into doing something stupid just to play in a game driven by ego."

Vestberg: Strength with network.

Harassment woes plague Standard Chartered, even in compliance

Bloomberg
London

Top executives in charge of policing the behaviour of Standard Chartered Plc's 86,000 employees have themselves been disciplined or investigated for allegations of harassment or inappropriate conduct, according to people with knowledge of the matter.

In the past year, the head of anti-bribery and corruption left after the London-based bank probed allegations he had altered the performance review of a subordinate he was having an affair with, the people said. The bank's global compliance chief stepped down after an investigation concluded that his language and behaviour towards colleagues was inappropriate, according to an internal memo late on Thursday.

Since his appointment in 2015, chief executive officer Bill Winters has struggled to cleanse the culture of a bank under US regulatory oversight for past violations of sanctions against Iran. He has repeatedly chastised managers for flouting ethics rules and acting as if they were "above the law." In April, he sent another memo to senior staff calling out rampant misconduct at the emerging-markets lender.

"We continue to encounter incidents within our organisation that do not meet the standards set by our own valued behaviours," Winters wrote in the memo, excerpts of which were seen by Bloomberg News.

"Examples range from managers creating an uncomfortable environment for colleagues, to incidents of harassment or discrimination. None of this is acceptable."

The picture that emerges from interviews with more than half a dozen current and former employees, who requested anonymity to discuss personnel matters, is of a bank plagued by a toxic work culture that Winters and his board have so far been unable to fix.

The problems extend beyond the compliance team to many businesses and regions, the people said. Winters underestimated the scale of the challenge when he promised to root out misbehaviour, said one person with knowledge of the board's deliberations.

Winters declined, through a spokesman, to comment. But Pam Walkden, head of human resources, said in an e-mail to Bloomberg that the bank's "culture is strong and our colleagues' conduct is good with very few exceptions. When we identify shortcomings relative to our rigorous standards, which are inevitable in any large organisation, we investigate thoroughly and fairly and take appropriate action. This is evident from recent actions we have taken." Standard Chartered's compliance unit employs about 3,000 and governs everything from monitoring conduct to fighting financial crime in the 60 markets where it operates, from Macau to Colombia, according to a person familiar with the matter.

The bank's global compliance chief stepped down after an investigation concluded that his language and behaviour towards colleagues was inappropriate, according to an internal memo

Matt Chapman, the global head of anti-bribery and corruption, was investigated for altering the performance review of a woman he was said to be having an affair with, according to people familiar with the matter. Chapman amended her manager's review to give the woman a higher mark and gave her a promotion before he left last year, the people said. Chapman declined to comment, and the bank wouldn't comment about the findings of its investigation or the reasons for Chapman's departure.

Neil Barry, the global head of compliance, was initially suspended in March after complaints about inappropriate comments he allegedly made to colleagues, the people said. In one incident, he approached a woman sitting with a male colleague in the staff cafeteria and asked why she was socialising with him, according to people who were told about the exchange. Barry made a flippant comment about her companion, one of the people said.

Barry's "managerial style, behaviour and language towards some of his colleagues was inappropriate and not in line with our valued behaviours, although it fell short of warranting his dismissal," according to an internal e-mail to staff. Barry, who "has expressed his regret if any of his interactions with his colleagues caused upset or offence," separately declined to comment to Bloomberg News.

Winters has been sending memos to staff with the rubric #knowtherules since April 2016. In the first, he decried a culture where senior managers flout ethics rules for their personal gain and "wilfully disregard our policies." After reports about the alleged behaviour of Hollywood producer Harvey Weinstein surfaced last year, he sent an email reminding employees of their responsibilities to create a safe environment for colleagues, one person with knowledge of the memo said.

"I will not accept behaviour that violates a person's dignity or erodes their self-respect," Winters warned in his April 2018 memo. "We will take all necessary steps to prevent further incidents and to protect and support victims."

Another division of Standard Chartered where there have been allegations of misconduct is the private bank, which manages the assets of the firm's high-net-worth clients. At least three women requested transfers out of the unit after complaining about verbal abuse, racist comments and bullying, according to people familiar with the matter.

The bank also has conducted an investigation into expense account fraud at the private and investment-banking units across Asia, Africa and the Middle East, some of the people said. It uncovered dozens of cases in each region dating back to 2015, according to people with knowledge of the probe.

Some Hong Kong employees were found to have spent tens of thousands of dollars on their corporate credit cards on gifts and entertainment, from Louis Vuitton handbags to karaoke nights, the people said. Their expenses were approved by senior managers, even when receipts were missing or there was little client justification, the people said.

In one of the most egregious cases, a personal assistant who earned less than $50,000 a year racked up about HK$3mn ($380,000) in expenses over two years and was even using her manager's computer to approve personal loans, one of the people said. She was caught and fired, while her boss received a warning.

Standard Chartered's efforts to crack down on misconduct have themselves led to complaints of misconduct. General Counsel David Fein set up a team of former spies, FBI detectives, regulators and compliance officers to catch those who breached the bank's rules against harassment, outside business interests, close financial dealings with co-workers and excessive expenses.

But members of the team overstepped the mark in at least three cases, exaggerating evidence, misleading witnesses and improperly documenting interviews, according to people involved in the crackdown.

In one case, the bank reached a monetary settlement with Salar Khan, a former head of corporate and institutional banking in Pakistan, after accusing him of misusing company resources, the people said. When Khan challenged the allegations — which would have seen him lose compensation such as deferred shares — the only evidence investigators could provide was that his secretary occasionally cashed checks for him, they said.

Khan didn't respond to requests for comment through LinkedIn.

A spokesman for the bank, who declined to make Fein available for an interview, denied that the investigative team had acted improperly.

US jobs bonanza all but ensures Fed rate hike this month

AFP
Washington

The US Federal Reserve this week will raise the key interest rate for the second time in 2018, working to stay one step ahead of inflation.

A hiring spree in May helped drive the unemployment rate down to levels eerily similar to those recorded almost 50 years ago — just before an era of high inflation and economic pain that many Americans still recall with a shudder.

It took years of high lending rates for the Fed to rein in prices and see growth restored in the world's largest economy, and the central bank since has been focused on avoiding a repeat.

Even before last month's expectations-shattering jobs report — 223,000 net new positions were created and unemployment hit the lowest in 18 years at 3.8% — members of the Federal Reserve's interest rate-setting Federal Open Market Committee had signalled they were ready to move.

And even Fed Governor Lael Brainard, an influential voice who spent much of 2017 urging fellow policymakers to wait before raising rates, has sounded somewhat more hawkish of late.

She recently said gradual rate increases are now justified and downplayed worries possible signs in financial markets of trouble ahead for the economy.

Recent data show the number of job openings now exceeds the population of job seekers for the first time on record, dating back to 2000.

And in such a tight labour market, anecdotal reports collected by the Fed show employers are having to raise wages to prevent other companies from poaching their workers, re-hire retirees, or begin recruiting directly from trade schools.

It all adds up to an increase coming in the benchmark lending rate that affects loans on cars, homes and everything else.

Futures markets on Friday put the odds of an increase next week at better than 90%.

"Labour force growth is well below where we're seeing payroll growth. It seems that unemployment's going to get lower," John Ryding, chief economist at RDQ Economics, told AFP.

By year end the jobless rate could fall to 3.5% for the first time since 1969, he said, and then go as low as 3% by the end of 2019 — which would be the lowest level since September 1953.

"The Fed wants to cool the job growth so that we don't keep pushing the unemployment rate ever lower," Ryding said.

Fed officials likely would — and in the past have — argued with that description, since they are focused on price stability and full employment, but in practice central bankers are always wary of a very low jobless rate since it will tend to push wages higher, and therefore raise prices.

The 3.5% unemployment rate in December 1969 was followed by a dark period that included the "great" inflation of the 1970s, when US prices hit their 20th century peak, sometimes exceeding 10% amid an oil shock, and unemployment reached 9%.

In today's economy, rising oil prices, December's sweeping tax cuts, a weakened US dollar and synchronous global growth, not to mention a brewing trade war with America's largest economic partners, all suggest price pressures could soon rise.

A June hike appears to be a sure thing and futures markets also are betting on a third increase in September.

But, while many economists now expect a fourth rate hike in December, markets currently are split on the chances of this.

While signalling they will raise rates in June, Fed members also describe their inflation target as "symmetric" — meaning they may let it run somewhat higher than their 2% target to compensate for the six year stretch during which it remained stubbornly low.

Ryding and other economists also say the link between unemployment and rising prices is not a simple one.

"I expect it to have an impact but I think it's just hugely exaggerated," said Dean Baker, senior economist at the Center for Economic and Policy Research.

While inflation did rise following the extremely low unemployment rates of the 1960s, it did not suddenly explode, but rose progressively instead.

And life for workers today is vastly different: the collapse of unionisation, declining bargaining power and the rise of outsourcing mean that scarce workers do not always translate directly into higher pay and mounting prices.

Current estimates for wage growth also show it is moving up slowly, just ahead of inflation, so it is not fuelling an acceleration of prices.

A key measure of the Fed's preferred inflation gauge, the "core" Personal Consumption Expenditures price index, held steady at 1.8% in April, no higher than it was in November 2016.

Baker said if he had been asked to predict the rate three years ago, "I would have said it would have accelerated."

US blames Canada for G7 fiasco, says Trudeau 'stabbed us in the back'

AFP
Washington

The US blamed Canada yesterday for the disastrous ending to the G7 summit, saying Prime Minister Justin Trudeau "stabbed us in the back," while American allies held Washington responsible.

Just minutes after a joint communique, approved by the leaders of the Group of Seven allies, was published in Canada's summit host city Quebec, US President Donald Trump launched a Twitter broadside, taking exception to comments made by Trudeau at a news conference.

"He really kinda stabbed us in the back," top US economic adviser Larry Kudlow said of Trudeau on CNN's *State of the Union*.

"He did a great disservice to the whole G7."

"We went through it. We agreed. We compromised on the communique. We joined the communique in good faith," Kudlow said.

US trade adviser Peter Navarro, speaking on *Fox News Sunday*, reinforced that message.

"There's a special place in hell for any foreign leader that engages in bad-faith diplomacy with President Donald J Trump and then tries to stab him in the back on the way out the door," he said.

"That's what bad-faith Justin Trudeau did with that stunt press conference. That's what weak, dishonest Justin Trudeau did."

Kudlow sought to tie Trump's reaction to the upcoming summit with Kim Jong-un, saying the North Korean leader "must not see American weakness."

Trump — who has a history of hair-trigger responses to slights — landed in Singapore yesterday for tomorrow's summit meeting with Kim.

Before his departure from Canada the previous day, he tweeted: "Based on Justin's false statements at his news conference, and the fact that Canada is charging massive Tariffs to our US farmers, workers and companies, I have instructed our US Reps not to endorse the Communique as we look at Tariffs on automobiles flooding the US Market!"

Canada's Prime Minister Justin Trudeau (right) with US President Donald Trump during the G7 Summit in the Charlevoix town of La Malbaie, Quebec. "PM Justin Trudeau of Canada acted so meek and mild during our @G7 meetings only to give a news conference after I left saying that... he 'will not be pushed around.' Very dishonest & weak," Trump tweeted before his departure from Canada.

"PM Justin Trudeau of Canada acted so meek and mild during our @G7 meetings only to give a news conference after I left saying that… he 'will not be pushed around.' Very dishonest & weak," Trump said in his tweet.

Trudeau had told reporters that Trump's decision to invoke national security to justify US tariffs on steel and aluminium imports was "kind of insulting" to Canadian veterans who had stood by their US allies in conflicts dating back to World War I.

"Canadians are polite and reasonable but we will also not be pushed around," he said.

Trudeau said he had told Trump "it would be with regret but it would be with absolute clarity and firmness that we move forward with retaliatory measures on July 1, applying equivalent tariffs to the ones that the Americans have unjustly applied to us."

After Trump's angry tweets, Trudeau's office issued a brief response: "We are focused on everything we accomplished here at the G7 summit. The Prime Minister said nothing he hasn't said before — both in public, and in private conversations with the president."

The outburst against Trudeau, and by association the other G7 members, is only the latest incident in which Trump has clashed with America's closest allies, even as he has had warm words for autocrats like Kim and Russia's Vladimir Putin.

French President Emmanuel Macron's office reacted Sunday by saying that "international co-operation cannot be dictated by fits of anger and throwaway remarks."

Reneging on the commitments agreed in the communique showed "incoherence and inconsistency," it said in a statement.

And German Foreign Minister Heiko Maas tweeted yesterday that Trump had partly "destroyed" Washington's trusting relationship with Europe by pulling out of the joint communique.

When Trump left Quebec, it was thought that a compromise had been reached, despite the tension and the determination of European leaders Macron and Chancellor Angela Merkel of Germany to push back against the US president's protectionist policies.

Officials from European delegations quickly leaked copies of the joint statement, and it was published online moments before Trump tweeted.

On board Air Force One, an AFP reporter was told that Trump had approved the agreement, only to be told later of the tweets.

A senior US administration official said that Trump had been angered by Trudeau's comments.

The joint communique that was thrashed out over two days of negotiations vowed that members would reform multilateral oversight through the World Trade Organization (WTO) and seek to cut tariffs.

"We commit to modernise the WTO to make it more fair as soon as possible. We strive to reduce tariff barriers, non-tariff barriers and subsidies," it said, reflecting the typical language of decades of G7 statements.

But Trump had already said he would not hesitate to shut countries out of the US market if they retaliate against his tariffs.

"The European Union is brutal to the United States… They know it," he insisted in his departing news conference. "When I'm telling them, they're smiling at me. You know, it's like the gig is up."

European officials said Trump had tried to water down the language in the draft communique on the WTO and rules-based trade.

In the end, that language stayed in and it was only on climate change that no consensus was reached.

UK firms must justify executive pay gaps under government plan

Bloomberg
London

Large companies listed in the UK will have to explain the pay gap between bosses and employees under government plans to be submitted to Parliament today.

Firms with more than 250 staff on their books will have to publish and justify the difference in pay between chief executives and workers and will have to declare how directors are acting in the interests of both employees and shareholders, the Department for Business, Energy and Industrial Strategy said. The new rules also require companies to provide their investors with information on the impact share price increases will have on long-term incentive plans.

The proposals follow UK lawmakers pledging in March that they would probe both executive pay and the gender pay gap at private companies. That followed a report by the High Pay Centre and the Chartered Institute of Personnel and Development in January which found it takes top executives at UK companies only three working days to earn the same as a typical worker would in a year.

Prime Minister Theresa May has repeatedly spoken out against excessive wages in the corporate sector, and last year introduced measures to strengthen mandatory reporting around executive compensation.

Pay policies at UK companies have come into sharp focus in recent months. Lloyds Banking Group Plc saw just over a fifth of shareholders vote against its executive pay packets at its annual general meeting in May. Oil giant Royal Dutch Shell Plc, industrial takeover specialist Melrose Industries Plc and pharmaceutical firm Astrazeneca Plc have also faced opposition to pay plans for their bosses.

"Most of the UK's largest companies get their business practices right but we understand the anger of workers and shareholders when bosses' pay is out of step with company performance," UK Business Secretary Greg Clark said in a statement. He added the new rules are designed to boost transparency and accountability "at the highest levels, while helping build a fairer economy that works for everyone."

Porsche picks Taycan as name for brand's first electric vehicle

Bloomberg
Frankfurt

Porsche AG named its first car to directly compete with electric leader Tesla Inc the Taycan, as the German manufacturer gears up for what will arguably be its most ambitious and potentially risky vehicle project ever.

The moniker roughly translates to "a lively, young horse," chief executive officer Oliver Blume said on Friday. Porsche both needs electrification to comply with tougher emissions rules and is embracing the technology because it allows for sporty driving that dovetails with the brand, he said.

"We are going to take the next big step next year," when Taycan deliveries will begin, Blume said at the Porsche museum near the company's headquarters in Stuttgart, where the brand celebrated the 70th anniversary of its first-ever sports car, the 356 model.

Safeguarding Porsche's cachet and healthy profit margins as the company makes huge investments in electric cars and new digital services is vital for parent Volkswagen AG.

Automakers are spending billions as they face a period of unprecedented change — stricter environmental regulations are forcing them to offer more battery-powered vehicles even as combustion-engine cars still generate the vast majority of profits.

Porsche is pursuing a three-pronged approach coinciding with the looming technology shift by introducing fully electric cars like the Taycan.

New Italian economy minister Tria vows to stay in euro, cut debt level

Tria gives first interview as economy minister; says won't lift growth via deficit spending; vows to stave off market turmoil

Reuters
Rome

Italy's new coalition government has no intention of leaving the euro and plans to focus on cutting debt levels, Economy Minister Giovanni Tria said yesterday, looking to reassure nervous financial markets.

Italian government bonds have come under concerted selling pressure on fears the government will embark on a spending splurge that Italy can ill-afford and markets are wary that eurosceptics within the coalition might try to push Italy out of the eurozone.

In his first interview since taking office a week ago, Tria told *Corriere della Sera* newspaper that the coalition wanted to boost growth through investment and structural reforms.

"Our goal is (to lift) growth and employment. But we do not plan on reviving growth through deficit spending," Tria said, adding that he would present new economic forecasts and government goals in September.

"These will be fully coherent with the objective of continuing on the path of lowering the debt/GDP ratio," he said.

The government, comprising the anti-establishment 5-Star Movement and far-right League, initially named as economy minister a man who had called the euro an "historic error". He was eventually handed a less important portfolio after the head of state refused to accept his nomination.

Tria, a little-known economics professor who is not affiliated to any party, said the coalition was committed to remaining within the single currency.

"The position of the government is clear and unanimous. There is no question of leaving the euro," he said.

"The government is determined to prevent in any way the market conditions that would lead to an exit materialising. It's not just that we do not want to leave, we will act in such a way that the conditions do not get anywhere near to a position where they might challenge our presence in the euro."

Tria said he had spoken to his German counterpart and was looking for "fruitful dialogue" with the Europe Union, adding that Italian interests chimed with those of Europe.

The new government has promised to roll back pension reform, cut taxes and boost welfare spending, measures that are expected to cost tens of billions of euros.

It also needs to find an estimated €12.5bn ($14.8bn) to stave off the threat of an automatic increase in sales taxes because of previously missed deficit targets.

However, Tria appeared cautious about initial policy moves, saying, for example, that although the pensions system needed to be improved, any changes would have to be fiscally sustainable.

He declined to say whether the coalition would hike the deficit target, but said he aimed to meet existing 2018 and 2019 debt reduction goals.

The previous centre-left government had forecast a fall in debt to 130.8% of gross domestic product (GDP) this year and 128% next year against 131.8% in 2017.

Tria urged investors to look not just at the hard figures, but also study the content of the forthcoming 2019 budget.

"As part of the debt reduction and deficit reduction goals, the budget will reflect the basic choices on how and when to implement the (government) programme," he said. "We have a programme that focuses on structural reforms and we want it to also act on the supply side, creating more favourable conditions for investment and employment."

The government has also promised to review a recent shake-up of mutual and co-operative banks, saying the changes risked penalising domestic lenders.

However Tria said the issue "is not the first problem we have to tackle". He also distanced himself from calls within the coalition for the government to issue securities to pay off individuals and companies owed money by the state.

"Stop-gap solutions solve nothing," he said.

Benchmark crude oil futures decline modestly

Abdullah Bin Hamad Al-Attiyah International Foundation For Energy And Sustainable Development

WEEKLY ENERGY MARKET REVIEW

By Sofiane Ghezali
www.abhafoundation.org

Oil

Benchmark crude oil futures both declined modestly last week. The price differential between the two benchmarks was still maintained at around $11 for a second week. The oil market was still tugged between the loss of supply from Venezuela and potentially from Iran on one side and the rising US shale output and prospects of Opec and Russia increasing theirs from the other side. However, lower Chinese crude oil imports, rising US oil stocks, profit taking, and trade tensions added to the downward pressure. Chinese crude oil imports slipped in May to 9.2 mbpd from their 9.6 mbpd record in April. US crude oil stocks rose by 2.1mn barrels (mbs) in the week to June 1, while US gasoline and distillate stocks rose by 6.8 mbs combined. Rising US output reached another record last week to 10.8mn bpd, behind the world's largest producer — Russia. US oil drillers added just one rig to reach 862 active rigs.

Arab oil producers met without finally giving a clear message on what could be the Opec decision on June 22. Since then, the US unofficially asked some Opec countries to produce more to compensate for any supply shortfalls, especially from Iran on which it is reimposing sanctions. Iraq declared that rising output will not be on the Opec meeting agenda later this month, and that Opec should seek oil market stability which was also emphasised by the Algerian energy minister.

Iran seems to be clearly against any supply increase to replace its own crude. Meanwhile, KSA raised its prices to Asian refiners for July showing some satisfaction with the current price levels and was not in a hurry to raise production. There are some divergences between the different parties of the Opec+ agreement, which will have to find a compromise in their meeting of June 22, that is likely not to give clear signals to the market but will rather add more fuel to the volatility in prices.

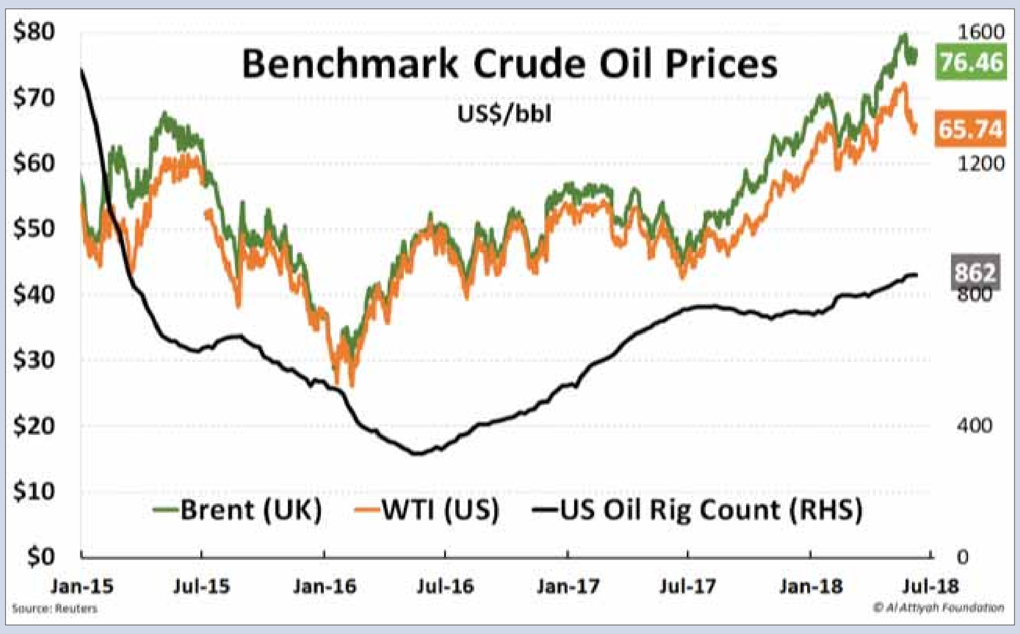
Gas

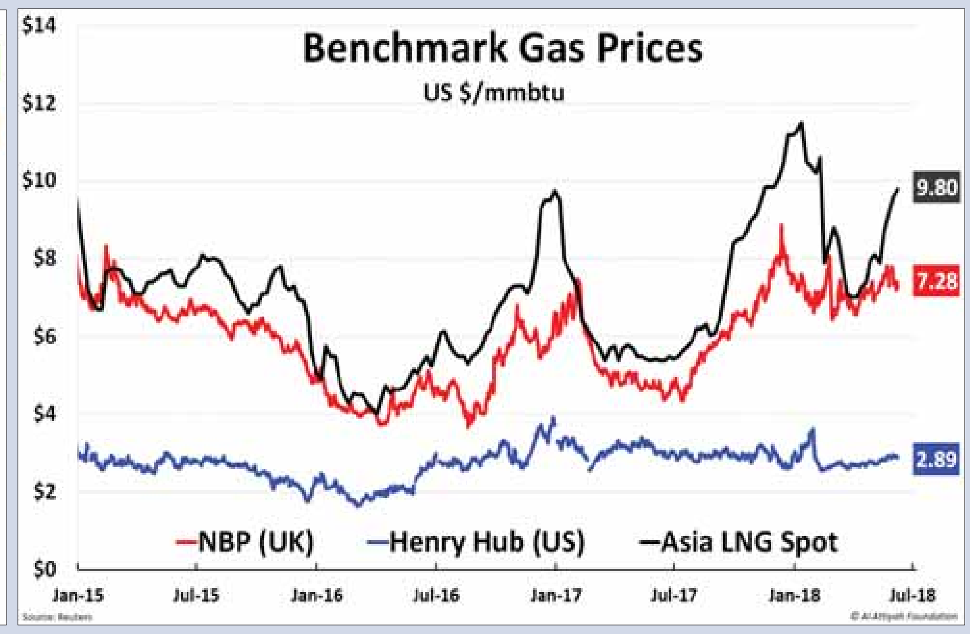
Asian spot LNG prices continued to increase for the fourth straight week and reaching the highest seasonal (summer) level in the last four years. The prices were still having the support of firm Chinese demand and outages at some LNG exports plants. However, the resumption of production at some LNG plants coming back from maintenance and the start of new projects like Wheatstone this month in Australia could cap prices.

The Asia/Europe price differential reaching roughly $2.5 is expected to spur more supply arbitrage between the two regions. Forecasts for higher-than-normal Asian temperatures are also expected to add to the cooling demand. Cargoes for July delivery are thought to be traded at 10 cents higher, while for August delivery prices are likely to trade at $10.

In the US, Henry Hub natural gas futures were down by more than 2% after four weekly gains of about 9%. The newest storage report was in line with predecessors with a new gas injection of 92 bcf. Production during the last month averaged 79.2 bcfd not far from the all-time high of 80.2 bcfd reached on May 27. In the UK, gas prices conceded roughly 1% on a weekly basis. Prices went down due to low temperatures early in the week, while afterwards rising domestic production weighed on prices, as some terminals started to ramp up after disruptions.

The author is senior energy researcher at Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.





Qatar's goods trade surplus benefiting from recovering imports, rising exports: QNB

Qatar's goods trade surplus is benefiting from "recovering" imports and "buoyant" exports, driven by higher hydrocarbon prices, QNB has said in its weekly economic commentary.

The latest monthly indicators on trade and industrial prices show the Qatari economy benefiting from higher global hydrocarbon prices, ensuring that the already dwindling impact of the diplomatic rift on the economy recedes yet further, QNB said.

In particular, the latest monthly trade statistics show the goods trade surplus surged higher in April. In level terms, the surplus topped QR14.7bn. In percentage terms, the surplus was up a stunning 49% y-o-y versus April 2017.

"The surpluses' surge is a by-product of recovering, but still muted, import growth (up 3.1%) and, most importantly, a buoyant export performance due to higher hydrocarbon prices. In level terms, April's exports were up more than QR5bn versus a year ago; a gain of more than 27%," QNB said.

The latest statistics show Qatar's goods trade surplus surged higher in April. In level terms, the surplus topped QR14.7bn. In percentage terms, the surplus was up a stunning 49% y-o-y versus April 2017.

Inevitably, the export surge is driven by the dominant hydrocarbon sector, whose exports were up QR4.7bn versus last April so accounting for around 90% of exports' total gain.

Higher crude oil prices are helping drive the improvement, adding around QR1bn on a year-on-year basis but, looking at the geographical split, suggests that booming LNG demand to Asia are the key driver, QNB noted.

Exports to Japan, the world's largest LNG importer, were particularly strong in April; up nearly QR2bn since last April. Japan's export share accordingly jumped to 20%; up from 17% in March and 15% a year ago.

Japan has been at the forefront of LNG demand since the 1970s; making for a relatively mature market. Nonetheless, its LNG imports, up 2.3% in 2017, posted their first annual rise in three years.

While the eventual restarting of some of the country's still mostly idling nuclear reactors could cap medium-term demand, the strength of the April export numbers suggest Japan's energy mix continues to pivot away from nuclear and coal and towards cleaner energies such as LNG.

Growth in LNG demand has more recently been dominated by China, whose imports soared by an extraordinary 49% in 2017, allowing to leapfrog South Korea as the world's second largest LNG importer.

While China, along with India, can be expected to be the key driver of LNG demand over the medium term, its imports seemed to take a slight breather in April with its share of Qatari exports holding steady at 10%.

"Expect strong growth to resume soon," QNB said.

Despite having been pushed in third position by China, South Korea is no slouch. Its LNG imports boomed by 10.8% in 2017 as its new environmentally-conscious prioritises LNG use. And Korea certainly sucked in more LNG from Qatar in April with imports up around QR1.7bn year-on-year, lifting its export share to 17%.

Exports to India were surprisingly muted in April; down a touch in year-on-year terms. But, with Prime Minister Narendra Modi committing to lift LNG to 15% of the country energy mix (from under 7% currently) by 2020 and a swathe of new LNG import terminals under construction, Indian LNG demand looks set to boom over the next 12-24 months, QNB said.

Further underscoring the boost to the economy from higher hydrocarbon prices was the April producer price index (PPI).

This reported headline growth of 24.3% y-o-y in industrial prices with a 31.1% y-o-y gain in hydrocarbon prices doing the heavy lifting. Importantly, other manufacturing prices were up a robust 12% y-o-y reflecting more broad-based industrial reflation in sectors such as chemicals.

"The April trade and PPI data offer plenty of cheer for the Qatari economy. Spurred by the twin boosts of higher crude oil prices and booming Asian LNG demand, both export revenues and the trade surplus can be expected to enjoy a further uplift in the coming months," QNB said.

Qatar Chamber director-general Saleh bin Hamad al-Sharqi and Oxford Business Group country director Izabela Kruk shake hands after signing the MoU.

OBG: 'Qatar moving to promote private sector development, economic diversification'

Private-sector growth and new government initiatives to support long-term economic diversification and sustainability will be the focus of the global research, publishing, and consultancy firm Oxford Business Group's upcoming economic report on the country, 'The Report: Qatar 2019'.

New developments in Qatar's economy, including measures to support non-hydrocarbon growth and priority industries including agriculture, manufacturing and defence, will be explored in OBG's economic analysis.

'The Report: Qatar 2019' will provide in-depth coverage of the country's diversification efforts and strategies to boost investment in high-growth sectors and increase the role played by the private sector in the national economy.

Alongside comprehensive analysis of key sectors including the strong project pipeline in infrastructure, construction, and energy, the publication will also highlight areas with robust growth potential and opportunities for increased private-sector involvement.

This coverage will highlight measures to help the country meet its long-term economic objectives outlined in Qatar National Vision 2030 and the recently-launched Second National Development Strategy (2018-22).

Opportunities for public-private partnerships (PPPs) in sectors including health and education, as well as initiatives to support private-sector growth, particularly from SMEs, by organisations, including the Qatar Development Bank and Qatar Business Incubation Centre, will also be covered in the research.

Oxford Business Group recently signed a memorandum of understanding (MoU) with the Qatar Chamber for its forthcoming publication, 'The Report: Qatar 2019'. This partnership will facilitate exchange of information between the representatives of Oxford Business Group and Qatar Chamber in areas such as business environment, commerce, industry, and Qatar's international business collaborations. As part of the MoU, all members of Qatar Chamber will also benefit from complimentary access to Oxford Business Group's digital library with reports on over 35 countries.

"Qatar Chamber is the key organisation representing the private sector and is very active both locally and internationally. We are looking forward to working with Qatar Chamber as we prepare The Report: Qatar 2019," said Izabela Kruk, country director of Oxford Business Group.

Qatar Chamber director-general Saleh bin Hamad al-Sharqi said, "We look forward to working with Oxford Business Group to enhance the analysis of private-sector growth in Qatar in their upcoming report, whilst also benefiting from credible and detailed information on global markets from a leading provider of actionable business intelligence and analysis."

'The Report: Qatar 2019' will be a vital guide covering the many facets of the country and its economy. It will contain a detailed, sector-by-sector guide alongside contributions from leading representatives from both the public and private sectors. The report will be available in print and online.

QFBA appoints Dr Khalid Mohamed al-Horr as CEO

The Qatar Finance and Business Academy (QFBA) has appointed Dr Khalid Mohamed al-Horr as the chief executive.

Prior to joining the QFBA, al-Horr was director of Higher Education at the Ministry of Education and Higher education, where he was responsible for setting strategic goals and helping establish policies, procedures, and programmes to be carried out.

"QFBA benefits fresh graduates to senior executive professionals in essential financial disciplines within the sectors of banking, asset management, capital markets and insurance. Its efforts to increase capacity and support the creation of financial services expertise across the financial sector of Qatar has been a vital component to our contribution to the human development pillar of Qatar National Vision 2030," QFC Authority chief executive Yousuf Mohamed al-Jaida said.

During his time at the Ministry, al-Horr managed the scholarships of almost 3,000 students in over 300 institutions across 20 countries. He also led the development of the

Dr al-Horr: Proactive.

Community College of Qatar to offer bachelor degrees. As part of his role, he successfully negotiated with international counter partners to renew their agreements with Qatar, such as the College of North Atlantic-Qatar and University of Calgary-Qatar.

"I look forward to my new role, in contributing towards the academy's mission to proactively build and develop the future generation of skilled and talented Qatari youth and executives by enhancing their knowledge and capability to lead the finance and business sector," said al-Horr, who received his PhD in Management and Human Resource Management from the University of Leeds where he also received an MA in Human Resource Management.

Qatar Chamber signs MoU to issue commercial and industrial directory

Qatar Chamber has signed a memorandum of understanding (MoU) with Hawkama Centre yesterday to prepare and issue its commercial and industrial directory for 2018-2019.

The MoU was signed by Qatar Chamber director-general's assistant for Governmental and International Relations Ali bu Sherbak al-Mansouri and Hawkama Centre chairman Mansour Ahmed al-Saadi. Qatar Chamber's directory includes a list of commercial and industrial companies operating in the country and registered with the Chamber, including phone and fax numbers, address, and all contact data.

Al-Mansouri enjoined all companies operating in Qatar to register in the directory, which aims at facilitating the country's business environment and providing correct and accurate data about private sector companies.

He noted that issuing the directory comes in the frame of the Chamber's plans to develop and update services it provides to the Qatari private sector and its members, assuring that the number of companies registered during the siege significantly increased.

Al-Saadi said Hawkama Centre "is honoured" to co-operate with Qatar Chamber in issuing its commercial and industrial directory, which is an updated and inclusive data base for the private sector.

He said the directory will be issued on December 2018, adding that it will be available in hard copy and in PDF format online. It will also be available in mobile applications for easy access.

Al-Saadi said the centre will harness its potential and experience in collecting, indexing, designing, and printing "to produce a distinct directory."

Hawkama Centre is a well-known, Doha-based organisation involved in publication, organising conferences and PR services. The centre has established longstanding relations associated with publishing services with several influential parties in Qatar.

Qatar Chamber director general's assistant for Governmental and International Relations Ali bu Sherbak al-Mansouri and Hawkama Centre chairman Mansour Ahmed al-Saadi shake hands after signing the MoU.