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Ramadan 29, 1439 AH
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BUSINESS

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Saudi said to float range of ideas for higher Opec output

Chamber chief expects ‘further growth’ in Qatar-Oman trade ties

By Peter Alagos
Business Repoter

The series of regular meetings between Qatar Chamber and private sector leaders in Oman is expected to usher in “further growth” in bilateral trade and promote more investments between Qatar and Oman, a top chamber official has said.

Qatar Chamber chairman Sheikh Khalifa bin Jassim al-Thani, who held meetings in Oman last week, said the discussions with the Omani business community mainly revolved around bilateral trade relations and investment opportunities.

“Since last year, Qatar and Oman’s bilateral trade has improved; while we still have to receive the figures of last year’s trade volume, we have witnessed significant growth in import and export activities between the two countries,” Sheikh Khalifa told *Gulf Times* on the sidelines of a recent agreement signing ceremony between Qatari and Omani industrial firms hosted by the chamber.

“On a daily basis, we see more bilateral visits between the Qatari and Omani business community, as well as the signing of bilateral agreements between the two parties. Most of our imports come by way of Sohar and Salalah ports, including a direct line but majority of the goods from non-direct lines come from these two ports or from the ports of India and Karachi,” Sheikh Khalifa continued.

Qatar Chamber vice chairman Mohamed bin Towar al-Kuwari lauded the direct shipping lines linking Hamad Port to Oman’s Sohar and Salalah ports, describing the move as a “milestone” in the maritime transport and shipping industry “at the regional and international levels.”

Al-Kuwari made the statement last year during the Qatar-Oman Joint Business Council held on the sidelines of the Omani Products Exhibition (Opex 2017). The maritime links, according to al-Kuwari, “has had a significant impact on the continuation of Qatar’s normal commercial traffic” following the economic blockade imposed on Qatar in June last year.

Sheikh Khalifa noted that Qatar imports “whatever Oman produces.” Aside from building materials, Qatar imports food and a large majority of goods needed by the local market, Sheikh Khalifa said, adding that Oman is a transshipment hub to other parts of the world.

In the first quarter of 2018, the chamber reported that Qatar’s non-oil exports witnessed a 15.1% growth to reach QR5.64bn compared to the QR4.9bn in the same period last year.

The report said Oman remained as Qatar’s top non-oil exports destination in March 2018 accounting for QR485.8mn or 35.8% of the total exports followed by Netherlands with almost QR209.1mn or 15.4%, and Turkey with QR 87.7mn or 6.5%.

Sheikh Khalifa also stressed that Qatar remains open to foreign direct investments, particularly in the industrial and manufacturing sector.

“Qatar is always open to Omani companies, as well as other foreign companies around the world; Qatar is the right country for their investments...we already have several Qatari investments in Oman and vice versa in the field of manufacturing,” he said.


Sheikh Khalifa: Growing trade ties with Oman.

Fed raises rates amid stronger inflation, drops crisis-era guidance

Reuters
Washington

The Federal Reserve raised interest rates yesterday, a move that was widely expected but still marked a milestone in the US central bank’s shift from policies used to battle the 2007-2009 financial crisis and recession.

In raising its benchmark overnight lending rate a quarter of a percentage point to a range of between 1.75% and 2%, the Fed dropped its pledge to keep rates low enough to stimulate the economy "for some time" and signalled it would tolerate above-target inflation at least through 2020.

The Fed has raised rates seven times since late 2015 on the back of the economy’s continuing expansion and solid job growth, rendering the language of its previous policy statements outdated.

Inflation is also snapping into line, with fresh projections from policymakers on Wednesday indicating it would run above the central bank’s 2% target, hitting 2.1% this year and remaining there through 2020.

Policymakers also projected a slightly faster pace of rate increases in the coming months, with two additional hikes expected by the end of this year, compared to one previously.

They see another three rate increases next year, a pace unchanged from their previous forecast.

“The labor market has continued to strengthen...economic activity has been rising at a solid rate,” the Fed’s rate-setting committee said in unanimous statement after the end of a two-day meeting.

“Household spending has picked up while business fixed investment has continued to grow strongly,” the Fed said.

The Fed’s short-term policy rate, a benchmark for a host of other borrowing costs, is now roughly equal to the rate of inflation, a breakthrough of sorts in the central bank’s battle in recent years to return monetary policy to a normal footing.

Though rates are now roughly positive on an inflation-adjusted basis, the Fed still described its monetary policy as “accommodative,” with gradual rate increases likely warranted as a sturdy economy enters a 10th straight year of growth.

Estimates of longer-run interest rates were unchanged and seen reaching as high as 3.4% in 2020 before dropping to 2.9% in the longer run.

The Fed now sees gross domestic product growing 2.8% this year, slightly higher than previously forecast, and dipping to 2.4% next year, unchanged from policymakers’ March projections.

The unemployment rate is seen falling to 3.6% in 2018, compared to the 3.8% forecast in March.

The rate increase was in line with investors’ expectations and showed policymakers’ confidence in the economy’s growth prospects, continued low unemployment and steady inflation.

Investors had given just over a 91% chance of a rate rise yesterday, according to an analysis by CME Group.

Mannai Corporation raises its stake in Gfi Informatique to 96%

Mannai Corporation is acquiring an additional 15% stake in Gfi Informatique for €87mn, effectively taking its total holding in the Paris-based IT firm to 96%.

Mannai will buy 10.21mn shares or 15% at €8.5 per piece from Apax France, Altamir and Boussard and Gavaudan, through off-market transactions, effective today, the spokesman of Doha based firm said in a regulatory filing with the Qatar Stock Exchange.

Following the completion of this acquisition, Mannai will alone hold 96% of the share capital and voting rights of Gfi Informatique; whereas Apax France, Altamir and Boussard and Gavaudan will no longer hold shares in Gfi Informatique.

By acquiring an additional shareholding in Gfi Informatique, Mannai reinforces its commitment to Gfi Informatique with a long-term shareholder, who is an expert in the IT services industry and an effective partner capable of supporting the company’s growth, the spokesman said.

Gfi Informatique is a major player in value-added IT services and software in Europe, and occupies a strategic position in its differentiated approach to global firms and niche entities.

Mannai had chalked out a two-year strategy to enhance its equity by 2018 as part of efforts to strengthen its foothold in the IT service and software market in Europe.

Gfi Informatique, which has around 14,000 employees and generated revenues of 1.02bn euros in 2016, currently has eight shared service centres, four of which in France and the rest in Spain, Portugal, Morocco and Poland. The group has over 40 offices in France and further presence in eight additional countries.

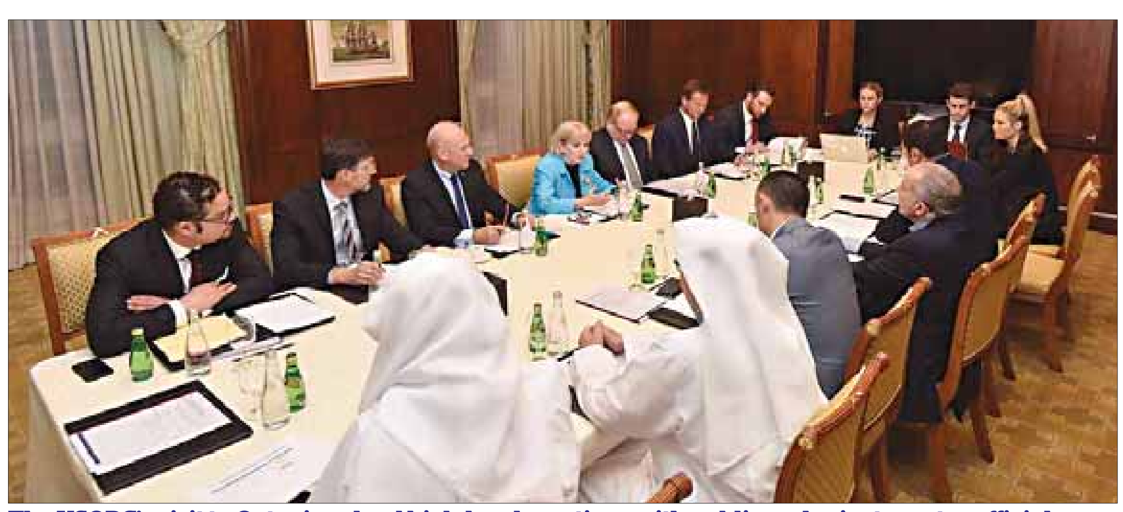
USQBC boosts role as commercial gateway between US and Qatar

The board of directors of the US-Qatar Business Council (USQBC) has concluded a series of high-level meetings with the Qatari government and private sector in Doha to bolster collaboration and further advance the role of the Council as the gateway for bilateral business between the US and Qatar.

While in Doha, the USQBC board of directors held its annual meeting, and met with HE the Minister of Economy and Commerce Sheikh Ahmed bin Jassim bin Mohamed al-Thani; HE the Minister of Finance Ali Sherif al-Emadi, the CEOs of Qatar Petroleum, Qatar Airways, Qatar Stock Exchange, and Qatar Financial Centre, as well as key executives at the Qatar Investment Authority (QIA) and the chairman and members of the Qatar Chamber.

The council discussed enhancing its role as the commercial gateway between the US and Qatar. Discussion also emphasised the strength of the Qatari economy and the reforms that have taken place over the last year, growing the private sector and attracting foreign investors, the top national priority reiterated to the board in all meetings.

“These meetings are critical in enhancing the council’s role in the bilateral economic relationship. We work closely with both American and Qatari companies to increase bilateral trade and investment and are at the ready for companies seeking opportunities in either country,” said USQBC managing director Mohamed Barakat.


The USQBC’s visit to Qatar involved high-level meetings with public and private sector officials

The visit also highlighted upcoming US-Qatar trade events to include the ‘Select USA Summit 2018’, which will bring a delegation to Washington, DC this month led by Qatar’s Economy Minister.

Talks also focused on the second phase of the Qatar-US Economic Forum, a roadshow of trade events held in various states across America. The forum will take place in Fall 2018, and is geared toward exposing more American businesses to opportunities in Qatar.

“This is an important year and the USQBC is excited about building momentum, and bringing together new business interests from both countries,” Barakat said.

BUSINESS

Abraaj Holdings said to plan provisional liquidation filing

Abraaj, which once managed almost $14bn for institutions and supranational agencies from the US, UK and other countries, faces growing concerns about its viability and impending loan repayments

Bloomberg
Abu Dhabi/London

Abraaj Holdings, once one of the developing world's most influential investors, plans to file for provisional liquidation in the Cayman Islands as early as this week as it battles allegations of misused funds, according to people with knowledge of the matter.

The Dubai-based investment firm plans to file before June 29 when a court hearing of a petition to liquidate Abraaj Holdings by Kuwait's Public Institution for Social Security is scheduled, the people said, asking not to be identified because the matter is private. No final decisions have been taken on the timing for the filing, the people said.

A court-supervised provisional liquidation would allow Abraaj to restructure debt, negotiate with creditors and sell assets, the people said. It would also allow a moratorium on the holding company's unsecured claims, they said.

The filing would also enable Abraaj to continue talks with Cerberus Capital Management LP for a deal to acquire its fund management operations, excluding the $1bn healthcare fund, the people said. Cerberus would prefer Abraaj to file for Chapter 11 bankruptcy in the US to facilitate the deal, they said.

The interest of investors, creditors and broader stakeholders "is paramount and we keep these constituents front of mind as we responsibly explore effective options to maintain the stability and continuity of the firm," Abraaj said in an e-mailed statement. The company is "continuing to work intensively and collaboratively with all of its stakeholders to resolve outstanding obligations."

Abraaj, which once managed almost $14bn for institutions and supranational agencies from the US, UK and other countries, faces growing concerns about its viability and impending loan repayments. The company has been under pressure since February when some of its investors commissioned an audit to investigate the alleged mismanagement of money in its healthcare fund.

Kuwait's PIFSS said last week it filed a petition for the liquidation and winding up of Abraaj Holdings after it defaulted on a $100mn loan that was due on June 3. The fund holds a stake in Abraaj Holdings and had provided $731.8mn in loans and investments by 2013, it said. Since then, it has got back $346.2mn.

A review of Abraaj's finances found that there was commingling of Abraaj's own money in its healthcare fund and its fourth private equity fund, according to a summary of a report by Deloitte that was presented to creditors on June 4 and seen by Bloomberg News. Abraaj still owes $94.6mn to its so-called Private Equity Fund IV, but all the money has been accounted for and there's no evidence of embezzlement or misappropriation, according to the report.

Deloitte also said there was a lack of adequate governance at Abraaj and an overall weakness in its control framework. The firm faced a cash shortage when the sale of Pakistani utility K-Electric was delayed, the accounting company said.

The Dubai Financial Services Authority said it's "aware of various matters" involving Abraaj Group, according to a statement earlier this week. "Relevant matters are under our attention," the regulator said in a statement. "The DFSA will act in the interest of all investors. No further comment can be made at this time."

Societe Generale SA and Mashreqbank PSC are also creditors to the private equity firm, according to people familiar with the matter.

Saudi floats range of ideas for 'higher Opec output'

Bloomberg
London

Saudi Arabia has floated several oil output hike plans to fellow Opec members, including one with a two-step increase, as the kingdom seeks ways to narrow differences with Russia and the rest of the group, according to people briefed on the discussions.

The ideas, discussed informally among ministers and delegates ahead of next week's meeting in Vienna, comes as Riyadh tries to rally support for a production increase in the face of staunch opposition from Iran, Venezuela and Iraq, and pressure from Washington, the same people said, asking not to be named discussing private conversations.

Russian President Vladimir Putin and Saudi Arabian Crown Prince Mohammed bin Salman meet in Moscow today to discuss oil policy on the sidelines of the opening match of the Football World Cup.

Russia, the leading member of a group of countries allied to Opec, has proposed a deal that would put about 1mn bpd into the market as quickly as producers could ramp up production, according to a person familiar with the country's thinking.

Often oil ministers float ideas informally to gauge support, only to change tack as negotiations progress. It's unclear whether Riyadh would press ahead with any of the plans it has suggested when ministers meet next week.

Saudi Arabia is mulling different scenarios to raise production over the coming months by between 500,000 bpd and 1mn bpd. One proposal envisages a single hike of just 500,000 bpd. Another idea would see an immediate increase of 500,000 barrels, followed by a similar rise in the fourth quarter. The kingdom has also shared ideas with increases of around 600,000 to 700,000 bpd.

In contrast, Saudi Arabia and several other Opec members, including the UAE and Kuwait, and non-Opec nation Oman would prefer a gradual production boost to avoid upsetting the oil market. The two-step production hike could help to smooth the impact of an increase. Some Arab countries have suggested calling an extraordinary meeting in September or October to take stock of the market.

Saudi Arabia last month signalled it was ready to boost output in the second half of the year to ease consumer anxiety about higher prices, a policy U-turn for the kingdom that only weeks earlier advocated for production restraint.

"I think in the near future there will be time to release supply," Saudi Energy Minister Khalid al-Falih said at the St Petersburg International Economic Forum in Russia in late May.

The change in Saudi tone came after major oil consuming nations, including the US, India and China, complained about rising fuel prices. On April 20, Donald Trump took to Twitter to lambaste Opec's push for higher prices.

"Looks like Opec is at it again," the US president tweeted. "Oil prices are artificially Very High!"

"The fact that Saudi Arabia wants lower prices in the near term is becoming increasingly obvious," Amrita Sen, chief oil analyst at Energy Aspects Ltd in London, said in a note to clients.

A TV camera is seen inside the headquarters of the Organisation of the Petroleum Exporting Countries in Vienna, Austria (file). Saudi Arabia has floated several oil output hike plans to fellow Opec members, including one with a two-step increase, as the kingdom seeks ways to narrow differences with Russia and the rest of the group, according to people briefed on the discussions.

Turkish lira falls ahead of Fed rate decision

Reuters
Istanbul

The Turkish lira weakened around 1% against the dollar yesterday as emerging market currencies came under pressure ahead of a US interest rate decision and amid ongoing concerns over Turkish monetary policy.

The lira has lost around 18% against the dollar this year, making it one of the worst-performing emerging market currencies.

It has been hit by concern about President Tayyip Erdogan's influence over monetary policy and looming elections.

The Turkish currency stood at 4.6400 against the dollar at 1321 GMT, weakening from Tuesday's close of 4.5950. It briefly touched a low of 4.6975 earlier in the day.

The US Federal Reserve was widely expected to raise rates for the second time this year yesterday after a move in March.

Investors want to see the outlook for future monetary tightening amid ongoing economic expansion.

A combination of factors has impacted Turkey's lira, BlueBay Asset Management strategist Timothy Ash said in a note, including meetings of the Fed and the European Central Bank and upcoming Eid al-Fitr holidays, which have dried up liquidity.

He said there was also concern that Erdogan, who has described interest rates as the "mother and father of all evil", might want to reverse some of Turkey's recent rate hikes.

"People are not convinced that if he (Erdogan) wins the elections he will not reverse the 500 bps in rate hikes and go back to unorthodoxy and/or deliver on his idea to get more involved in monetary policy, post-election," Ash said.

Mideast entrepreneurs 'most active' angel investors across globe: HSBC

Middle Eastern entrepreneurs are leading the way when it comes to angel investing, according to HSBC's 'Private banking essence of enterprise' report.

Two-thirds of entrepreneurs in the Middle East (66%) are angel investors, funnelling both capital and expertise back to the entrepreneurial community, with the US (54%) and Asia Pacific (45%) next in line.

The report, which researched the views of more than 3,700 successful entrepreneurs across eleven countries globally, also found that differences exist between the generations in how they perceive and approach angel investing.

Over half of younger Middle Eastern entrepreneurs (57%) view angel investing as a way to connect and collaborate with peers, staying up to date with industry progress.

In comparison, over half (52%) of an older generation of Middle Eastern entrepreneurs, view angel investing as a way to diversify and grow their investment portfolio.

When it comes to sourcing new investment opportunities, over half (53%) of Middle Eastern entrepreneurs source these through their friends, rather than using a financial adviser (38%). They also perceive their role to be supportive, cultivating business development and leadership skills.

HSBC's Global Market head (Private Banking-Middle East) Sobhi Tabbara said, "Middle Eastern entrepreneurs are well and truly at the forefront of angel investing in comparison to their counterparts in the US and Asia. They not only understand the positive impact it can have on their business activity but also recognise the opportunity it provides them to collaborate and learn from their peers.

"With nearly a quarter Middle Eastern entrepreneurs viewing social impact as their top business priority, it is clear to see that this group of entrepreneurs is also one that want to give back to society, understanding the benefits that doing good can have in helping to grow their business."

Nearly a quarter (24%) of Middle Eastern entrepreneurs consider social responsibility, being active in the community, or environmental responsibility as their top priority as a business owner, compared to the global average of 21%.

The research also suggests a strong relationship between an emphasis on social impact and entrepreneurial ambition in the Middle East. Half of Middle Eastern entrepreneurs projecting high growth ambitions state that they started their ventures with the intention of creating positive social impact, compared to 35% of those projecting the lowest growth.

This suggests social impact should be seen as an integral part of the recipe of entrepreneurial success in the Middle East, and not separate from it, the report said.

Qatar bourse extends losing streak to close below 9,100

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange yesterday continued its bearish run for the fifth straight session to settle below 9,100 levels, mainly on increased selling pressure from domestic funds.

Five of the sectors, especially industrials, came under profit-booking as the 20-stock Qatar Index fell 0.88% to 9,080.24 points.

Doha Bank and Masraf Al Rayan sponsored exchange traded funds QETF and QATR witnessed 0.43% and 2.66% decline respectively.

Islamic stocks were seen declining faster than the other indices in the market, which is, however, up 6.53% year-to-date.

Gulf institutions' weakened net buying also had its role in depressing the bourse, whose capitalisation shed 0.65% to QR501.64bn mainly due to largecap stocks.

The Total Return Index shrank 0.88% to 15,998.38 points, the All Share Index by 0.59% to 2,665 points and the Al Rayan Islamic Index (Price) by 1.14% to 2,213.25 points.

The industrials index tanked 1.36%, followed by banks and financial services (0.64%), realty (0.64%), consumer goods (0.59%) and telecom (0.12%); whereas transport and insurance gained 1.67% and 0.26% respectively.

More than 58% of the traded stocks were in the red with major losers being Industries Qatar, Barwa, United Development Company, QNB, Qatar Islamic Bank, Masraf Al Rayan, Ahlibank, Qatar First Bank and Milaha; even as Nakilat, Commercial Bank, QIIB, Widam Food, Qatar Insurance and Vodafone Qatar were among the gainers.

Domestic institutions' net profit-booking grew significantly to QR178.73mn against QR145.77mn on June 12.

The Gulf individuals turned net sellers to the tune of QR0.52mn compared with net buyers of QR0.42mn on Tuesday.

Non-Qatari individual investors were net sellers to the extent of QR1.04mn against net buyers of QR0.04mn the previous day.

Gulf institutions' net buying weakened considerably to QR4.18mn compared to QR12.59mn on June 12.

However, non-Qatari institutions' net buying grew marginally to QR167.88mn against QR167.64mn on Tuesday.

Local individual investors turned net buyers to the tune of QR8.24mn compared with net sellers of QR34.27mn the previous day.

Total trade volume fell 20% to 6.75mn shares, while value rose 6% to QR401.73mn despite 10% lower transactions at 4,118.

The consumer goods sector's trade volume plummeted 53% to 0.08mn equities, value by 66% to QR5.62mn and deals by 25% to 132.

The real estate sector reported a 41% plunge in trade volume to 0.52mn stocks, 12% in value to QR9.95mn and 35% in transactions to 299.

The insurance sector's trade volume tanked 27% to 0.24mn shares, value by 27% to QR9.3mn and deals by 28% to 165.

The industrials sector saw a 26% shrinkage in trade volume to 0.61mn equities but on a 45% increase in value to QR53.47mn and 16% in transactions to 841.

The banks and financial services sector's trade volume declined 19% to 2.88mn stocks, while value grew 9% to QR286.09mn and deals by 11% to 1,934.

There was an 18% slump in the telecom sector's trade volume to 1.02mn shares, 10% in value to QR14.71mn and 33% in transactions to 287.

However, the transport sector's trade volume was up 1% to 1.4mn equities but on a 6% fall in value to QR22.59mn and 44% in deals to 460.

World's most predictable stock trade faces a China reckoning

Bloomberg
Hong Kong

In China's volatile equity market, at least one thing's been a certainty: initial public offerings price low and then rally like crazy.

An unwritten valuation cap, imposed by the regulator, means listings all debut at about 23 times earnings or less. Entrepreneurs have had no choice but to pocket an artificially low amount and then watch their shares soar by the daily limit, over and over again.

But this defining – and distorting – characteristic of the $7.3tn market may be about to change, at least for some companies.

Analysts say firms selling the first-ever Chinese depositary receipts won't be subject to the valuation restriction. Xiaomi Corp is planning to raise $5bn, or half of its total offering, from the new type of security that's a high-profile attempt by Chinese officials to lure big tech firms back home.

"They've got to relax the valuation caps otherwise CDRs won't work," said Ken Wong, a Hong Kong-based fund manager at Eastspring Investments, which manages about $170bn. "You can't have these restrictive rules if you want to attract the biggest names in tech. It's a step in the right direction."

The China Securities Regulatory Commission didn't immediately respond to a faxed request for comment on whether companies issuing CDRs will have more flexibility in pricing.

Authorities published the final rules for their trial programme this month, less than three months after the CDR plan was first publicly announced.

The urgency signals China's desire to get its most innovative firms represented in its domestic equity market, which is clogged with state-controlled dinosaurs even though China has produced some of the world's biggest tech businesses.

Though mainland retail investors have been able to buy shares of Hong Kong-listed firms like Tencent Holdings through an exchange link with Shanghai since 2014, it's much more difficult for them to trade stocks in the US. That's where locally-cultivated technology stars like Alibaba Group Holding, Baidu Inc or NetEase Inc have opted to list.

Those decisions were at least in part because of China's rules for IPOs, which also include a ban on dual-class structures and an approval process that's spawned a 300-plus backlog of wannabe listings.

They were designed to protect individuals from buying into suspect companies at inflated prices.

In practice, the chokehold on supply and pricing, as well as the implicit government endorsement, created an investment on which it's impossible to lose. In 2018, all 49 new listings soared by the 44% limit on the first day of trading, and many kept surging for weeks after that.

With CDRs, China's trying to do it differently. Officials have approved six mutual funds that may raise almost $50bn to purchase the securities, locking in cornerstone investors for three years and making it more difficult for punters to flip the stock.

The regulator has said it "hopes" that the market won't engage in speculation, and the government says it won't guarantee returns or the quality of candidates.

Firms that opt to bypass retail investors altogether and sell shares exclusively to institutions and high-net-worth individuals will enjoy a simpler and speedier approval, effectively allowing sophisticated investors to take on a greater role in the pricing process, according to Goldman Sachs Group.

After Xiaomi's debut, China's restaurant review and delivery giant Meituan Dianping – which plans to file for an IPO of about $6bn in Hong Kong as soon as this month – is considered a prime candidate to sell shares on the mainland.

The CDR trial "can also be seen as a key reform measure of introducing global best practices to the local market, notably the new IPO approval process and pricing mechanism," analysts at Goldman including Kinger Lau wrote in a note this week. Morgan Stanley says CDR valuations may be higher than those of their underlying stocks in New York or Hong Kong because mainland investors have few alternatives if they want a slice of a global tech champion. The sector, which makes up about 40% of the MSCI China gauge tracking offshore shares, is about 10% of a measure tracking A shares. Alibaba trades at about 30 times forward earnings.

"Tech stocks have historically been more expensive onshore and they represent scarce assets in that market," Morgan Stanley equity strategist Laura Wang said by phone from Hong Kong. "But there's still so much more information that needs to be disclosed on the technical, regulatory and trading side for us to really understand the scale of that gap."

Yield surge may prompt India to cut sales of short-term debt

Bloomberg
New Delhi

India may cut down on issuance of shorter-maturity bonds, a senior government official said, as a drop in prices on the securities in the secondary market prompts investors to demand higher yields at auctions.

"While subscriptions have been there, the yields on the shorter end are higher than our expectations," eEconomic Affairs Secretary Subhash Garg said in an interview in New Delhi on Monday. "We are watching the situation and might need to reduce the two-to-five year slightly and take it to the longer side."

Yields on short-term sovereign debt climbed faster than those on longer-term notes in April and May as a jump in oil prices stoked concerns about inflation, prompting investors to price in the possibility of policy tightening. Those expectations played out last week when the Reserve Bank of India raised the benchmark interest rate for the first time since 2014.

At the same time, foreign funds – which typically buy short-duration notes – have dumped Indian securities amid a global rout. Bond underwriters have rescued four government auctions in the year that began April 1, by stepping in to buy unsold short-term notes.

All this has prompted a rethink from the government, which earlier said it planned to issue more of the shorter debt in the first half of this fiscal year. It reduced planned issuance of 10-14 year bonds to 29% of total borrowing for the period, compared with more than 50% in previous years.

"We increased our offering in the shorter end quite a lot, but the demand which we expected didn't appear to be coming," Garg said.

The yield on the December 2022 security, the most-active short bond, dropped seven basis to 7.94% in Mumbai on Wednesday, trimming this month's advance to 11 basis points. The two-year rate has climbed 72 basis points from the end of March to 7.57%, outpacing a 53 basis point rise in the 10-year yield to 7.93%.

"It makes sense for the government to shift some auction papers to the 15-year-plus segment," said Ram Kamal Samanta, vice president for investment at Star Union Dai-Ichi Life Insurance. "The yield levels are attractive for longer-term investors and makes sense for the government from a cost-liability profile perspective."

While overseas funds have been fleeing, matters have been made worse by reduced participation from state-run banks – the biggest holders of sovereign securities – who are unwilling to buy the debt after having suffered billions of rupees in losses on their investments. The benchmark 10-year yield rose above 8% last week for the first time since May 2015.

Banks probably find the yields attractive now, Garg said, adding that there has been strong demand from lenders in the last few weeks. Higher "base yields" will also lead to an increase in the small savings rates from the next quarter, he said.

While bond investors are concerned surging oil prices will worsen public finances in the oil-importing nation, Garg said that "so far there's no adverse impact of crude prices on the fiscal side."

India's budget deficit is still one of the widest in Asia and Prime Minister Narendra Modi's challenge is to narrow it further amid pressures to boost spending ahead of national polls in 2019. His government aims to narrow the gap to 3.3% of gross domestic product this fiscal year, from 3.5% in the year ended March 31.

"At this moment, we are completely confident of meeting the fiscal deficit target," he said.

The finance ministry is in discussions with the central bank on a new formula for transfer of the RBI's dividend to the government, Garg said.

"There's been a certain way in which the surplus is transferred," he said. "That was changed last year. They transferred some money to reserves. The government would like entire surplus."

Garg said India expects to continue receiving funds from the Asian Infrastructure Investment Bank – a multilateral investment bank proposed by China that started operations in 2016 – as the nation needs to spend $4.5tn on its infrastructure by 2040.

"India might be the biggest borrower of AIIB in 2018 as well," Garg said, adding that the lender approved funding for about $1.2bn worth of projects in India in 2017, which made up about 30% of its total lending.

"We would try to see that they approve projects of $1bn for India every year, but I understand they also have some capacity constraints," he said, ahead of AIIB's annual meeting in Mumbai this month.

ZTE shares dive after swallowing $1bn US fine and overhaul

Bloomberg
Beijing

ZTE Corp's shares cratered after it agreed to pay at least $1bn in penalties and overhaul its management as part of a sweeping settlement agreement that allows it to resume business after a two-month hiatus.

China's second-largest telecoms equipment maker fell 42% as it resumed trading in Hong Kong following a suspension since April, when the US imposed a ban on purchases of vital American technology in punishment for Iran sanctions violations. Its Shenzhen stock slid by the daily maximum of 10%. That wiped about $2.7bn off ZTE's market value yesterday.

ZTE, a focal point of a US-China trade dispute, agreed to pay $1.4bn in total penalties, including a lump sum payment of $1bn and a suspended penalty of $400mn, and replace its board. While that averts an imminent collapse, investors remain concerned about the distraction of a management overhaul and its ability to regain credibility in global markets. Larger rival Huawei Technologies Co also continues to gain market share in smartphones and networking. Meanwhile, there's no guarantee US lawmakers won't come back with further sanctions.

"While the nightmare is now over, ZTE will likely have to deal with many changes," analysts Edison Lee and Timothy Chau at Jefferies wrote in a note. "We expect significant near-term selling pressure and a volatile stock price."

The US Senate advanced legislation to restore penalties on ZTE, after President Donald Trump advocated for the Commerce Department settlement easing restrictions. The Senate voted 91-4 late Monday to begin debate on the National Defense Authorization Act, including an amendment that will keep restrictions on ZTE. The provision was included on a list of amendments that is backed by both Republicans and Democrats.

The Shenzhen, Guangdong-based company is likely to incur losses of at least $3bn as a result of the US action. Analysts at Jefferies gave a price target of HK$14.41 in a research note, down from more than HK$25 before the suspension. Citi analysts targeted HK$15.

Commerce Secretary Wilbur Ross said the legislation that would restore penalties on ZTE is not a certainty as the measure still needs final approval. "We'll see if it does" get through Congress, Ross said in an interview in Washington on Tuesday.

The US blocked ZTE's ability to buy from US suppliers in April, saying the company violated a 2017 sanctions settlement related to trading with Iran and North Korea and then lied about the violations.

Sensex advances for a third day; rupee falls to 67.64

Bloomberg, Reuters
Mumbai

Indian equities advanced for a third day after a report showed inflation was in line with analyst estimates, easing concern among some investors that the central bank won't continue to tighten monetary policy.

The benchmark S&P BSE Sensex rose 0.1% to 35,739.16 at close in Mumbai, while the NSE Nifty 50 also climbed 0.1%.

Sun Pharmaceutical Industries extended a rally after US regulators lifted sanctions on a key plant. Dr Reddy's Laboratories was the top gainer on the gauge.

Five of 19 sub-gauges compiled by BSE gained, with the S&P BSE Healthcare Index adding 0.6%. Tata Consultancy Services surged 2.4% ahead of its board considering a share buyback proposal on June 15.

"The inflation data is along expected lines and is not a cause of big concern," said Anita Gandhi, director at Arihant Capital. "Investors are seeing value in beaten down drugmakers."

Consumer prices rose 4.87% in May from a year earlier, broadly in line with the 4.9% median estimate of 41 economists surveyed by Bloomberg.

The Reserve Bank of India last week raised interest rates for the first time since 2014 and also revised its inflation forecast for the fiscal year 2019, with the second-half estimate raised to 4.7% from 4.4%.

Meanwhile the rupee weakened to a two-week low against the US dollar ahead of the US Federal Reserve policy decision.

The rupee ended at 67.64 against the US dollar — a level last seen on May 29, down 0.23% from its previous close of 67.49.

The currency opened at 67.60 a dollar and touched a low of 67.71 a dollar.

Bond yield fell after data showed inflation was in line with analyst estimates. Consumer price index-based (CPI) inflation rose 4.87% in May from a year earlier broadly in line with the 4.9% median estimate of 41 economists surveyed by Bloomberg.

The 10-year bond yield ended at 7.93% from its Tuesday's close of 7.97%. Bond yields and prices move in opposite directions.

The Federal Reserve is expected to raise interest rates, while European Central Bank (ECB) members are poised to hold the first formal talks on ending its bond-buying programme today.

The Bank of Japan meets tomorrow, with no change to policy expected.

So far this year, the rupee has weakened 5.6%, while foreign investors have bought $169mn and sold $4.65bn in equity and debt markets, respectively.

Most Asian markets end lower

AFP
Hong Kong

The dollar extended gains against its peers in Asian trade yesterday as investors await a key Federal Reserve decision, but most equity markets dipped.

In Tokyo, the Nikkei 225 closed up 0.4% to 22,966.38 points; Hong Kong — Hang Seng ended down 1.2% to 30,725.15 points and Shanghai — Composite fell 1.0% to 3,049.80 points yesterday.

As the euphoria over the historic summit between Donald Trump and Kim Jong-un recedes, investors are focusing on macroeconomic issues with concerns over global trade causing some discomfort.

"With a rate hike widely expected, investors are focused on the Fed's statement wording, economic projections and press conference for clarification on the future pace of interest rate hikes," said Jo Horton, a senior economist at St George Bank in Sydney.

Speculation about further increases was fuelled by data Tuesday showing US inflation at a six-year high in May.

And Greg McKenna, chief market strategist at AxiTrader said: "With oil up, wage pressures apparently building, and the US economy bouncing back strongly in the second quarter, the (Fed) is likely to be fairly forthright in their ascertainment that rates will need to continue to be increased — however gradually."

The dollar continues to enjoy support against most other currencies ahead of the Fed decision, with the pound hamstrung by British Prime Minister Theresa May's Brexit struggles after she made some big compromises to push through key legislation.

The euro is also slightly weaker ahead of the European Central Bank's own policy meeting today, where it is seen discussing winding in its crisis-era bond-buying stimulus.

On equity markets, Tokyo's Nikkei ended the day with gains of 0.4% as exporters were lifted by the weaker yen. But Hong Kong dropped 1.2% with Chinese telecoms equipment maker ZTE collapsing more than 40% as it resumed trading after agreeing to pay a massive fine over its handling of a US sanctions violation.

The firm suspended trading in April after Washington said it had banned American companies from selling crucial hardware and software components to it for seven years.

However, that was reduced to a $1bn penalty, plus another $400mn in escrow to cover possible future violations, after a deal was hammered out between the US and China.

On other markets Shanghai fell 1%, Sydney dropped 0.5% and Singapore was 1% lower. There were also losses in Manila and Bangkok, though Wellington and Taipei rose slightly.

Oil prices extended losses just over a week before Opec and its partners including Russia meet in Vienna to talk about a production cap deal that has been key to a recovery in the commodity for the past two years.

Traders work at the Hong Kong Stock Exchange (file). The Hang Seng closed down 1.2% to 30,725.15 points yesterday.

ECB chief set to boost euro, weigh on bonds as political risks dim

Bloomberg
London

Buy the euro, sell bonds. That's the takeaway from strategists who expect that the European Central Bank (ECB) president Mario Draghi will announce today an end to the institution's asset-purchase programme as the immediate risks surrounding Italian politics subside.

Analysts have become more bullish on the euro following recent hawkish comments from ECB officials, with Credit Agricole forecasting that the shared currency will climb 7% to $1.26 by year-end.

Money market pricing indicates that interest rates will rise 15 basis points in September 2019.

Traders have been emboldened by policy makers including ECB chief economist Peter Praet, who signalled last week that the meeting could be pivotal in deciding an end-date to quantitative easing.

"That the ECB's chief economist is still talking about policy normalisation, even as the Italian political crisis rages, reinforces our belief that euro-dollar will get to 1.30 in the next six to 12 months," Societe Generale strategist Kit Juckes wrote in a note to clients. The pair currently hovers around $1.1750.

JPMorgan Chase & Co recommends going short on longer-dated German bunds and Deutsche Bank AG prefers selling the front end of the yield curve.

Meanwhile, a potential stumbling block to Morgan Stanley's steepening recommendation in bunds or euro interest-rate swaps is uncertainty over the outlook for Italy, according to the bank.

Here is a compilation of analyst views:

JPMorgan: Recent hawkish ECB commentary is "one surprisingly supportive development for EUR," write strategists including Paul Meggyesi. Predicts EUR/USD at 1.23 by mid-2019. "We hold 30y Bund shorts as a more hawkish ECB offsets Italy and trade-war concerns," write strategists including Gianluca Salford.

Expects ECB to announce QE tapering at this meeting for the fourth quarter at EU15b per month, ending in December.

Deutsche Bank: "We maintain our strategic approach of being short the front-end of the curve to position for a repricing of the ECB, while maintaining asymmetric hedges such as the German spread curve flattener," write strategists including Francis Yared.

"The ECB will not be derailed by Italy as long as there is no 'unwarranted tightening of financial conditions'". Market pricing appears too dovish; even if the ECB were to follow a Taylor rule applied to Italy, policy rates would need to be ~50bps above current levels.

Credit Agricole: ECB likely to maintain a "relatively constructive outlook for the economy and that should be reflected in the updated staff economic projections," head of G-10 currency research Valentin Marinov writes in a note. Remains constructive on the euro as a result and predicts EUR/USD at 1.26 by year-end.

Morgan Stanley: "While the end of QE might be announced, our view is that, for now, the ECB will keep its cautious guidance around interest rates," strategist Elaine Lin writes in a note. Recommends investors put on a 2s10s steep trade via Bunds or EUR swap – the risk to the trade is higher perceived uncertainty about the Italian outlook, which could trigger more flight-to-safety flows into the 10y sector.

Analysts have become more bullish on the euro following recent hawkish comments from ECB officials, with Credit Agricole forecasting that the shared currency will climb 7% to $1.26 by year-end

Wells Fargo, BlackRock are developing their first-ever ESG funds

Bloomberg
New York

Doing good and saving for retirement may soon get easier. BlackRock Inc and Wells Fargo & Co are developing their first-ever ESG funds for retirement savings plans, seeking to tap into growing demand for ethical investing. Both firms plan to create a series of target-date funds with this focus, according to people familiar with the matter, with BlackRock aiming to debut some later this year.

The asset managers are betting that a surge in interest in environmental, social or governance investing will carry through to 401(k)s, where there are few such options. While assets under management in ESG funds tracked by Bloomberg rose 37% in 2017 to more than $445bn, less than 10% of 401(k) plans now offer such choices, according to Edward Farrington, executive vice president for retirement strategies at Natixis Investment Managers.

The move is aimed at spurring reluctant-millennials to invest more for retirement. There's evidence that a younger generation of investors want such options and have yet to create a nest egg for the future.

About two-thirds of millennials have saved nothing for retirement, according to a National Institute on Retirement Security report in February.

Farrell Denby, a BlackRock spokesman, declined to comment on specific plans. Under chief executive officer Larry Fink, the New York-based firm has said companies should align their interests with society's needs. BlackRock engages with about 1,600 companies each year on a range of ESG issues and incorporates them into the company's investment analysis.

A Wells Fargo spokesman, Robert Julavits, declined to comment. Its asset management unit oversees about $500bn in assets. Target-date funds, which offer a mix of investments and automatically rebalance as workers age, have become popular choices for investors. The category saw net inflows of $68bn in 2017 and ended the year with $1.1tn in assets, according to data compiled by the Investment Company Institute.

Over the past 10 years, net inflows have totalled $521bn. But fund managers expect it could take years to get ESG funds added to typically conservative retirement plans.

ESG funds are keeping pace with the broader market. Year to date, the iShares MSCI KLD 400 Social ETF (ticker: DSI) and the iShares MSCI USA ESG Select ETF (ticker: SUSA), among the biggest exchange-traded funds in the category, have gained 6.1% and 4.6%, respectively, on a total return basis. The iShares Core S&P 500 ETF (ticker: IVV) is up 5%. BlackRock, the world's largest asset manager, and Wells Fargo see ESG as a growth engine for retirement assets even as the US Labor Department has urged retirement plan sponsors to use caution in this area.

In April, the department issued guidance to sponsors saying ESG investments may not always be "prudent." Under the Obama administration, the Labor Department tried to remove perceived barriers to socially responsible investing by retirement funds.

The guidance could cause plan sponsors to think twice before implementing ESG strategies, according to Alex Bernhardt, US head of responsible investment at consulting firm Mercer. Last month the US Government Accountability Office also asked the Labour Department to clarify its latest guidance.

But firms like Natixis, the Boston-based unit of the French bank, are moving ahead with young investors in mind. The firm started the first suite of ESG target-date funds specifically for US retirement savers last year after a survey of millennials found that 71% would put more money in retirement plans if they thought the investments were doing social good.

Pedestrians pass in front of a Wells Fargo & Co bank branch in New York. Wells Fargo and BlackRock see ESG as a growth engine for retirement assets even as the US Labour Department has urged retirement plan sponsors to use caution in this area.

Dai-ichi Life hunting for hedge funds in search for returns

Bloomberg
Tokyo

The quest for returns has taken Dai-ichi Life Insurance Co to the hedge fund universe and it is increasingly taking care of its own hunting – for individual managers – rather than relying on the funds of funds it has used in the past.

The Japanese insurer, which manages the equivalent of $329bn, has been investing in the asset class since the early 2000s, with exposure edging steadily higher over the past three to four years, Hiroko Ishii, general manager in the company's alternative investment group, said in an interview in Tokyo last week. Funds of funds are no longer favoured, she said.

"By investing in hedge funds, we aim to diversify risks and seek a different style of return from traditional assets such as stocks and bonds," Ishii said. "Funds of funds have a relatively higher correlation to stock markets and require fees, so we decided to move to picking individual funds."

While Dai-ichi Life doesn't disclose figures, its hedge fund allocation was about $3bn, according to a July 2017 report by Preqin, which provides data on the industry. That's less than the more than $4bn each allocated by local investment peers the Pension Fund Association and Japan Post Bank, the report said. According to Ishii, Dai-ichi's portfolio is predominantly in US and European hedge funds, with investments spread across Group-of-10 countries.

Japanese investors have considered a variety of options to generate investment returns in recent years, given the paltry yields available in the domestic bond market and the increase in hedging costs that has eaten up returns from traditional avenues such as Treasuries. European real-estate, Southeast Asian debt and unhedged bond purchases have all featured in recent investment outlooks from the country's life insurers.

Still, Dai-ichi isn't expecting a double-digit return from its hedge fund portfolio, Ishii said, while declining to give a target. More important is a steady and solid performance that can withstand a negative market environment, she said. For this reason, Dai-ichi is focusing on "bond-arbitrage" hedge fund strategies which can give stable income with relatively low risk, according to Ishii.

"We focus on a bond-arbitrage strategy which aims to profit from differences in the prices of various types of bonds, distortions in the yield curve or those between cash and futures before prices converge," Ishii said. "This has the largest allocation and it's been increasing." Other categories of hedge funds the company invests in include macro, equity long-short and multi-asset strategies, she said.

A gauge of the preferred strategy, Credit Suisse's Fixed Income Arbitrage Index, has shown an annualised return of 3.8% over the last five years, according to data compiled by Bloomberg. That compares with an equivalent 3.3% return for the Credit Suisse Hedge Fund Index and a 0.1% annualised loss for the ICE BofAML Japan Treasury Bill Index.

The stability sought for in Dai-ichi's hedge fund allocation comes as the insurer expects volatility to rise in coming months. The US economy is cyclically in "quite a late phase" and stock gains will stall as markets start to sense the prospect of a recession in the future, Ishii said. She doesn't expect 10-year Treasury yields to climb toward the mid-3% levels.

The yield on US 10-year Treasury notes was at 2.96% yesterday in Tokyo, up from 2.4% at the beginning of the year.

Dai-ichi has assigned six employees to scour the market for appropriate hedge funds for its portfolio, according to Ishii. Choosing potential funds isn't confined to just weekly performance figures but also who is heading the fund and what kind of skills the individual fund manager has, she said.

Professor who rang VIX alarm says tether boosted bitcoin

Bloomberg
New York

Tether, one of the most-traded cryptocurrencies, shows a pattern of being spent on bitcoin at pivotal moments, helping to drive the world's first digital asset to a record price in December, according to research by a University of Texas professor known for flagging suspicious activity in the VIX benchmark.

"Tether seems to be used both to stabilise and manipulate bitcoin prices," finance professor John Griffin and co-author Amin Shams wrote in a paper released yesterday.

Questions about tether and Bitfinex have dogged the cryptocurrency world since last year, when Bitfinex lost banking relationships yet continued to operate. The US Commodity Futures Trading Commission subpoenaed both firms in December, seeking proof that tether is backed by a reserve of US dollars, as it claims. Tether and Bitfinex haven't been accused of wrongdoing.

"Bitfinex nor tether is, or has ever, engaged in any sort of market or price manipulation," Bitfinex chief executive officer JL van der Velde said in an e-mailed statement. "Tether issuances cannot be used to prop up the price of Bitcoin or any other coin/token on Bitfinex."

Griffin and Shams – in a paper titled "Is Bitcoin Really Un-Tethered?" - set out to understand how the 2.5bn tether coins in existence have flowed through markets. While little public information exists about how tether is created, it generally trades for around $1 because each coin is supposed to be backed by $1 of fiat money in a bank. The currency, which started trading in 2015, is pitched as a stable alternative to bitcoin's volatility, acting as a haven for crypto investors.

The data analysed by the academics included bitcoin's meteoric rise to a record high of almost $20,000 last December, before it crashed this year. It fell 1.4% yesterday to $6,441.17, according to price data compiled by Bloomberg.

The analysis showed a pattern of bitcoin price support, Griffin said.

First, tethers are created by the parent company Tether, often in large chunks such as 200mn.

Almost all new coins then move to Bitfinex, he said. When bitcoin prices drop soon after the issuance, tethers at Bitfinex and other exchanges are used to buy bitcoin "in a co-ordinated way that drives the price," Griffin said in an interview.

"I've looked at a lot of markets," he said. "If there's fraud or manipulation in a market it can leave tracks in the data. The tracks in the data here are very consistent with a manipulation hypothesis."

Griffin's paper describes several patterns uncovered in a yearlong period. First it found that flows weren't symmetric.

When bitcoin's price fell, purchases with Tether tended to increase, helping to reverse the decline. But during times when bitcoin rose, Griffin said he didn't see the reverse occur. That's "suggestive of tether being used to protect bitcoin prices during downturns," he wrote.

He zeroed in on 87 of the largest purchases of bitcoin with tether from March 2017 to March 2018. In the cases examined, new tether had been issued within the prior three days, and bitcoin's price had fallen in the prior hour. What followed were increases in bitcoin's price - and those gains added up.

Even though the 87 examples account for less than 1% of the time period examined, they amounted to about 50% of bitcoin's compounded return over that year. In comparison, 10,000 simulations Griffin and Shams ran demonstrated "that this behaviour never occurs randomly," they wrote.

Griffin said one of the most notable trends he saw in the data was when bitcoin traded near certain price thresholds, denominated in $500 increments.

Bitcoin purchases with tether "strongly increase just below multiples of 500. This pattern is only present in periods following printing of tether and not observed by other exchanges," he wrote in the paper. To other investors, it gives the impression of a "price floor," providing a signal for them to buy as well.

"If it was random behaviour you wouldn't see it cluster around the thresholds," he said in the interview. "It indicates it's a conscious strategy to provide price support."

Tether and Bitfinex share a management team, including van der Velde. Little is known about how the businesses cooperate or stay separate. Griffin said his research found "barely any flows moving back to the initial tether printing node."

His observations come as the global cryptocurrency market faces mounting scrutiny from US authorities.

The Justice Department is said to be conducting a criminal probe into whether traders are using a variety of techniques to manipulate bitcoin and other digital assets. One of the lead enforcers at the Securities and Exchange Commission told members of Congress last month that initial coin offerings, or ICOs, are now among the "greatest threats" to mom-and-pop investors and that the agency has dozens of active investigations. ICOs are a new form of raising money where startups sell digital tokens to investors much like a company sells shares to investors.

Griffin has pointed to alleged funny business in financial markets before. Last month, Bloomberg reported that the SEC and CFTC opened investigations into allegations that Cboe Global Markets' widely used VIX benchmark is being manipulated, people familiar with the matter said at the time. Griffin's 2017 paper, written with a grad student, caught traders' attention for spotlighting potential manipulation of the VIX. The Cboe has called his conclusions incorrect.

His latest research topic has similar wide-ranging implications, he said.

"The hype in cryptocurrency isn't just 20-year-olds buying bitcoin in their garage – that's part of it – but there are big players moving the market and having a huge price impact," Griffin said.

QATAR

Company Name	Lt Price	% Chg	Volume
Zad Holding Co	83.01	2.48	7,207
Widam Food Co	62.00	0.83	35,577
Vodafone Qatar	8.74	0.81	928,836
United Development Co	14.70	-1.93	102,387
Salam International Investme	5.31	0.00	-
Qatar & Oman Investment Co	6.22	0.00	106
Qatar Navigation	60.47	-0.87	1,550
Qatar National Cement Co	55.88	0.50	13,791
Qatar National Bank	157.60	-0.36	1,221,939
Qatar Islamic Insurance	50.00	0.00	553
Qatar Industrial Manufactur	40.15	-4.18	34
Qatar International Islamic	53.89	0.73	11,228
Qatari Investors Group	30.72	-0.58	7,169
Qatar Islamic Bank	119.21	-2.25	485,812
Qatar Gas Transport(Nakilat)	15.79	3.88	1,372,803
Qatar General Insurance & Re	50.00	0.00	-
Qatar German Co For Medical	5.29	0.38	7,601
Qatar Fuel Qsc	142.00	-0.70	7,561
Qatar First Bank	5.30	-1.12	114,569
Qatar Electricity & Water Co	187.48	-0.70	149,396
Qatar Exchange Index Etf	90.55	-0.43	750
Qatar Cinema & Film Distrib	20.01	-9.05	73
Al Rayan Qatar Etf	21.56	-2.66	34,990
Qatar Insurance Co	39.00	0.39	237,898
Ooredoo Qpsc	71.50	-0.74	92,145
National Leasing	9.50	0.00	14,525
Mazaya Qatar Real Estate Dev	6.97	-0.99	15,706
Mesaieed Petrochemical Holdi	15.19	0.60	105,229
Al Meera Consumer Goods Co	149.00	-0.73	3,670
Medicare Group	62.85	-2.39	17,404
Mannai Corporation Qsc	48.75	-0.39	1,400
Masraf Al Rayan	34.00	-1.16	805,878
Al Khalij Commercial Bank	10.86	-0.37	1,718
Industries Qatar	108.00	-2.24	195,687
Islamic Holding Group	28.30	-0.67	5,053
Investment Holding Group	5.50	-0.72	68,494
Gulf Warehousing Company	42.24	0.81	25,234
Gulf International Services	17.33	-1.31	67,792
Ezdan Holding Group	8.94	0.68	221,673
Doha Insurance Co	12.50	0.00	21
Doha Bank Qpsc	27.16	-0.29	43,959
Dlala Holding	14.67	-0.88	75,736
Commercial Bank Pqsc	37.80	0.80	94,063
Barwa Real Estate Co	34.16	-2.40	184,887
Al Khaleej Takaful Group	11.00	0.00	513
Aamal Co	9.14	0.00	4,922

SAUDI ARABIA

Company Name	Lt Price	% Chg	Volume
United Wire Factories Compan	16.94	-0.35	111,454
Etihad Etisalat Co	19.38	-0.31	2,372,558
Dar Al Arkan Real Estate Dev	11.50	2.68	22,039,279
Alawwal Bank	14.48	1.26	733,256
Rabigh Refining And Petroche	28.25	1.80	1,956,175
Banque Saudi Fransi	33.65	0.60	244,631
Saudi Enaya Cooperative Insu	17.72	0.00	-
Mediterranean & Gulf Insuran	19.52	0.10	27,174
Saudi British Bank	31.10	-0.64	312,414
Red Sea International Co	18.28	0.22	23,588
Takween Advanced Industries	11.06	0.18	916,549
Sabb Takaful	21.20	5.47	269,161
Saudi Arabian Fertilizer Co	60.30	-0.33	350,013
National Gypsum	13.80	-0.86	235,612
Saudi Ceramic Co	20.50	-0.39	141,646
National Gas & Industrializa	30.70	0.00	107,016
Saudi Pharmaceutical Industr	31.95	0.31	75,984
Thimar	29.65	0.17	180,785
National Industrialization C	21.36	1.42	1,342,137
Batic Investments And Logist	41.05	1.36	236,751
Saudi Electricity Co	22.08	0.64	710,244
Saudi Arabia Refineries Co	43.65	0.34	109,444
Arriyadh Development Company	18.06	0.33	451,797
Al-Baha Development & Invest	20.08	0.40	61,911
Saudi Research And Marketing	87.50	5.29	162,385
Aldrees Petroleum And Transp	27.90	0.18	91,395
Saudi Vitrified Clay Pipe Co	50.50	1.00	25,712
Jarir Marketing Co	176.00	-0.79	35,700
Arab National Bank	33.10	0.30	372,012
Yanbu National Petrochemical	73.00	0.27	250,266
Arabian Cement	29.35	0.86	58,517
Middle East Specialized Cabl	7.99	-0.37	268,483
Al Khaleej Training And Educ	16.18	0.75	59,904
Al Sagr Co-Operative Insuran	27.85	1.64	56,794
Trade Union Cooperative Insu	22.92	-0.61	71,372
Arabia Insurance Cooperative	20.50	0.99	64,512
Saudi Chemical Company	35.05	-0.14	79,720
Fawaz Abdulaziz Alhokair & C	26.05	1.17	214,265
Bupa Arabia For Cooperative	88.80	-1.11	102,466
Wafa Insurance	12.24	-0.16	98,574
Jabal Omar Development Co	40.00	1.78	890,127
Saudi Basic Industries Corp	126.60	0.32	2,508,099
Saudi Kayan Petrochemical Co	14.94	-0.80	6,741,194
Etihad Atheeb Telecommunicat	5.21	-0.38	324,702
Co For Cooperative Insurance	70.60	-1.12	178,468
National Petrochemical Co	29.80	4.93	235,951
Gulf Union Cooperative Insur	15.02	0.13	146,276
Gulf General Cooperative Ins	15.90	-1.12	42,197
Basic Chemical Industries	24.28	0.33	67,557
Saudi Steel Pipe Co	19.70	0.31	24,295
Buruj Cooperative Insurance	30.65	2.17	31,772
Mouwasat Medical Services Co	93.70	-0.32	26,604
Southern Province Cement Co	41.10	1.36	332,150
Maadaniyah	19.00	0.64	32,910
Yamama Cement Co	16.14	0.37	54,399
Jazan Energy And Development	15.60	3.45	296,752
Zamil Industrial Investment	24.26	0.41	39,405
Alujain Corporation (Alco)	29.90	1.18	158,720
Tabuk Agricultural Developme	11.24	0.18	46,167
United Co-Operative Assuranc	12.10	-4.12	351,420
Qassim Cement/The	38.80	0.52	32,194
Saudi Advanced Industries	13.52	1.05	44,690
Kingdom Holding Co	8.78	0.69	147,342
Saudi Arabian Amiantit Co	6.73	0.15	571,566
Al Jouf Agriculture Developm	25.55	1.39	22,477
Saudi Industrial Development	9.15	0.00	299,542
Riyad Bank	16.10	-0.98	1,092,379
The National Agriculture Dev	35.50	-1.53	39,455
Halwani Bros Co	51.80	0.19	3,137
Arabian Pipes Co	12.24	1.83	170,531
Eastern Province Cement Co	24.14	-1.07	19,030
Al Gassim Investment Holding	12.06	0.67	134,138
Filing & Packing Materials M	33.60	0.30	14,151
Saudi Cable Co	8.55	1.06	166,292
Tihama Advertising & Public	48.85	1.03	216,065
Saudi Investment Bank/The	17.80	0.56	370,216
Astra Industrial Group	19.36	-0.10	103,167
Saudi Public Transport Co	14.90	1.09	175,258
Taiba Holding Co	30.95	0.16	23,986
Saudi Industrial Export Co	213.00	1.14	24,240
Saudi Real Estate Co	33.40	1.98	627,383
Saudia Dairy & Foodstuff Co	93.80	0.32	19,706
National Shipping Co Of/The	29.70	-0.17	558,818
Methanol Chemicals Co	9.48	0.96	341,039
Chubb Arabia Cooperative Ins	22.00	0.46	25,785
Mobile Telecommunications Co	6.72	0.60	611,723
Saudi Arabian Coop Ins Co	14.50	-1.76	97,402
Axa Cooperative Insurance	21.46	2.88	245,930
Alsorayai Group	15.70	1.16	1,669,664
Bank Albilad	23.70	0.85	655,429
Al-Hassan G.I. Shaker Co	11.20	0.90	267,030
Wataniya Insurance Co	24.90	0.40	18,555
Abdullah Al Othaim Markets	76.50	0.13	63,412
Hail Cement	9.05	0.33	116,040
Saudi Re For Cooperative Rei	8.80	0.23	347,575

SAUDI ARABIA

Company Name	Lt Price	% Chg	Volume
Solidarity Saudi Takaful Co	19.38	2.65	87,896
Amana Cooperative Insurance	14.28	0.56	35,180
Alabdullatif Industrial Inv	12.82	0.16	20,282
Saudi Printing & Packaging C	19.06	1.06	460,696
Saudi Paper Manufacturing Co	7.98	1.01	173,555
Alinma Bank	21.70	0.74	16,108,893
Almarai Co	58.20	-0.68	320,986
Falcom Saudi Equity Etf	32.10	-0.62	149,460
United International Transpo	35.00	4.01	259,551
Hsbc Amanah Saudi 20 Etf	32.40	0.00	-
Saudi International Petroche	21.40	0.28	923,869
Falcom Petrochemical Etf	31.90	0.00	-
Walaa Cooperative Insurance	27.80	-1.07	208,950
Bank Al-Jazira	14.74	1.24	2,979,035
Al Rajhi Bank	87.00	0.12	2,145,509
Samba Financial Group	30.75	0.65	1,264,283
United Electronics Co	66.20	0.76	154,115
Allied Cooperative Insurance	19.20	1.91	55,646
Malath Insurance	14.82	-1.07	100,508
Alinma Tokio Marine	20.40	-0.10	123,687
Arabian Shield Cooperative	25.05	0.44	34,140
Savola	39.45	1.41	232,253
Wafrah For Industry And Deve	14.30	3.62	167,255
Fitaihi Holding Group	12.18	0.83	77,611
Tourism Enterprise Co/ Shams	32.30	-1.22	56,905
Sahara Petrochemical Co	18.24	0.44	874,832
Herfy Food Services Co	47.30	0.32	10,672
Saudi Ind Investment Group	27.80	1.46	404,983
Salama Cooperative Insurance	19.66	0.82	219,495
Emaar Economic City	11.98	2.74	3,606,203
Alahli Takaful Co	27.70	0.73	42,323
Anaam International Holding	11.62	-0.68	87,742
Saudi Telecom Co	87.60	0.57	464,065
Al Alamiya Cooperative Insur	31.10	4.01	172,728
Saudi Industrial Services Co	15.00	-0.13	169,670
Al-Ahsa Development Co.	11.52	0.00	130,443
National Co For Glass In/The	19.84	0.92	60,782
Dur Hospitality Co	20.00	0.50	8,327
Tabuk Cement Co	13.00	-0.31	44,668
Sasco	15.16	0.93	208,001
Saudi Cement	49.80	-0.40	84,565
Aseer Trading Tourism & Manu	11.80	0.68	70,315
Nama Chemicals Co	28.25	7.82	1,373,560
Saudi Arabian Mining Co	57.20	-0.17	401,664
Yanbu Cement Co	26.50	0.57	114,700
Saudi Fisheries	25.90	0.00	42,361
Ash-Sharqiyah Development Co	53.10	0.19	32,478
Makkah Construction & Devepl	78.50	0.64	28,873
Al Jouf Cement	9.42	0.11	112,275
Abdullah A.M. Al-Khodari Son	7.54	0.94	991,262
Knowledge Economic City	11.52	1.05	196,546
Al-Ahlia Cooperative Insuran	10.38	0.78	102,424
Al Rajhi Co For Co-Operative	55.50	-3.81	304,000
Alkhodar Ab Equity	53.20	-0.19	145,388
Kec Ab Equity	26.10	0.38	136,498
Alahlia Ab Equity	26.15	1.36	77,985
Arcci Ab Equity	9.88	1.44	1,683,951
Appc Ab Equity	26.25	1.16	631,879
Albabtai Ab Equity	48.25	-0.82	918,585

KUWAIT

Company Name	Lt Price	% Chg	Volume
Sultan Center Food Products	70.50	-0.70	159,142
Kuwait Foundry Co Sak	198.00	0.00	3,874
Kuwait Financial Centre Sak	104.00	0.00	12,030
Ajial Real Estate Entmt	140.00	3.70	63,800
Kuwait Finance & Investment	44.50	0.00	11,500
National Industries Co Ksc	174.00	2.35	7,063
Kuwait Real Estate Holding C	28.70	0.00	1,907
Securities House/The	47.50	0.00	168,845
Boubyan Petrochemicals Co	830.00	-0.12	451,609
Al Ahli Bank Of Kuwait	325.00	0.00	690,150
Ahli United Bank (Almutahed)	269.00	2.67	1,164,845
National Bank Of Kuwait	750.00	0.27	4,789,532
Commercial Bank Of Kuwait	500.00	0.00	11,000
Kuwait International Bank	220.00	0.46	791,044
Gulf Bank	245.00	-1.21	4,560,381
Al-Massaleh Real Estate Co	35.50	0.00	20,150
Al Arabiya Real Estate Co	30.40	1.67	30,000
Kuwait Remal Real Estate Co	0.00	0.00	-
A'ayan Real Estate Co Sak	48.50	3.19	753,796
Investors Holding Group Co.K	12.60	-0.79	183,599
Al-Mazaya Holding Co	90.00	0.56	57,250
Al-Madar Finance & Invt Co	71.00	0.00	402,340
Gulf Petroleum Investment	26.00	0.00	899,900
Mabanee Co Sakc	631.00	0.00	197,185
Inovest Co Bsc	72.00	0.70	142,000
Al-Deera Holding Co	20.40	0.00	1,035
Mena Real Estate Co	28.00	0.00	425
Amar Finance & Leasing Co	37.00	0.00	500
United Projects For Aviation	640.00	0.00	3,000
National Consumer Holding Co	41.00	0.00	212,932
Amwal International Investme	53.00	1.92	183,260
Equipment Holding Co K.S.C.C	27.60	2.22	21,060
Arkan Al Kuwait Real Estate	79.00	1.28	10,000
Gfh Financial Group Bsc	107.00	0.94	130
Energy House Holding Co Kscp	31.70	0.00	59,900
Kuwait Co For Process Plant	163.00	-1.81	5,000
Al Maidan Dental Clinic Co K	0.00	0.00	-
National Shooting Company	18.20	-3.19	61,991
Al-Ahleia Insurance Co Sakp	450.00	4.65	318,976
Wethaq Takaful Insurance Co	26.00	0.00	21,021
Salbookh Trading Co Kscp	44.80	0.22	58,100
Aqar Real Estate Investments	72.00	0.00	10,000
Hayat Communications	79.90	0.00	210,000
Soor Fuel Marketing Co Ksc	129.00	2.38	1,168,965
Tamkeen Holding Co	15.00	0.00	576
Burgan Co For Well Drilling	86.00	0.00	1,044,138
Kuwait Resorts Co Kscc	59.00	-0.67	57
Oula Fuel Marketing Co	127.00	2.42	92,850
Palms Agro Production Co	0.00	0.00	-
Mubarrad Holding Co Ksc	56.50	2.54	43,872
Shuaiba Industrial Co	249.00	0.00	100
Aan Digital Services Co	20.50	0.00	110,000
First Takaful Insurance Co	42.50	1.19	1,510
Kuwaiti Syrian Holding Co	31.50	1.94	775,040
National Cleaning Company	51.00	0.00	20,555
United Real Estate Company	65.90	1.54	15,880
Agility	759.00	1.88	1,375,772
Kuwait & Middle East Fin Inv	24.00	0.00	2,400
Fujairah Cement Industries	68.00	-1.45	620,000
Livestock Transport & Tradng	186.00	0.00	83
International Resorts Co	22.40	1.82	500
National Industries Grp Hold	152.00	0.66	591,013
Warba Insurance Co	60.70	9.57	20
First Dubai Real Estate Deve	41.40	-0.24	8,000
Al Arabi Group Holding Co	73.90	0.00	250
Mobile Telecommunications Co	401.00	2.82	9,626,456
Effect Real Estate Co	21.90	0.00	100
Tamdeen Real Estate Co Ksc	0.00	0.00	-
Al Mudon Intl Real Estate Co	29.00	0.00	2,240
Kuwait Cement Co Ksc	430.00	0.00	7,315
Sharjah Cement & Indus Devel	82.10	0.00	449,997
Kuwait Portland Cement Co	1,073.00	0.00	925
Educational Holding Group	309.00	0.00	40,000
Asiya Capital Investments Co	41.00	2.50	14,100
Kuwait Investment Co	113.00	2.73	309,965
Burgan Bank	249.00	0.00	1,057,492
Kuwait Projects Co Holdings	240.00	0.42	542,300
Al Madina For Finance And In	28.50	5.17	1,000
Kuwait Insurance Co	270.00	0.00	74
Al Masaken Intl Real Estate	77.90	0.00	95
Intl Financial Advisors	25.80	1.57	380,801
First Investment Co Kscc	39.50	-0.25	140,000
Al Mal Investment Company	20.40	-1.92	503,104
Bayan Investment Co Kscc	40.00	0.00	6,000
Egypt Kuwait Holding Co Sae	343.00	0.00	6,000
Coast Investment Development	33.90	4.63	220,300
Privatization Holding Compan	61.60	1.15	108,373
Injazzat Real State Company	0.00	0.00	-
Kuwait Cable Vision Sak	8.00	0.00	28
Sanam Real Estate Co Kscc	30.00	0.00	8,001
Ithmaar Holding Bsc	33.90	0.59	164,200
Aviation Lease And Finance C	349.00	0.00	53,627
Arzan Financial Group For Fi	29.90	0.00	37,050
Ajwan Gulf Real Estate Co	23.30	4.95	3,048,990
Kuwait Business Town Real Es	41.80	-0.48	63,500
Future Kid Entertainment And	100.00	3.09	30,000

KUWAIT

Company Name	Lt Price	% Chg	Volume
Specialities Group Holding C	62.00	-0.80	50,010
Abyaar Real Eastate Developm	18.60	0.54	1,939,950
Kgl Logistics Company Kscc	42.40	0.00	608,525
Combined Group Contracting	415.00	0.00	5,500
Jiyad Holding Co Ksc	99.00	0.00	50
Boubyan Intl Industries Hold	29.00	-1.69	10,320
Gulf Investment House Ksc	17.60	-2.22	194,999
Boubyan Bank K.S.C	506.00	-0.78	1,062,533
Ahli United Bank B.S.C	179.00	1.13	2,442,261
Osos Holding Group Co	80.00	0.00	45,000
Al-Eid Food Ksc	0.00	0.00	-
Qurain Petrochemical Industr	333.00	-0.30	167,268
Ekttitab Holding Co Sak	27.10	0.74	100
Real Estate Trade Centers Co	19.00	-9.52	166,900
Acico Industries Co Kscc	220.00	0.00	7,500
Kipco Asset Management Co	81.10	-4.59	20,933
National Petroleum Services	770.00	0.00	15,764
Alimtiaz Investment Co Kscc	132.00	2.33	781,942
Ras Al Khaimah White Cement	73.70	1.66	11,814
Kuwait Reinsurance Co Ksc	192.00	0.00	14,040
Kuwait & Gulf Link Transport	109.00	0.93	35,230
Human Soft Holding Co Ksc	3,780.00	0.53	126,476
Automated Systems Co Kscc	119.00	-2.46	10,550
Metal & Recycling Co	50.00	0.00	3,055
Gulf Franchising Holding Co	20.00	0.00	217,751
Al-Enma'a Real Estate Co	32.00	0.00	45,000
National Mobile Telecommuni	850.00	-2.30	143
Unicap Investment And Financ	53.00	-8.46	12,400
Al Salam Group Holding Co	33.20	0.00	25,500
Al Aman Investment Company	51.00	4.08	1,000,766
Mashaer Holding Co Ksc	45.00	0.00	251
Manazel Holding	31.40	-3.38	374,200
Tijara And Real Estate Inves	57.00	0.00	25
Jazeera Airways Co Ksc	768.00	0.00	80,092
Commercial Real Estate Co	71.60	-0.69	853,780
National International Co	59.00	0.00	3,500
Taameer Real Estate Invest C	29.30	-0.34	120,001
Gulf Cement Co	84.00	-3.23	133,000
Heavy Engineering And Ship B	311.00	0.32	74,830
National Real Estate Co	103.00	0.00	393,918
Al Safat Energy Holding Comp	26.00	0.00	200,900
Kuwait National Cinema Co	1,050.00	0.00	8
Danah Alsafat Foodstuff Co	48.40	7.56	1,417,377
Independent Petroleum Group	425.00	0.00	49,000
Kuwait Real Estate Co Ksc	46.50	-0.43	329,000
Salhia Real Estate Co Ksc	336.00	0.00	100,500
Gulf Cable & Electrical Ind	380.00	5.56	266,483
Kuwait Finance House	0.00	0.00	-
Gulf North Africa Holding Co	44.00	0.46	497,944
Hilal Cement Co	94.60	0.00	910
Osoul Investment Kscc	54.00	-5.59	1,000,000
Gulf Insurance Group Ksc	645.00	0.00	1,380
Umm Al Qaiwain General Inves	70.50	0.00	76,369
Aayan Leasing & Investment	30.40	0.66	1,525,600
Alrai Media Group Co Ksc	104.00	-0.95	21,100
National Investments Co	90.70	0.33	129,488
Commercial Facilities Co	164.00	0.61	9,700
Yiaco Medical Co. K.S.C.C	141.00	0.00	57,542
Munshaat Real Estate Project	83.50	0.00	25,000
Noor Financial Investment Co	51.30	-0.39	117,100
Al Tamdeen Investment Co	0.00	0.00	-
Credit Rating & Collection	20.30	-9.78	2,500
Ifa Hotels & Resorts Co. K.S	102.00	0.00	140
Sokouk Holding Co Sak	38.40	-1.03	800
Warba Bank Kscp	235.00	0.00	228,811
Viva Kuwait Telecom Co	702.00	1.74	5,884
Mezzan Holding Co Kscc	712.00	0.28	21,000

OMAN

Company Name	Lt Price	% Chg	Volume
Voltamp Energy Saog	0.29	0.00	-
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	1,000
Taageer Finance	0.11	0.00	-
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	2.78	-29.92	41,198
Sembcorp Salalah Power & Wat	0.23	0.00	-
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	480,000
Raysut Cement Co	0.60	0.00	-
Phoenix Power Co Saoc	0.12	0.83	46,200
Packaging Co Ltd	2.21	0.00	-
Ooredoo	0.51	0.00	10,000
Ominvest	0.36	0.00	-
Oman United Insurance Co	0.32	0.00	-
Oman Telecommunications Co	0.74	0.00	108,451
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	-0.86	18,330
Oman Intl Marketing	0.52	0.00	-
Oman Flour Mills	0.77	1.58	45,000
Oman Fisheries Co	0.12	0.00	34,765
Oman Europe Foods Industries	1.00	0.00	-
Oman Education & Training In	0.18	0.00	-
Oman Chromite	3.64	0.00	234
Oman Chlorine	0.40	0.00	-
Oman Ceramic Company	0.42	0.00	-
Oman Cement Co	0.37	0.00	22,320
Oman Cables Industry	0.89	0.00	-
Oman & Emirates Inv(Om)50%	0.13	0.00	1,550
Natl Aluminium Products	0.34	0.00	-
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	6,000
National Life & General Insu	0.32	0.00	392,000
National Gas Co	0.35	1.16	40,000
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	55,244
Muscat Thread Mills Co	0.08	0.00	-
Muscat Insurance Co Saog	0.80	0.00	-
Muscat Gases Company Saog	0.32	0.00	-
Muscat Finance	0.09	-2.22	36,000
Muscat City Desalination Co	0.15	0.00	64,000
Majan Glass Company	0.18	0.00	-
Majan College	0.45	0.00	-
Hsbc Bank Oman	0.12	-1.69	65,500
Hotels Management Co Interna	1.25	0.00	-
Gulf Stone	0.12	0.00	-
Gulf Mushroom Company	0.31	0.00	-
Gulf Investments Services	0.10	0.97	255,705
Gulf Invest. Serv. Pref-Shar	0.11	0.00	-
Gulf International Chemicals	0.19	0.00	2,000
Gulf Hotels (Oman) Co Ltd	10.49	0.00	-
Global Fin Investment	0.10	0.00	-
Galfar Engineering&Contract	0.11	1.82	2,890,206
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	0.00	-
Dhofar Beverages Co	0.26	0.00	-
Construction Materials Ind	0.03	0.00	-
Computer Stationery Inds	0.26	0.00	-
Bankmuscat Saog	0.38	-0.52	3,774,212
Bank Sohar	0.14	0.00	189,561
Bank Nizwa	0.09	0.00	1,958,353
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	2,186
Al-Fajar Al-Alamia Co	0.75	0.00	-
Al-Anwar Ceramic Tiles Co	0.11	0.00	1,800
Al Suwadi Power	0.12	0.00	3,200
Al Sharqiya Invest Holding	0.12	2.54	83,250
Al Maha Petroleum Products M	0.80	0.00	-
Al Maha Ceramics Co Saoc	0.23	0.00	3,250
Al Madina Takaful Co Saoc	0.11	0.96	196,500
Al Madina Investment Co	0.05	-3.85	7,125,919
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	0.16	1.95	5,500
Al Izz Islamic Bank	0.08	0.00	220,340
Al Buraimi Hotel	0.88	0.00	-
Al Batinah Power	0.12	0.00	1,000
Al Batinah Hotels	1.13	0.00	-
Al Batinah Dev & Inv	0.10	0.00	114,500
Al Anwar Holdings Saog	0.15	0.68	37,000
Al Ahlia Insurance Co Saoc	0.37	0.00	460,998
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	1.82	0.00	-
United Insurance Company	2.00	0.00	-
United Arab Bank Pjsc	1.24	0.00	-
Union National Bank/Abu Dhab	3.68	-0.27	2,622,137
Union Insurance Co	1.75	-7.41	12,368
Union Cement Co	1.85	0.00	-
Umm Al Qaiwain General Inves	1.01	0.00	-
Sudan Telecommunications Gro	0.54	1.89	644,092
Sharjah Islamic Bank	1.22	-2.40	675,000
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	2.35	0.00	503,192
Ras Al Khaimah Cement Co Psc	0.71	-5.33	90,636
Ras Al Khaima Poultry	1.89	0.00	-
Rak Properties	0.66	0.00	160,291
Ooredoo Qpsc	72.90	0.00	-
Oman & Emirates Inv(Emir)50%	0.50	0.00	-
National Takaful Company	0.73	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	-0.69	12,260,907
National Bank Of Fujairah	2.60	0.00	-
Methaq Takaful Insurance	0.84	6.33	20,100
Manazel Real Estate Pjsc	0.50	0.00	2,534,000
Invest Bank	2.49	0.00	-
Intl Holdings Co Pjsc	1.31	0.00	61,900
Insurance House	0.85	0.00	-
Gulf Pharmaceutical Ind Psc	2.16	0.00	-
Gulf Medical Projects	1.62	0.00	35,000
Gulf Cement Co	1.01	0.00	-
Fujairah Cement Industries	1.20	0.00	-
Fujairah Building Industries	1.56	0.00	-
Foodco Holding Pjsc	3.70	0.00	-
First Abu Dhabi Bank Pjsc	12.25	-3.54	1,647,092
Finance House	1.70	0.00	-
Eshraq Properties Co Pjsc	0.71	-1.39	554,000
Emirates Telecom Group Co	16.40	-2.67	804,222
Emirates Insurance Co. (Psc)	7.10	0.00	-
Emirates Driving Company	7.40	0.00	-
Dana Gas	1.08	0.93	9,994,133
Commercial Bank Internationa	0.90	0.00	-
Bank Of Sharjah	1.08	0.00	-
Axa Green Crescent Insurance	0.54	0.00	-
Arkan Building Materials Co	0.60	0.00	328,105
Alkhaleej Investment	2.15	0.00	-
Aldar Properties Pjsc	2.12	0.00	9,074,857
Al Wathba National Insurance	12.75	0.00	-
Al Qudra Holding Pjsc	1.05	-3.67	2,250,000
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	4.94	0.00	2,000
Abu Dhabi Ship Building Co	2.03	0.00	-
Abu Dhabi Natl Co For Buildi	0.58	0.00	130,000
Abu Dhabi National Takaful C	4.60	0.00	-
Abu Dhabi National Oil Co Fo	2.43	3.40	1,038,853
Abu Dhabi National Insurance	3.85	0.00	-
Abu Dhabi National Hotels	2.51	0.00	-
Abu Dhabi National Energy Co	1.17	0.00	623

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	1.01	9.19	3,641
Trafco Group Bsc	0.00	0.00	-
Takaful International Co	0.00	0.00	-
Seef Properties	0.23	0.00	42,000
National Bank Of Bahrain Bsc	0.60	-1.64	152,337
Nass Corp Bsc	0.11	0.95	50,000
Khaleeji Commercial Bank	0.08	2.56	99,000
Ithmaar Holding Bsc	0.11	0.00	328,635
Investcorp Bank -$Us	0.00	0.00	-
Inovest Co Bsc	0.28	3.70	50,000
Gulf Hotel Group B.S.C	0.51	0.00	10,000
Gfh Financial Group Bsc	0.40	0.00	1,619,000
Esterad Investment Co B.S.C.	0.11	0.00	87,500
Eskan Bank Realty Income Tr	0.10	0.00	100,000
Delmon Poultry Co	0.00	0.00	-
Bmmi Bsc	0.72	0.00	5,001
Bbk Bsc	0.45	0.00	92,638
Bahrain Telecom Co	0.24	0.00	80,912
Bahrain National Holding	0.44	0.00	4,500
Bahrain Kuwait Insurance	0.33	0.00	6,126
Bahrain Islamic Bank	0.13	0.00	101,474
Bahrain Flour Mills Co	0.36	0.00	4,908
Bahrain Duty Free Complex	0.72	0.00	60,000
Bahrain Commercial Facilitie	0.75	0.00	10,000
Bahrain Cinema Co	`	0.00	5,000
Arab Banking Corp Bsc-$Us	0.32	0.00	75,000
Aluminium Bahrain Bsc	0.63	0.81	186,180
Albaraka Banking Group	0.31	0.00	20,000
Al-Salam Bank	0.12	0.86	30,668
Ahli United Bank B.S.C	0.60	0.85	307,803
#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

BUSINESS

DJIA

Company Name	Lt Price	% Chg	Volume
Apple Inc	192.80	0.27	6,100,475
Microsoft Corp	101.64	0.32	10,266,957
Exxon Mobil Corp	82.11	-0.37	3,195,276
Johnson & Johnson	123.26	0.59	2,018,201
General Electric Co	13.88	-0.72	12,436,753
Jpmorgan Chase & Co	110.06	-0.12	4,015,448
Procter & Gamble Co/The	76.72	-0.68	2,705,543
Walmart Inc	84.31	0.25	2,021,074
Verizon Communications Inc	47.67	-2.35	15,719,076
Pfizer Inc	36.46	0.44	4,856,688
Visa Inc-Class A Shares	135.42	0.42	1,601,715
Chevron Corp	127.02	-0.05	2,234,818
Coca-Cola Co/The	44.39	-0.06	3,347,263
Intel Corp	55.46	1.18	7,440,869
Merck & Co. Inc.	62.81	0.59	3,297,818
Cisco Systems Inc	44.47	1.20	6,437,994
Home Depot Inc	201.40	0.04	1,628,099
Intl Business Machines Corp	147.22	0.24	815,193
Walt Disney Co/The	107.47	3.01	11,302,862
Unitedhealth Group Inc	253.78	0.08	838,153
3M Co	204.62	-0.15	571,785
Mcdonald's Corp	167.30	0.34	979,748
Nike Inc -Cl B	74.67	0.50	1,393,174
United Technologies Corp	127.55	-0.23	1,082,033
Boeing Co/The	368.08	-0.69	1,218,321
Goldman Sachs Group Inc	233.95	0.57	953,461
American Express Co	100.21	-0.52	897,470
Caterpillar Inc	155.33	-1.37	1,660,699
Travelers Cos Inc/The	129.45	-0.10	307,688

FTSE 100

Company Name	Lt Price	% Chg	Volume
Wpp Plc	1,235.00	-0.92	7,478,807
Worldpay Group Plc	0.00	0.00	-
Wolseley Plc	0.00	0.00	-
Wm Morrison Supermarkets	243.80	0.12	6,500,969
Whitbread Plc	4,150.00	0.44	655,660
Vodafone Group Plc	185.60	-1.54	80,493,116
United Utilities Group Plc	782.00	0.05	1,773,216
Unilever Plc	4,150.00	-0.11	3,225,502
Tui Ag-Di	1,746.00	0.49	1,035,346
Travis Perkins Plc	1,413.50	0.25	543,815
Tesco Plc	248.80	-0.28	18,378,663
Taylor Wimpey Plc	186.15	0.35	9,406,817
Standard Life Plc	0.00	0.00	-
Standard Chartered Plc	724.10	-1.72	8,664,004
St James's Place Plc	1,230.00	1.15	1,669,063
Sse Plc	1,346.00	-0.30	2,438,390
Smith & Nephew Plc	1,355.50	0.26	3,756,366
Sky Plc	1,335.00	-1.69	5,327,786
Shire Plc	4,025.00	0.63	1,352,564
Severn Trent Plc	1,931.00	0.26	1,211,031
Schroders Plc	3,275.00	-0.61	345,496
Sainsbury (J) Plc	308.20	0.52	4,131,373
Sage Group Plc/The	685.40	1.60	2,169,043
Abi Sab Group Holding Ltd	0.00	0.00	-
Rsa Insurance Group Plc	652.40	0.12	1,861,905
Royal Mail Plc	492.20	-1.09	5,216,032
Royal Dutch Shell Plc-B Shs	2,675.00	-0.93	5,046,044
Royal Dutch Shell Plc-A Shs	2,567.50	-1.10	4,464,529
Royal Bank Of Scotland Group	262.00	-1.39	26,680,978
Rolls-Royce Holdings Plc	828.60	-1.52	4,993,979
Rio Tinto Plc	4,397.00	0.29	5,068,584
Rexam Ltd	0.00	0.00	-
Relx Plc	1,655.00	-1.08	3,853,430
Reckitt Benckiser Group Plc	6,009.00	1.03	1,155,980
Randgold Resources Ltd	5,866.00	0.17	411,592
Prudential Plc	1,864.00	0.19	3,604,578
Provident Financial Plc	630.00	-1.13	776,335
Persimmon Plc	2,806.00	0.57	1,311,460
Pearson Plc	896.20	0.45	2,848,011
Paddy Power Betfair Plc	8,565.00	0.29	250,647
Old Mutual Plc	225.10	1.17	19,790,724
Next Plc	6,192.00	-0.16	443,661
National Grid Plc	831.60	-0.50	6,817,709
Mondi Plc	2,105.00	1.01	1,185,439
Merlin Entertainment	383.70	-1.39	1,697,834
Mediclinic International Plc	565.20	-0.04	1,879,698
Marks & Spencer Group Plc	302.50	-0.59	7,338,053
London Stock Exchange Group	4,514.00	0.31	594,833
Lloyds Banking Group Plc	62.85	-0.51	162,686,337
Legal & General Group Plc	272.40	-0.95	19,389,701
Land Securities Group Plc	945.70	-0.07	1,315,972
Kingfisher Plc	309.40	-1.09	5,768,205
Johnson Matthey Plc	3,822.00	0.92	1,051,281
Itv Plc	171.85	0.32	11,506,919
Intu Properties Plc	192.30	-2.39	3,570,491
Intl Consolidated Airline-Di	712.20	1.83	4,908,965
Intertek Group Plc	5,774.00	0.80	233,272
Intercontinental Hotels Grou	4,966.00	1.35	380,596
Inmarsat Plc	524.20	1.75	5,128,627
Informa Plc	819.80	0.69	9,108,063
Imperial Brands Plc	2,590.50	0.02	1,665,997
Hsbc Holdings Plc	732.80	-0.03	29,766,988
Hargreaves Lansdown Plc	2,059.00	2.18	976,312
Hammerson Plc	535.40	0.19	4,464,213
Glencore Plc	398.00	3.75	53,999,432
Glaxosmithkline Plc	1,545.20	0.19	5,728,803
Gkn Plc	482.40	0.00	857,601
Fresnillo Plc	1,188.00	-0.79	1,045,213
Experian Plc	1,873.50	0.73	1,861,324
Easyjet Plc	1,782.50	1.71	1,809,236
Dixons Carphone Plc	192.30	-2.76	8,627,441
Direct Line Insurance Group	351.00	-1.18	3,518,421
Diageo Plc	2,775.50	1.13	2,723,050
Dcc Plc	7,170.00	-1.58	192,744
Crh Plc	2,814.00	-1.02	1,427,654
Compass Group Plc	1,587.00	0.19	2,214,280
Coca-Cola Hbc Ag-Di	2,604.00	0.54	551,951
Centrica Plc	148.80	-0.80	20,456,265
Carnival Plc	4,707.00	1.55	758,192
Capita Plc	149.65	-1.74	5,090,844
Burberry Group Plc	2,137.00	1.47	2,060,694
Bunzl Plc	2,343.00	0.47	828,704
Bt Group Plc	208.00	-0.19	33,501,396
British Land Co Plc	686.60	0.26	2,577,020
British American Tobacco Plc	3,716.00	0.98	3,941,051
Bp Plc	573.30	-0.90	36,145,155
Bhp Billiton Plc	1,748.80	0.14	10,063,305
Berkeley Group Holdings/The	4,179.00	-0.17	553,484
Barratt Developments Plc	558.40	-0.46	3,503,969
Barclays Plc	197.88	-0.47	48,936,732
Bae Systems Plc	645.20	-0.34	6,795,245
Babcock Intl Group Plc	856.00	-0.63	1,251,859
Aviva Plc	511.60	0.12	9,648,831
Astrazeneca Plc	5,359.00	0.49	1,278,514
Associated British Foods Plc	2,751.00	-0.29	798,302
Ashtead Group Plc	2,372.00	1.02	1,585,639
Arm Holdings Plc	0.00	0.00	-
Antofagasta Plc	1,081.50	1.36	2,743,429
Anglo American Plc	1,798.00	-0.81	5,674,848
Admiral Group Plc	1,880.00	-1.03	639,737
3I Group Plc	985.80	1.13	2,335,933
#N/A	0.00	0.00	-

TOKYO

Company Name	Lt Price	% Chg	Volume
Hitachi Ltd	834.40	0.88	8,709,000
Takeda Pharmaceutical Co Ltd	4,367.00	-0.39	3,363,000
Jfe Holdings Inc	2,296.00	-0.26	2,010,300
Sumitomo Corp	1,909.50	0.21	1,836,400
Canon Inc	3,764.00	0.24	3,457,000
Nintendo Co Ltd	39,120.00	-6.21	5,565,900
Eisai Co Ltd	8,195.00	-0.92	838,800
Isuzu Motors Ltd	1,583.50	1.64	2,579,500
Unicharm Corp	3,446.00	0.17	1,419,800
Shin-Etsu Chemical Co Ltd	11,010.00	1.24	996,500
Smc Corp	40,840.00	-0.05	239,100
Mitsubishi Corp	3,186.00	0.38	2,994,700
Asahi Group Holdings Ltd	5,804.00	1.84	1,701,900
Keyence Corp	67,420.00	-0.49	152,200
Nidec Corp	17,610.00	0.83	1,094,000
Nomura Holdings Inc	573.30	-0.03	10,591,800
Daiichi Sankyo Co Ltd	3,882.00	2.02	1,264,900
Subaru Corp	3,421.00	0.47	1,498,000
Ntt Docomo Inc	2,846.50	-0.02	2,463,800

WORLD INDICES

Indices	Lt Price	Change
Dow Jones Indus. Avg	25,326.81	+6.08
S&P 500 Index	2,790.56	+3.71
Nasdaq Composite Index	7,737.78	+33.99
S&P/Tsx Composite Index	16,292.92	+3.94
Mexico Bolsa Index	46,914.66	+253.91
Brazil Bovespa Stock Idx	72,433.97	-320.16
Ftse 100 Index	7,703.71	-0.10
Cac 40 Index	5,452.73	-0.64
Dax Index	12,890.58	+48.28
Ibex 35 Tr	9,899.10	-15.30
Nikkei 225	22,966.38	+88.03
Japan Topix	1,800.37	+7.55
Hang Seng Index	30,725.15	-377.91
All Ordinaries Indx	6,133.14	-31.68
Nzx All Index	1,590.91	+3.62
Bse Sensex 30 Index	35,739.16	+46.64
Nse S&P Cnx Nifty Index	10,856.70	+13.85
Straits Times Index	3,392.51	-38.18
Karachi All Share Index	31,553.10	+139.47
Jakarta Composite Index	5,993.63	-113.07

TOKYO

Company Name	Lt Price	% Chg	Volume
Sumitomo Realty & Developmen	4,266.00	1.86	1,124,000
Sumitomo Metal Mining Co Ltd	4,604.00	-2.46	1,829,900
Orix Corp	1,889.50	1.15	3,028,200
Daiwa Securities Group Inc	652.60	0.85	5,823,400
Softbank Group Corp	8,383.00	2.77	5,765,300
Mizuho Financial Group Inc	194.10	0.21	77,127,400
Central Japan Railway Co	23,725.00	0.55	386,500
Nitori Holdings Co Ltd	19,520.00	-0.15	176,900
T&D Holdings Inc	1,788.50	1.07	2,406,400
Toyota Motor Corp	7,496.00	1.34	6,062,700
Hoya Corp	6,524.00	-0.69	1,221,300
Sumitomo Mitsui Trust Holdin	4,595.00	-0.30	1,061,300
Japan Tobacco Inc	3,102.00	1.60	6,933,000
Osaka Gas Co Ltd	2,357.00	1.16	977,200
Sumitomo Electric Industries	1,697.00	0.00	1,059,300
Ono Pharmaceutical Co Ltd	2,636.50	2.01	1,533,400
Ajinomoto Co Inc	2,168.50	-0.05	2,023,200
Mitsui Fudosan Co Ltd	2,768.00	1.48	2,657,300
Daikin Industries Ltd	13,465.00	0.34	446,000
Toray Industries Inc	909.70	-0.04	5,486,900
Bridgestone Corp	4,517.00	0.16	1,540,800
Sony Corp	5,501.00	0.42	4,299,400
Astellas Pharma Inc	1,749.00	1.13	6,682,800
Jxtg Holdings Inc	737.70	-0.50	10,797,200
Nippon Steel & Sumitomo Meta	2,277.50	0.00	2,639,000
Suzuki Motor Corp	6,466.00	0.54	1,432,100
Nippon Telegraph & Telephone	5,234.00	0.89	1,963,500
Sompo Holdings Inc	4,644.00	1.35	1,909,500
Daiwa House Industry Co Ltd	4,084.00	0.44	1,388,900
Komatsu Ltd	3,492.00	0.40	3,400,600
West Japan Railway Co	8,194.00	0.82	742,200
Murata Manufacturing Co Ltd	16,930.00	0.59	536,400
Kansai Electric Power Co Inc	1,628.50	1.78	2,498,100
Denso Corp	5,585.00	0.38	1,070,400
Dai-Ichi Life Holdings Inc	2,097.50	-0.19	3,025,100
Mazda Motor Corp	1,429.50	0.92	3,881,100
Mitsui & Co Ltd	1,967.50	-0.48	3,472,200
Kao Corp	8,626.00	0.51	1,013,100
Sekisui House Ltd	1,929.50	1.02	2,975,900
Oriental Land Co Ltd	11,850.00	2.86	855,100
Secom Co Ltd	8,349.00	0.11	307,300
Tokio Marine Holdings Inc	5,513.00	0.92	1,908,600
Aeon Co Ltd	2,423.00	-0.45	2,755,700
Fanuc Corp	22,945.00	0.64	481,800
Daito Trust Construct Co Ltd	18,785.00	3.30	394,000
Otsuka Holdings Co Ltd	5,426.00	-0.07	790,700
Resona Holdings Inc	641.00	1.81	11,677,100
Asahi Kasei Corp	1,475.00	-1.80	2,823,800
Kirin Holdings Co Ltd	3,020.00	-0.56	3,129,100
Mitsubishi Ufj Financial Gro	676.50	0.18	38,140,500
Marubeni Corp	879.10	0.09	4,432,000
Mitsubishi Chemical Holdings	998.30	-0.42	4,413,700
Fast Retailing Co Ltd	50,410.00	-0.85	373,400
Ms&Ad Insurance Group Holdin	3,596.00	1.61	1,753,800
Kubota Corp	1,916.00	0.63	3,265,600
Seven & I Holdings Co Ltd	4,988.00	-0.95	1,793,600
Inpex Corp	1,186.00	-1.17	6,813,400
Sumitomo Mitsui Financial Gr	4,553.00	0.24	3,596,600
Ana Holdings Inc	4,480.00	0.90	720,500
Mitsubishi Electric Corp	1,564.00	0.29	3,830,200
Honda Motor Co Ltd	3,598.00	1.21	3,668,200
Tokyo Gas Co Ltd	3,052.00	0.86	1,596,800
Tokyo Electron Ltd	20,410.00	0.12	932,700
Panasonic Corp	1,589.50	-0.47	5,459,200
Fujitsu Ltd	687.50	0.72	5,845,000
East Japan Railway Co	11,060.00	0.05	798,300
Itochu Corp	2,160.50	-0.30	2,099,800
Fujifilm Holdings Corp	4,298.00	-0.56	1,031,800
Yamato Holdings Co Ltd	3,402.00	2.59	1,714,400
Chubu Electric Power Co Inc	1,713.00	1.15	1,561,500
Mitsubishi Estate Co Ltd	2,016.00	2.05	3,361,000
Mitsubishi Heavy Industries	4,158.00	0.60	832,900
Shiseido Co Ltd	9,000.00	-0.13	1,958,200
Shionogi & Co Ltd	5,748.00	-0.19	654,100
Recruit Holdings Co Ltd	3,187.00	2.02	4,011,400
Japan Airlines Co Ltd	4,350.00	1.47	980,100
Nitto Denko Corp	8,682.00	-0.74	851,700
Kddi Corp	3,040.00	0.80	3,754,700
Rakuten Inc	738.00	2.40	11,805,300
Kyocera Corp	6,559.00	-0.20	1,097,300
Nissan Motor Co Ltd	1,104.50	0.32	7,928,100

SENSEX

Company Name	Lt Price	% Chg	Volume
Zee Entertainment Enterprise	557.10	-1.43	1,695,440
Yes Bank Ltd	333.20	0.30	8,070,735
Wipro Ltd	268.80	0.88	1,592,693
Vedanta Ltd	243.10	-0.98	15,164,761
Ultratech Cement Ltd	3,800.60	0.91	249,017
Tech Mahindra Ltd	713.80	0.66	2,506,946
Tata Steel Ltd	567.60	-2.14	9,680,978
Tata Power Co Ltd	77.05	-0.96	3,323,811
Tata Motors Ltd	308.40	0.19	7,800,812
Tata Consultancy Svcs Ltd	1,824.10	2.42	5,724,940
Sun Pharmaceutical Indus	546.30	1.08	21,387,246
State Bank Of India	287.70	1.71	28,218,380
Reliance Industries Ltd	1,002.50	0.54	6,269,706
Punjab National Bank	91.30	-0.49	20,946,507
Power Grid Corp Of India Ltd	198.15	1.59	8,349,291
Oil & Natural Gas Corp Ltd	170.00	-0.82	5,662,978
Ntpc Ltd	160.25	-0.65	5,504,936
Maruti Suzuki India Ltd	8,967.35	-0.55	392,393
Mahindra & Mahindra Ltd	917.65	0.01	1,421,473
Lupin Ltd	871.90	1.98	7,043,076
Larsen & Toubro Ltd	1,358.75	-0.56	1,311,347
Kotak Mahindra Bank Ltd	1,325.65	-0.27	1,521,115
Itc Ltd	267.85	-0.89	8,541,967
Infosys Ltd	1,274.80	1.30	2,996,371
Indusind Bank Ltd	1,945.45	-0.48	1,193,954
Idea Cellular Ltd	61.50	-5.75	23,525,088
Icici Bank Ltd	290.75	1.17	11,765,013
Housing Development Finance	1,832.30	-0.83	1,820,346
Hindustan Unilever Ltd	1,621.20	-1.05	905,890
Hindalco Industries Ltd	245.00	1.81	6,215,459
Hero Motocorp Ltd	3,696.80	0.24	230,898
Hdfc Bank Limited	2,031.45	-0.61	2,046,647
Hcl Technologies Ltd	923.70	0.97	1,083,939
Grasim Industries Ltd	1,037.00	-0.17	432,514
Gail India Ltd	344.85	0.45	2,513,036
Dr. Reddy's Laboratories	2,256.30	3.00	2,803,147
Coal India Ltd	284.00	0.16	3,261,491
Cipla Ltd	582.10	2.65	4,896,834
Cairn India Ltd	0.00	0.00	-
Bosch Ltd	17,965.60	-0.29	9,790
Bharti Airtel Ltd	375.65	-1.31	6,890,215
Bharat Petroleum Corp Ltd	419.90	1.16	8,347,621
Bharat Heavy Electricals	78.05	-0.32	6,029,553
Bank Of Baroda	136.75	2.55	19,577,109
Bajaj Auto Ltd	2,907.95	0.72	392,649
Axis Bank Ltd	540.65	0.65	6,785,211
Asian Paints Ltd	1,286.40	-0.10	580,766
Ambuja Cements Ltd	210.00	1.50	5,200,147
Adani Ports And Special Econ	382.85	-1.56	2,650,927
Acc Ltd	1,330.95	1.16	535,103

Traders look at their screens at the Frankfurt Stock Exchange. The DAX 30 index was 0.4% higher at 12,890.58 points at the close yesterday.

Europe stock markets steady ahead of Fed interest rate call

AFP
London

Stock markets were steady to higher yesterday ahead of an expected interest rate hike from the US Federal Reserve, traders said.

As euphoria over a historic summit between US President Donald Trump and North Korea leader Kim Jong-un receded, investors re-focused on macroeconomic issues with concerns over global trade causing some discomfort.

"With a rate hike widely expected, investors are focused on the Fed's statement wording, economic projections and press conference for clarification on the future pace of interest rate hikes," said Jo Horton, economist at St George bank in Sydney.

Key eurozone equity market Frankfurt was 0.4% higher at 12,890.58 points at the close yesterday, while Paris and London were flat at 5,452.73 and 7,703.71 points respectively. Wall Street showed slight gains approaching midday in New York.

"The week's prior events have taken a backseat to today's Federal Reserve rate decision, with meetings of the European Central Bank and the Bank of Japan looming later in the week," said Charles Schwab analysts in a note.

Speculation about further interest rate increases was fuelled by data on Tuesday showing US inflation at a six-year high in May.

The dollar continued to enjoy some support ahead of the Fed decision, with the pound hamstrung by British Prime Minister Theresa May's Brexit struggles after she made some big compromises to push through key legislation.

But the euro was up against the greenback ahead of the ECB's policy meeting today, as it seeks to wind down its crisis-era stimulus.

On equity markets, Hong Kong's main index dropped 1.2% with shares in Chinese telecoms equipment maker ZTE collapsing more than 40% as it resumed trading after agreeing to pay a massive fine over its handling of a US sanctions violation.

The firm suspended trading in April after Washington said it had banned American companies from selling crucial hardware and software components to it for seven years.

Oil prices rose on the back of a big drop in American oil inventories, as reported by the US Energy Information Administration.

This was a reversal from earlier weakness seen just over a week before Opec and its partners including Russia meet in Vienna to talk about a production cap deal that has been key to a recovery in the commodity for the past two years.

There are worries Opec kingpin Saudi Arabia and Russia will push to lift their output ceilings, though they are said to be facing opposition from other members of the Opec, including Iraq.

The International Energy Agency yesterday said that an oil production shortfall in Iran and Venezuela may cause Opec and Russia to decide to open their taps more.

US President Donald Trump meanwhile yesterday accused Opec of driving up oil prices.

HONG KONG

Company Name	Lt Price	% Chg	Volume
Aluminum Corp Of China Ltd-H	4.07	-1.45	30,312,817
Bank Of East Asia Ltd	32.15	-1.38	1,683,790
Bank Of China Ltd-H	4.13	-1.43	287,207,567
Bank Of Communications Co-H	6.34	-1.09	32,328,179
Belle International Holdings	0.00	0.00	-
Boc Hong Kong Holdings Ltd	39.85	-0.62	7,056,425
Cathay Pacific Airways	13.76	0.44	3,406,564
Ck Hutchison Holdings Ltd	89.50	-2.24	5,289,102
China Coal Energy Co-H	3.54	0.85	9,081,741
China Construction Bank-H	7.96	-1.24	304,506,575
China Life Insurance Co-H	22.35	-2.40	29,221,468
China Merchants Port Holding	17.28	-0.69	2,238,744
China Mobile Ltd	70.85	-1.25	8,713,614
China Overseas Land & Invest	28.85	-1.03	16,038,772
China Petroleum & Chemical-H	7.44	-1.20	92,546,357
China Resources Beer Holding	38.50	0.00	7,014,970
China Resources Land Ltd	30.05	-4.75	8,946,001
China Resources Power Holdin	16.02	-1.11	4,694,293
China Shenhua Energy Co-H	21.05	-1.17	16,539,519
China Unicom Hong Kong Ltd	10.18	-1.17	11,835,142
Citic Ltd	11.72	-1.18	5,530,153
Clp Holdings Ltd	81.55	-0.24	1,649,568
Cnooc Ltd	13.38	-2.05	42,510,724
Cosco Shipping Ports Ltd	7.23	-1.36	1,394,145
Esprit Holdings Ltd	2.52	-0.40	3,499,780
Fih Mobile Ltd	1.37	-0.72	16,654,809
Hang Lung Properties Ltd	17.60	-1.12	4,327,298
Hang Seng Bank Ltd	199.10	-1.44	783,548
Henderson Land Development	44.70	-1.65	4,857,071

HONG KONG

Company Name	Lt Price	% Chg	Volume
Hong Kong & China Gas	15.00	-1.32	17,753,016
Hong Kong Exchanges & Clear	257.60	-1.15	4,327,445
Hsbc Holdings Plc	76.65	-0.13	13,402,404
Hutchison Whampoa Ltd	0.00	0.00	-
Ind & Comm Bk Of China-H	6.44	-1.68	337,977,765
Li & Fung Ltd	3.06	-0.33	11,383,476
Mtr Corp	44.05	-1.12	2,124,884
New World Development	12.02	-0.50	10,066,875
Petrochina Co Ltd-H	6.27	-3.98	112,920,706
Ping An Insurance Group Co-H	78.55	-0.57	30,547,355
Power Assets Holdings Ltd	55.95	0.27	2,935,606
Sino Land Co	13.66	-1.87	4,956,133
Sun Hung Kai Properties	124.90	-1.89	3,138,300
Swire Pacific Ltd - Cl A	83.15	0.48	1,786,118
Tencent Holdings Ltd	415.20	-0.53	12,210,371
Wharf Holdings Ltd	25.75	-0.39	2,891,408

GCC INDICES

Indices	Lt Price	Change
Doha Securities Market	9,080.24	-80.73
Saudi Tadawul	8,270.46	+26.49
Kuwait Stocks Exchange	#N/A N/A	#N/A N/A
Bahrain Stock Exchage	1,295.86	+7.95
Oman Stock Market	4,596.05	-2.13
Abudhabi Stock Market	4,633.20	-100.99
Dubai Financial Market	3,051.14	-27.82

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CURRENCIES

	DOLLAR	QATAR RIYAL	SAUDI RIYAL	UAE DIRHAMS	BAHRAINI DINAR	KUWAITI DINAR
US DOL	1.000000	3.641500	3.750000	3.672700	0.377000	0.302250
EURO	1.176000	4.282404	4.410000	4.319095	0.443352	0.355446
AUS DOL	0.758600	2.762442	2.844750	2.786110	0.285992	0.229287
CAN DOL	1.302200	2.796421	2.879742	2.820381	0.289510	0.232107
SING DOL	1.335700	2.726286	2.807517	2.749644	0.282249	0.226286
HKG DOL	7.848100	0.463998	0.477823	0.467973	0.048037	0.038513
STERLING PD	1.333900	4.857397	5.002125	4.899015	0.282630	0.403171
EGY.POUND	17.800000	0.204579	0.210674	0.206331	0.021180	0.016980
NEW ZEALAND DOL	0.702700	2.558882	2.635125	2.580806	0.264918	0.212391
LBP	1505.000000	0.002420	0.002492	0.002440	0.000250	0.000201
SWISS FR	0.987700	3.686848	3.796699	3.718437	0.381695	0.306014
DANISH KR	6.335300	0.574795	0.591921	0.579720	0.059508	0.047709
SWEDISH KR	8.614500	0.422718	0.435313	0.426339	0.043763	0.035086
NORWEGIAN KR	8.015700	0.454296	0.467832	0.458188	0.047033	0.037707
INDIAN RUP	67.397500	0.054030	0.055640	0.054493	0.005594	0.004485
SRILANKA	159.400000	0.022845	0.023526	0.023041	0.002365	0.001896
PAK RS	118.040000	0.030850	0.031769	0.031114	0.003194	0.002561
JORDAN DINAR	0.709000	5.136107	5.289140	5.180113	0.531735	0.426305
OMANI RIAL	0.384960	9.459424	9.741272	9.540472	0.979323	0.785147
JAP YEN	110.600000	0.032925	0.033906	0.033207	0.003409	0.002733
BANGLA TAKA	84.050000	0.043325	0.044616	0.043697	0.004485	0.003596

AS OF LONDON CLOSE 13 June 2018

CKI makes $9.8bn bid for Australia's APA Group

Reuters
Melbourne

Hong Kong's CK Infrastructure Holdings has made an A$12.98bn ($9.8bn) takeover offer for Australia's biggest gas pipeline company, APA Group, offering a hefty 33% premium to tap into a tight gas market.

The deal would make CK Infrastructure, part of the business empire founded by Hong Kong tycoon Li Ka-shing, the major player in Australia's east coast gas pipeline network.

But it comes as soaring gas and power prices have caused political blowback, raising concerns it could run into competition and national security hurdles.

APA's shares rose 21% to A$10, but closed well below the offer price of A$11 per stapled security, signalling investor uncertainty over whether Australia's Foreign Investment Review Board (FIRB) and the Australian Competition and Consumer Commission would clear the deal.

CK Infrastructure, leading a consortium with CK Asset Holdings and Power Assets Holdings, said it was already talking to the regulators.

Since the controversial sale of the port of Darwin to a Chinese company in 2015, the government has been at pains to demonstrate limits to its ties to China, its biggest export partner, including blocking the sale of Australia's biggest cattle station to Chinese interests.

The FIRB rejected bids by China's State Grid and CK Infrastructure for the nation's biggest electricity network Ausgrid in 2016 as that business served an Australian spy facility.

However, CK Infrastructure ran into no trouble last year with an A$7.4bn takeover of Australian pipelines and electricity network owner DUET Group, adding to the swathe of gas and power assets it already owns across Australia.

CKI's offer for APA A$11 per stapled security was well above APA's last close of A$8.27 and its record high of A$9.90 hit a year ago.

"It's a decent premium. What it basically shows is there is a disconnect between how the private market wants to value these assets and how the stock market values them," said Jason Teh, chief investment officer at Vertium Asset Management, which does not own shares in APA. APA said yesterday it would evaluate the bid and agreed to open its books for the consortium to review.

It told shareholders to take no action.

"Based on the indicative price of A$11 cash per stapled security, the APA Board considers that it is in the best interests of APA's securityholders to engage further with the consortium," APA said in a statement.

The CKI-led consortium welcomed APA's decision to enter talks, saying the all-cash proposal provided a "compelling opportunity" for security holders to realise value.

APA's biggest shareholder, UniSuper, which owns a 16.1% stake, did not comment on the offer price, but chief investment officer, John Pearce, said it fully supported allowing CKI to conduct due diligence.

The competition watchdog said on Wednesday it would take about 12 weeks to review the deal after receiving more information.

APA dominates gas transportation on Australia's east coast, where the southeastern states are increasingly dependent on supply from Queensland in the north, and where CK Infrastructure already owns a gas distribution network.

JPMorgan analysts said they doubted any rival bids would emerge but said Foreign Investment Review Board approval "may be challenging considering APA's dominant position in gas pipelines on the east coast."

Macquarie analysts, however, said plans by other companies to build liquefied natural gas import terminals might ease concerns about lack of gas competition.

To avert competition concerns, CK Infrastructure has offered to divest all of APA's pipeline assets in Western Australia, as it already owns the major Dampier to Bunbury gas pipeline in that state, acquired in its takeover of DUET. Macquarie is advising APA, while Morgan Stanley is advising the CK Infrastructure-led consortium.

Hong Kong billionaire Li Ka-shing's CK Infrastructure Holdings has launched a takeover offer for Australia's biggest gas pipeline company, APA Group, offering a hefty 33% premium to tap into a tight gas market. The deal would make CK Infrastructure, part of the business empire founded by the Hong Kong tycoon, the major player in Australia's east coast gas pipeline network.

India is open to listing Air India after failed divestment plan

Reuters
Nre Delhi

India is open to listing ailing state carrier Air India, a government source said yesterday, after failing to attract buyers for a 76% stake in the company.

While the government is considering several proposals related to reviving the divestment process, it will not allow complete foreign ownership of the airline, the source said, declining to be named before a final decision is reached.

One of the proposals could involve the government retaining a share in the debt-laden carrier and selling it at a later date so it can capitalise on any financial upside that may occur from listing the airline, the source said.

The government may also consider reducing the debt it passes on to potential buyers and restructuring the large workforce, another senior government official told Reuters.

"We will take a decision in next few days on changing conditions before inviting fresh bids," the official said, adding that the government is committed to selling its stake in the national carrier in the current financial year but could defer it if it fails to get the right price.

The government in March finalised plans to divest a majority stake in Air India and offload about $5.1bn of its debt, but prospective buyers stayed away, with some citing onerous terms as a reason for their lack of interest.

The lack of buyers in a booming aviation market underlines the challenges the government faces in fixing the debt-laden national carrier, and is a setback for Prime Minister Narendra Modi's credentials as a reformer willing to step away from running money-losing businesses.

Air India, known for its Maharaja mascot, has some of India's most lucrative international and domestic landing and parking slots that are key for airlines.

While a buyer would have got management control and gained access to more than 2,500 international slots and over 3,700 domestic slots, it would also have been required to take on Air India's 27,000 employees, 40% of whom are permanent staff.

The terms had also stipulated that the government would have continued to hold a 24% stake, with the need for the bidder to abide by conditions, not yet detailed, designed to safeguard employee interests.

The government will soon arrange a bank loan for Air India, the second official said, to meet working capital needs and buy time for a few months before inviting fresh bids.

More defaults in offing as China Inc faces liquidity strains

Bloomberg
Shanghai

China's two-year long deleveraging campaign is finally taking a toll on corporate financing, igniting concerns that defaults will accelerate as liquidity strains worsen.

The nation's broadest measure of new credit slumped in May to the lowest in almost two years.

Net financing by company bond sales turned negative for the first time since last June, with more debt maturing than was issued, central bank data show.

"Chinese companies face heavy bond redemption in the second half of the year," said Jiang Chao, an analyst at Haitong Securities Co. "So if new credit growth stays sluggish, default risk will keep rising."

China is grappling with a delicate balancing act to rein in the shadow banking sector without undermining investment and growth in the economy.

At least 17 bond defaults have occurred this year, while investors have also become pickier.

Since the start of April, 13 issuers rated AA or below and considered junk score in the nation, have called off bond sales, the most for any quarter in two years.

Market participants now expect the Chinese government to loosen monetary policies in order to prevent more liquidity crunches in the corporate sector.

It wasn't the authorities' intention for companies to be choked on financing and reduce their willingness to invest and expand, according to Hua Chuang Securities Co.

Refinancing pressure is high with non-financial corporate bonds facing maturities of 2tn yuan ($312bn) in the second half, similar to the first half, Bloomberg-compiled data show.

Vietnam's Binh Son to sell 49% stake via auction

Reuters
Hanoi

Vietnam's Binh Son Refining and Petrochemical will offload a further 49% stake and not limit the sale to only strategic investors as previously planned, in order to attract more buyers, its chief executive said.

The sale is expected to take place via a public auction ahead of state-owned Binh Son's possible listing in April next year, CEO Tran Ngoc Nguyen told Reuters, adding proceeds will be used for long-term investment in petrochemicals products.

In an IPO earlier this year, the Vietnamese government raised $245mn by selling a 7.79% stake in Binh Son, the operator of the $3bn Dung Quat oil refinery. At the time, Binh Son had said it would sell a further 49% stake to strategic investors, including domestic and foreign investors.

But the refinery operator has so far failed to find a strategic investor, CEO Nguyen said.

"The timing is too short for strategic investors to decide to invest in such a big stake," he added.

BSR also hopes to ease requirements such as lock-up time and minimum registered capital for the planned sale, Nguyen said, adding he expected the government to approve the change in order to help speed up the process.

Vietnam has been privatising hundreds of state-owned enterprises in order to boost their performance, relax a tight state budget and reform an economy that is highly reliant on foreign investments.

Binh Son's foreign ownership is capped at 49%.

It is currently 5% owned by foreigners, indicating overseas buyers may take up to 44% in the upcoming sale. Shares of the company have been trading on the unlisted public company market, or UPCoM, since March, and Nguyen expects the shares to be listed on the Ho Chi Minh Stock Exchange, the country's main bourse, by April next year.

Binh Son expects to rake in a net profit of 2.95tn dong ($129mn) in the first half of this year, or about 85% of its full-year target, it said in a statement. The company will use retained profits as well as loans to fund a planned upgrade of its Dung Quat refinery. Dung Quat, Vietnam's first refinery that began operations in 2009, was initially designed to process light sweet crude oil, mostly sourced from the Bach Ho field offshore Vietnam.

The upgrade will enable the plant to process sour crude oil as well, Nguyen said, and will also allow it to produce more petrochemical products.

Binh Son will select an engineering, procurement and construction contractor for the upgrade next year.

Nguyen said seven companies had registered to bid for the contract, but declined to name them.

Toyota pours $1bn into ride hailing to keep pace with GM

Bloomberg
Tokyo

Toyota Motor Corp is making the largest ever bet by an automaker on ride hailing as it embraces new businesses that threaten to disrupt the industry's traditional model of vehicle ownership.

The world's most profitable car manufacturer is investing $1bn in Singapore's Grab Holdings Inc, valuing Southeast Asia's largest car-hailing service at just over $10bn, according to a person familiar with the transaction.

It follows an initial investment last year through Toyota's trading arm in the company that forced Uber Technologies Inc out of the region.

Toyota's outlay in Grab is double the size of General Motors Co's investment in Lyft Inc in 2016, underscoring the sense of urgency chief executive officer Akio Toyoda has in shifting the company towards mobility services.

The 81-year-old automaker, founded by Toyoda's grandfather, is preparing for intensifying competition from peers as well as technology giants as the industry transforms.

"This is a good decision – Toyota should not be late in this area," said Tatsuo Yoshida, an equities analyst at Sawakami Asset Management Inc in Tokyo. "Ride sharing is coming. For car companies, this is a painful reality. But it can be a business opportunity if they understand it correctly."

Carmakers and technology companies alike are working towards a future where autonomous robo-taxis will lessen the need for individual car ownership.

A man walks past a Grab office in Singapore. Toyota Motor and Grab are exchanging information on autonomous driving, but no decision has been made on collaboration in that area, a Toyota spokeswoman said.

Toyoda – due to face shareholder questions at an annual meeting in Toyota City today – is putting in the money after GM's Cruise autonomous-car unit won a $2.25bn investment from billionaire Masayoshi Son's SoftBank Group Corp.

Carmakers are seeking to strengthen their tech expertise as new rivals such as Waymo and Tesla Inc threaten to redefine the auto industry.

In the cross-industry collaboration on those disruptive technologies, automakers bring two advantages: knowledge of how to build a car and the factories to do it.

What they lack is the legions of software engineers at the disposal of tech companies in Silicon Valley and Shanghai.

Toyota, the world's most valuable carmaker with a market capitalisation of about $221bn, has sought partnerships with a pantheon of tech companies including Amazon Inc and Apple Inc in a bet that data will be a key part of its future.

Toyota has also partnered with ride-hailing companies beyond Grab, taking an undisclosed stake in Uber in 2016 and announcing a collaboration with China's Didi Chuxing in January.

It has also backed Japan Taxi, an Uber rival run by the chairman of Tokyo's biggest taxi operator.

Toyota had about $54bn in cash, equivalents and short-term investments as of March 31 – giving it firepower for deal-making.

As part of the pact announced Wednesday, a Toyota executive will be appointed to Grab's board.

Toyota and Grab representatives declined to comment on Grab's valuation or the size of Toyota's stake.

The investment is set to take place around the end of this month, Toyota said.

"A board seat almost guarantees that Grab will buy cars from Toyota," said Steve Man, a Hong Kong-based analyst at Bloomberg Intelligence. "The $1bn that Toyota is paying for a stake is not a high price for selling more cars and whatever other self-driving technologies."

Toyota's trading arm, Toyota Tsusho Corp, invested an undisclosed amount in August, and the companies have worked together since then, developing connected services.

Toyota has installed its data recorders in Grab-operated rental cars to collect driving data – a strategy similar to the one it has employed at Japan Taxi.

Toyota and Grab are exchanging information on autonomous driving, but no decision has been made on collaboration in that area, a Toyota spokeswoman said.

The automaker is still discussing which executive to send to Grab's board, and is considering dispatching "a number" of Toyota employees to its partner, the spokeswoman said.

To be sure, no partnership in the car industry is a guaranteed success.

GM's president is stepping down from Lyft's board in the latest sign that they aren't becoming the close allies they had hoped to be.

Toyota's relationship with Tesla unravelled after four years amid culture clashes and recalls.

At about $10bn, Grab is still a relatively small player. Uber was valued at $62bn in a stock deal announced in May, and Didi Chuxing was valued at $56bn after a fundraising round in December.

Six-year-old Grab has powerful backers though, including Uber, Didi and Son's SoftBank.

In March, Grab boosted its grip on Southeast Asia by buying Uber's business in the region.

However, Grab still faces fierce competition from Indonesian rival Go-Jek, which is expanding ride-hailing and other services in Southeast Asia.

"This investment isn't necessarily about making money, but about getting access to technology that fits in some place in Toyota's broader business," said Edwin Merner, the Tokyo-based president of Atlantis Investment Research Corp, which doesn't own Toyota shares but is invested in Toyota Tsusho. "If Toyota can build up knowledge on things like automated navigation, this is worth it. It's a kind of R&D."

Fuel price jump fails to budge UK inflation from one-year low

CPI 2.4% in May, joint lowest since March 2017; fuel prices show biggest monthly increase since 2011; BoE and most economists expect CPI to fall this year; markets think August BoE rate rise hangs in the balance

Reuters
London

British inflation held at a one-year low in May despite a jump in fuel prices, leaving the chances of a Bank of England interest rate hike over the coming months finely balanced.

Consumer price inflation remained at 2.4% in May, its joint lowest annual rate since March 2017, the Office for National Statistics said yesterday.

Economists had forecast 2.5% inflation in a Reuters poll.

Inflation hit a five-year high of 3.1% in November, pushed up by the pound's tumble after June 2016's Brexit vote and contributing to a squeeze on consumer spending that has slowed Britain's economy.

The BoE expects inflation to pick up again in the coming months after rises in oil prices and energy bills, then fall back towards its 2% target.

The odds on a BoE rate increase in the next few months lengthened a bit after yesterday's figures on signs that any acceleration in inflation would be limited, Scotiabank economist Alan Clarke said.

Other recent data, pointing to only a slow recovery in the economy after a weak start to 2018, have also suggested the BoE is unlikely to see an urgent need to raise rates.

"It's just not screaming 'hike, hike, hike' now," Clarke said. While inflation might rise to 2.6 or 2.7% in June, it was likely to resume falling in July and be back at the BoE's target of 2% by the end of the year."There's plenty more downside to come," he said.

But Andrew Sentance, a former BoE policymaker who advises accountants PwC, said inflation would stay around 2.5%.

"The UK (is) close to the bottom of the G7 growth league and close to the top of the inflation league.

The combination of Brexit and the Bank's reluctance to raise interest rates is creating a very uncomfortable position for the UK economy," he said.

The BoE raised rates in November, the first increase since before the 2008 financial crisis.

But weak first-quarter economic growth caused it to postpone an increase that had been widely expected for May.

Most economists polled by Reuters have said they expect a move in August, but soft April data on wages and industrial output have caused some to have doubts.

Clarke said markets priced in only a 50% chance of an August rise.

Fuel prices rose in May by 3.8%, the biggest monthly amount since January 2011.

Manufacturers are paying 40% more for oil than they were a year ago.

However, the fuel price rise was offset by a drop in the cost of computer games and smaller rises in energy bills than a year earlier.

Manufacturers' raw-materials costs were 9.2% higher than in May 2017, boosted by the biggest monthly jump — 2.8% — since October 2016 and above all forecasts in a Reuters poll.

Draghi's pivotal ECB meeting in Riga may be rather awkward

Bloomberg
Riga

Mario Draghi is in for an uncomfortable atmosphere as the European Central Bank decamps to Latvia this week.

The two-day Governing Council session in Riga — a critical discussion that could result in a decision to end the ECB's bond-buying programme — will have a notable absentee. Latvian Governor Ilmars Rimsevics, who as host would normally sit alongside President Draghi at today's news conference, is instead fighting corruption allegations and is barred by national authorities from the building.

The ECB is challenging restrictions on him in court.

The governor's absence isn't the only reason for unease. Scandals over dodgy clients in the former Soviet Union have plagued Latvian banks and the ECB shut the country's No 3 lender in February after the US accused it of breaking North Korea sanctions.

"It's no doubt an awkward situation," Fredrik Erixon, director of the European Centre for International Political Economy, said by e-mail. "The only thing we know is that the saga reflects badly on everyone and erodes the credibility of central banks in Europe."

The ECB holds one meeting a year away from its Frankfurt base, and Latvia was planned long ago. The external gatherings often prove colourful. Four years ago in Naples, Italy, security amid anti-globalisation protests was so strict that policy makers could barely hear each other speak over the roar of helicopters. In Cyprus the following year, a journalist seized the floor to harangue the ECB president in Greek. Several months later in Malta, the event took place in a hotel complex that also housed a lavish gambling hall.

This meeting comes after a rocky few months for the Baltic nation of 2mn people. Rimsevics, 53, was detained in February on suspicion he'd solicited bribes from a local lender, just days after the US's money-laundering accusations emerged against the now-defunct ABLV Bank AS.

He was released on bail, denying wrongdoing. Regulators are dismantling the nation's non-resident banking business.

ABLV's co-owner Ernests Bernis said in an interview on Latvian TV on Tuesday that he had referred Rimsevics to the police for alleged slander.

Speaking by phone, Rimsevics said he "never said bad things" about ABLV or other banks, and that the measures preventing him from attending the Governing Council session are a "violation of the law."

While Latvia represents just 0.2% of the euro-area economy, it's become a focal point for questions about financial oversight and central-bank independence.

The ECB has sued the country over limits on Rimsevics performing his duties and a travel ban that's kept him away from Governing Council meetings. His deputy, Zoja Razmusa, who's been attending as an observer, will probably appear alongside Draghi at today's 3:30pm news conference in Riga.

There's still a chance Rimsevics, who joined the Governing Council when Latvia adopted the euro in 2014 and is its longest-serving national bank chief, could make an appearance.

While investigators will pursue formal charges within "a few weeks," the European Court of Justice could rule at any time to reinstate him or soften the restrictions that he faces.

One ECB Governing Council member, who asked not to be identified discussing his colleague, said Rimsevics — not the first official to face controversy — would be welcomed with "open arms" should he be cleared for future meetings. Latvia's political establishment is decidedly more hostile. The president, government and parliament all say he should resign.

Ilmars Rimsevics, governor of the Bank of Latvia, departs following a Bloomberg Television interview in Riga. Rimsevics, 53, was detained in February on suspicion he'd solicited bribes from a local lender, just days after the US's money-laundering accusations emerged against the now-defunct ABLV Bank.

Euro area dealt spate of weak economic cards as ECB eyes exit

Bloomberg
Zurich

A slump in euro-area industrial production joined a series of underwhelming economic data on the eve of a European Central Bank meeting that may set the course for future monetary stimulus.

Output dropped 0.9% in April, pulled down by a plunge in energy, Eurostat said yesterday. Production fell in the region's four biggest economies and the overall decline exceeded the 0.7% forecast in a Bloomberg survey.

Disappointing news have been plentiful in recent weeks.

A spate of numbers have defied expectations, suggesting the 19-nation economy isn't likely to match last year's rapid pace of expansion and might even slow down considerably. On top of that, there are uncertainties ranging from Italian politics to trade tensions that intensified during a meeting of Group of Seven leaders at the weekend.

More prominent global risks already caught the Governing Council's attention at its last policy meeting in April and updated forecasts due today will show how they affect growth and inflation in the months and years ahead. In March, the ECB predicted a 2.4% expansion for 2018, matching last year's rate, with inflation averaging 1.4%.

So far, officials have underlined the robust and broad-based economic upswing and reiterated their commitment to start a discussion this week on how to scale back monetary support, though there's no guarantee a decision will be made. In spite of the latest slowdown, economists predict asset purchases will end this year.

One reason for their relative optimism has been highlighted by ECB chief economist Peter Praet, who suggested late last month that the soft patch probably had "a lot to do with supply constraints."

Not only Germany — with record-low unemployment — is running at full tilt. Other countries are also testing their limits. The European Commission concluded in its most recent forecast that momentum would take a hit in some places "as capacity constraints make themselves felt and labour market slack is absorbed."

In a sign that companies are stepping up investment to meet increased demand, output of capital goods surged 1.9% in April, the most in five months. A separate report showed employment jumped 0.4% in the first quarter.

Euro-area inflation accelerated more than expected last month to a level effectively in line with the ECB's goal of below but close to 2%. While energy was the main reason for the pickup, economists see underlying cost pressures firming as well.

IHS Markit, which compiles gauges for manufacturing activity, also noted increases in the backlog of work and higher input costs.

The fast rate of growth experienced late last year "couldn't continue," Sharon Bell, senior European equity strategist at Goldman Sachs said in a television interview with Bloomberg's Francine Lacqua on June 5. "A little bit of a slowdown from that level is what we'd want to see, and that is exactly what we've had in the first quarter. You've still got pretty good growth."

Meanwhile, the ECB is taking its closest look yet at the trading books of three of the eurozone's biggest lenders, according to people briefed on the matter.

The central bank asked BNP Paribas, Deutsche Bank and Societe Generale several months ago to provide details of how they value bonds, stocks and derivatives on their trading books, the people said, asking not to be identified discussing confidential information. The review is now close to a conclusion, they said.

The ECB, in its fourth year as the region's bank supervisor, wants to dig deeper into the trading operations of the euro area's top lenders, particularly how they use the leeway they're given to price hard-to-value assets and liabilities themselves. Known as Level 3 instruments, they're considered important to keep an eye on because of the potential risks they pose to financial stability, even though they represent less than 1% of total assets.

Musk's Model 3 miscalculation culminates in major Tesla job cuts

Bloomberg
San Francisco

Elon Musk has finally been forced to rethink his vaulting ambitions for Tesla Inc.

The news on Tuesday that Musk will dismiss more than 3,000 employees, or about 9% of the company's workforce, underscored what many on Wall Street have been saying for months: Tesla has reached a pivotal moment. After misjudging how quickly the carmaker would be able to mass-manufacture an electric vehicle for the first time, the chief executive officer is pumping the brakes from years of hiring at breakneck speed.

The biggest job cut in Tesla's 15-year history underscores the pressure Musk is under to stop burning through money — and start making some. So far, the company has cumulatively lost about $5.4bn, and even most optimists don't believe the red ink will end there. The car maker may lose another $1.3bn over the next four quarters, according to analyst estimates compiled by Bloomberg.

The announcement crystallised a restructuring Musk first alluded to when he tore into analysts who questioned Tesla's financial straits early last month. While the CEO has steadfastly ruled out the need to raise more money this year, the company has about $1.2bn in convertible bonds maturing through early 2019. Those obligations, combined with operating costs, may necessitate a more than $2bn injection this year, Moody's Investors Service said in March when it downgraded Tesla's credit rating.

"We still have reservations on Tesla shares given production challenges, competitive threats intensifying as well as balance sheet obligations with debt quickly coming due," Jeff Osborne, an analyst at Cowen & Co, wrote in an e-mail. The job cuts reflect Musk's "sudden, new-found commitment to hitting profitability," he said.

The across-the-board cutbacks, which almost entirely involve salaried workers at Tesla's California headquarters and beyond, are an admission that Musk's ambition has at times exceeded the financial realities of building a car company from scratch.

In addition to spending more on righting ship with the Model 3 sedan, the company will have to shell out billions of dollars to build new car and battery factories in China and Europe — not to mention on delivering a new crossover, sports car and semi-truck in the coming years. Goldman Sachs Group Inc analysts said last month that Tesla may need to tap capital markets for more than $10bn in funding by 2020.

"Given that Tesla has never made an annual profit in the almost 15 years since we have existed, profit is obviously not what motivates us," Musk wrote in an internal e-mail on Tuesday. "What drives us is our mission to accelerate the world's transition to sustainable, clean energy, but we will never achieve that mission unless we eventually demonstrate that we can be sustainably profitable. That is a valid and fair criticism of Tesla's history to date."

Tesla stock has risen at a blistering pace since the company went public in 2010, driven by optimism that Musk would lead a new era of transportation innovation. In the past 12 months, amid production snags and debt-related jitters, the shares have fallen 4.5%, while Ford Motor Co and General Motors Co have climbed. The stock advanced as much as 0.9% in early trading yesterday.

No production associates are included in the job cuts, and Tesla's ability to reach its Model 3 targets in the coming months won't be affected, Musk wrote. He said Tesla's rapid growth in recent years led to duplicated roles and jobs the company could no longer justify. Tesla ended last year with more than 37,500 employees, 12 times its headcount five years earlier.

In addition to carrying out the staff reorganisation, Tesla won't renew a residential sales agreement with Home Depot Inc and will focus instead on selling solar power in its own stores and online, Musk wrote. That's a reversal from earlier this year, when Tesla-branded selling spaces started rolling out at 800 Home Depot locations.

Mass job cuts aren't completely unheard of at Tesla. The company dismissed about 700 people last year who Musk said failed to meet annual performance reviews. SolarCity's workforce also was significantly pared back amid Tesla's acquisition of the company in 2016. It finished that year with about 3,000 fewer employees than it had at the end of 2015.

The latest firings may lead Tesla to take a charge of as much as $150mn for the quarter ending this month, Gene Munster, a managing partner at venture capital firm Loup Ventures, wrote to clients on Tuesday. The move could save the company about $80mn a quarter in operating expenses going forward.

"In the context of the company's high cash burn rate, $80mn per quarter may not sound like enough to have an impact," Munster said. "But as the next several months may decide the fate of the company, every dollar counts."

Tesla will provide significant salary and vesting stock to employees being dismissed, Musk wrote in his memo. One employee who didn't want to be identified said Tesla offered to pay his salary until mid-August and health and stock vesting until early September.

"I would like to thank everyone who is departing Tesla for their hard work over the years," Musk said. "I'm deeply grateful for your many contributions to our mission. It is very difficult to say goodbye."

Gasoline leads broad increase in US producer inflation

Producer price index increases 0.5% in May; PPI rises 3.1% year-on-year; PPI excluding food, energy, trade gains 0.1%

Reuters
Washington

US producer prices increased more than expected in May, leading to the biggest annual gain in nearly 6-1/2 years, the latest sign of a gradual building up of inflation pressures.

The report on Wednesday from the Labour Department came as Federal Reserve officials were wrapping up a two-day policy meeting.

The US central bank is expected to raise interest rates for a second time this year.

"The Fed is on the right course with its gradual pace of rate hikes because the inflation heat may yet lead to fire and the risk that monetary policy has to move faster and put the long economic recovery in jeopardy," said Chris Rupkey, chief economist at MUFG in New York.

The producer price index for final demand rose 0.5% last month, boosted by a surge in gasoline prices and continued gains in the cost of services.

The PPI edged up 0.1% in April.

In the 12 months through May, the PPI increased 3.1%, the largest advance since January 2012.

Producer prices rose 2.6% year-on-year in April.

Economists had forecast the PPI gaining 0.3% from the prior month and rising 2.8% from a year ago.

A key gauge of underlying producer price pressures that excludes food, energy and trade services nudged up 0.1% last month. The so-called core PPI rose by the same margin in April.

In the 12 months through May, the core PPI rose 2.6% after advancing 2.5% in April.

The renewed upward trend in producer prices strengthens expectations that inflation will pick up this year and likely breach the US central bank's 2% target.

The Fed's preferred inflation measure, the personal consumption expenditures (PCE) price index excluding food and energy, increased 1.8% year-on-year in April after a similar gain in March.

Economists were divided on whether policymakers will signal one or two more rate hikes in their statement accompanying the rate decision later yesterday.

The dollar slipped against a basket of currencies while prices for US Treasuries were mixed. Stocks on Wall Street were trading marginally higher.

Regional factory surveys have shown an acceleration in raw material prices this year.

So far, manufacturers have not passed on these higher costs to consumers.

A worsening worker shortage is expected to push up wages.

This together with expensive raw materials will likely squeeze profit margins and probably force businesses to raise prices.

A report on Tuesday showed monthly consumer prices rising moderately in May.

In May, prices for goods surged 1.0%, accounting for 60% of the rise in the PPI.

Goods prices were unchanged in April.

In May, they were boosted by a 9.8% jump in the price of gasoline.

Wholesale gasoline prices slipped 0.4% in April. Prices for steel mill products surged 4.3% in May, the largest rise since February 2011, likely reflecting steel and aluminium import tariffs imposed in March by the Trump administration.

The cost of these products could rise further after the government this month widened the duties to imports from the European Union, Canada and Mexico.

"The inflation impact of the steel and aluminium tariffs, though likely moderate, will be more visible in the second half of this year," said Ryan Sweet, a senior economist at Moody's Analytics in West Chester, Pennsylvania.

Wholesale food prices edged up 0.1% last month after declining 1.1% in April.

Excluding food and energy, goods prices increased 0.3%, rising by the same margin for a third straight month.

The cost of services increased 0.3% after nudging up 0.1% in April.

Services were driven by a 0.9% rise in margins for trade services.

The cost of healthcare services ticked up 0.1% after falling 0.2% in April.

Those costs feed into the core PCE price index.

Economists said factoring in the PPI and CPI data, they expected the monthly core PCE price index rose 0.2% in May, which would push the annual increase to 1.9%.

"Medical care pricing looked weak in May, but we see firmness in other inputs related to used vehicle prices, airfares, and prices for various financial services," said Daniel Silver, an economist at JPMorgan in New York.

The Commerce Department will publish May PCE inflation data on June 29.

Investors challenge WPP over Sorrell's departure

One third of investors fail to back pay proposal; chairman defends process which led to Sorrell departure; says hunt for new CEO well advanced

Reuters
London

Martin Sorrell, former CEO of WPP, gestures while speaking during a Bloomberg Television interview in London. Sorrell was allowed to leave the company with share awards worth millions of pounds intact and without a non-compete clause, rekindling arguments that have dogged previous annual meetings — that WPP paid Sorrell too much and did not prepare for his departure.

The world's biggest advertising agency WPP faced a shareholder revolt over its handling of the departure of former CEO Martin Sorrell after large votes against the chairman and the company remuneration report.

The most famous advertising executive in the world, Sorrell quit the marketing giant he built from scratch following an allegation of personal misconduct in April.

Nearly 30% of WPP shareholders failed to back its executive pay proposal yesterday, while almost 17% of shareholder votes declined to support the re-election of Roberto Quarta as chairman.

Sorrell was allowed to leave with share awards worth millions of pounds intact and without a non-compete clause, rekindling arguments that have dogged previous annual meetings — that WPP paid Sorrell too much and did not prepare for his departure.

Neither Sorrell nor the company have revealed the nature of the complaint, but Sorrell — who has already launched a new venture — has denied any wrongdoing.

Quarta said at the beginning of the group's annual meeting that the process the board followed in response to the allegation against Sorrell was robust from a governance and legal perspective.

He said share awards due in future to Sorrell pre-dated the current board's involvement and that he accepted that some investors found the situation unsatisfactory.

"I know that questions remain, but there is simply nothing further we can legally disclose," Quarta said.

Quarta told investors that the hunt for a new chief executive was well advanced and moving ahead rapidly.

Shares in WPP traded up 0.7% at 1142 GMT, slightly ahead of Britain's bluechip index which was trading 0.4% higher.

WPP is the world's largest ad group, employing more than 200,000 staff in agencies including JWT, Ogilvy and Finsbury to serve clients such as Ford, Vodafone and P&G.

In a trading update published to coincide with the annual meeting, WPP reported four-month net sales which were marginally up, an improvement on the 0.1% fall in net sales in the first quarter.

The group has been hit by the might of Google and Facebook in online advertising, the advance of consultants like Accenture in the sector and by pressures on big ad spenders such as P&G and Unilever which have all hit the bottom line.

It is not the first time investors have expressed opposition to WPP's pay proposals.

Sorrell has earned around £200mn ($268mn) in the last five years alone, and in 2016, a third of WPP's investors refused to back his £70mn pay package.

Sorrell's last award scheme could potentially pay out £20mn, but it is expected to come in well below that due to the recent underperformance of the group.

Quarta has said the two chief operating officers running the company, Mark Read and Andrew Scott, are reviewing the strategy, sparking speculation that the group could sell assets such as its market research arm.

His departure has led to speculation that WPP could even be broken up but the three executives running the business have said that does not make sense.

Glencore resolves Congo dispute with $5.6bn debt deal

Bloomberg
London

Glencore Plc reached a deal with the Democratic Republic of Congo's state mining company to end a legal dispute and save of one of its most important growth projects.

The agreement involves a $5.6bn debt-to-equity swap for Katanga Mining Ltd, effectively reducing the debt load of the subsidiary which Glencore co-owns with Gecamines. The deal also involves a one-time payment of $150mn to Gecamines and waiver of some mining rights, according to a statement released on Tuesday.

The agreement brings an end to legal proceedings brought by Gecamines in April to shut down one of Glencore's subsidiaries in Congo, Kamoto Copper Co, and overcomes the first of a series of hurdles for Glencore in the central African country. Glencore is facing two other court cases in Congo and a new mining code that has hiked taxes.

The announcement "finally provides some positive news for Glencore in the DRC following what seemed to be a persistently deteriorating environment," Tyler Broda, an analyst at RBC Capital Markets, said in a note. The resolution provides some clarity on the future of the mine and "lowers the probability of any worst-case outcomes," he said.

Glencore shares climbed 1.8% to 390.50 pence as of 9:03am in London. Katanga's shares rose 26% in Toronto on Tuesday.

The dispute with Gecamines stemmed from the Congo miner's claim that Glencore failed to address a capital shortfall at KCC for more than a decade. KCC's total debt stood at $9.2bn at the end of December — more than six times Katanga's market value — leading to a $4.2bn shortfall in working capital that Glencore and Katanga were required by Congolese law to resolve.

The debt levels mean the state-owned miner has never received dividends from the project and was unlikely to collect a share of profits even as Katanga ramped up production. Gecamines owns a quarter of KCC, though it doesn't contribute to investment costs, which have been wholly funded by Katanga.

The agreement announced Tuesday will also reduce the interest rate Katanga is allowed to charge KCC on the $3.5bn of debt that remains. In addition, Katanga agreed to pay Gecamines a further $41mn to pay for historic exploration costs incurred by the state miner. The deal is expected to close in the next two weeks, Katanga said.

KCC resumed production in December after a two-year hiatus during which it invested in new processing facilities. It expects to produce as much as 300,000 metric tons of copper and 34,000 tons of cobalt in 2019. That would make it Congo's biggest copper mine and the world's largest producer of cobalt.

The agreement involves a $5.6bn debt-to-equity swap for Katanga Mining Ltd, effectively reducing the debt load of the subsidiary which Glencore co-owns with Gecamines

Guess co-founder quits after sex assault probe

AFP
New York

Paul Marciano, co-founder of the Guess fashion brand, resigned on Tuesday in the wake of an investigation into sexual assault claims.

Marciano "exercised poor judgement in his communications with models and photographers and in placing himself in situations in which plausible allegations of improper conduct could, and did, arise," Guess said in a Securities and Exchange Commission filing.

He has resigned effective immediately from his post as executive chairman but will remain the company's chief creative officer and receive his salary until January 30 "to effect a smooth transfer of responsibilities," the filing said.

His salary was forfeited from February 20 to June 11.

The decision came after a unanimous vote by the board, from which Marciano and his brother Maurice recused themselves. The brothers co-founded the brand in 1981.

Two independent investigators looked into allegations of "inappropriate comments and texts, and unwanted advances," Guess said.

It said they interviewed more than 40 people and reviewed some 1.5mn pages of documents. "Many of the allegations could not be corroborated," the filing added.

Guess and Marciano settled claims with five of the complainants for a total of $500,000.

"We are pleased at today's news... and yet, much more remains to be done if Guess truly wants to be a brand that stands for respect for women," said lawyer Lisa Bloom, who represented four of the alleged victims.

"Each of my clients chose to accept this settlement because it was preferable to litigation, especially given the statute of limitations, and because she still retains the right to tell her story one day if she chooses to do so."

Bloom said she was "disappointed" Marciano was staying at the company until early next year.

"We do not believe a man with so many credible accusations of sexual assault is fit to lead any company, much less one that sells primarily to women," she added.

Model Kate Upton had accused him of misconduct.

Marciano has denied the accusations.

Upton, who was once the face of the label, first accused Marciano on Twitter, before detailing her allegations in an interview with Time magazine earlier this year as the #MeToo campaign against sexual misconduct widened within the fashion industry.