MARKET CHALLENGES: Page 2

Banks lose appetite for Brexit fight

Thursday, May 9, 2019
Ramadan 4, 1440 AH
GULF TIMES
BUSINESS

BEIJING THREATENS RETALIATION: Page 12

Trump 'happy' to keep tariffs on Chinese goods

Building permits issued in Qatar rise 4% in April

By Santhosh V Perumal
Business Reporter

Buildings are seen illuminated at night in Doha. On a month-on-month basis, total number of permits issued in the country witnessed a robust 4% growth in April this year with Al Daayen registering 32% growth, Umm Slal and Al Shamal (17% each), Al Wakrah (8%) and Doha (3%); whereas those in Al Rayyan declined 3%, Al Shahaniya (9%) and Al Khor (35%).

Aided by double-digit expansion in the building permits issued by Al Daayen, Umm Slal and Al Shamal, Qatar witnessed a 4% growth month-on-month in total permits issued in April this year, according to official statistics.

Al Rayan, Doha and Al Wakrah together constituted 67% of the total 743 building permits issued in Qatar in April this year, said the statistics revealed by the Planning and Statistics Authority (PSA).

On geographical basis, the PSA found that Al Rayyan remained atop the municipalities where the number of building permits issued were 206, or 28% of the total issued permits; Doha 150 (20%); Al Wakrah 140 (19%); Al Daayen 111 (15%); Umm Slal 63 (8%); Al Shahaniya 32 (4%); Al Khor 26 (4%); and Al Shamal 14 (2%).

On a month-on-month basis, total number of permits issued in the country witnessed a robust 4% growth in April this year with Al Daayen registering 32% growth, Umm Slal and Al Shamal (17% each), Al Wakrah (8%) and Doha (3%); whereas those in Al Rayyan declined 3%, Al Shahaniya (9%) and Al Khor (35%).

The building permits data is of particular importance as it is considered an indicator for the performance of the construction sector, which in turn, occupies a significant position in the national economy.

In terms of type of permits issued, data indicates that the new building permits (residential and non-residential) constituted 54% (402 permits) of the total building permits issued in April this year, while additions constituted 44% (326 permits), and fencing 2% (15 permits).

Of the new residential buildings permits, PSA found that villas' topped the list, accounting for 76% (269 permits) of all new residential buildings permits, dwellings of housing loans 14% (50 permits) and apartments 7% (24 permits).

Commercial buildings were found to be in the forefront of non-residential buildings permits with 44% (22 permits), followed by government buildings 22% (11 permits) and industrial buildings as workshops and factories 18% (9 permits).

Qatar witnessed a total of 340 building completion certificates issued in April, of which 227 was for residential buildings, 33 for non-residential and 80 for additions.

Of the 221 residential buildings completion certificates issued, as many as 152 were for villas, 59 for dwellings of housing loans, 12 for apartments and four for others.

During April, Al Rayyan issued as many as 104 building completion certificates or 31% of the total, Doha 60 (18%), Al Wakrah 59 (17%), Al Daayen 49 (14%), Umm Slal 25 (7%), Al Khor 18 (5%), Al Shamal 13 (4%) and Al Shahaniya 12 (4%).

Of the 152 villas completion certificates issued, as many as 47 were in Al Rayyan, 35 in Al Daayen, 24 in Al Wakrah, 14 in Doha, 13 in Umm Slal, 10 in Al Shamal, seven in Al Khor and two in Al Shahaniya.

Of the 74 dwellings of housing loans completion certificates issued, Al Wakrah received as many as 23 certificates, followed by Al Rayyan (20), Al Daayen (six), Doha (four), Umm Slal (four), Doha (three), Al Shahaniya (two) and Al Khor (one).

CI affirms QIIB's long-term foreign currency rating at 'A'

By Santhosh V Perumal
Business Reporter

Capital Intelligence Ratings (CI), the international credit rating agency, has affirmed the long-term foreign currency rating (LT FCR) of QIIB at 'A'.

The rating agency also adjusted the bank's short-term foreign currency rating (ST FCR) to 'A1' from 'A2'.

The bank has also been assigned a bank standalone rating (BSR) of' 'bbb+', a core financial strength (CFS) rating of 'bbb+' and an extraordinary support level (ESL) of "high".

The outlook on the LT FCR has been revised to "stable" from "negative" and the outlook on the BSR is also "stable".

The revision of the bank's LT FCR outlook to "stable" mirrors the recent change in the outlook for Qatar's 'AA-' sovereign rating to "stable" from "negative". This in turn reflected the improvement in fiscal and external performance, as well as in macroeconomic conditions more broadly.

QIIB's LT FCR is set two notches above the BSR to reflect the high likelihood of extraordinary support from the government in the event of financial distress. This is based on the government's strong track record of support for Qatari banks.

The bank's BSR is based on a CFS rating of 'bbb+' and an operating environment risk anchor of 'bbb'. The CFS is supported by QIIB's good asset quality with strong extended non-performing financing receivables (NPFR) coverage and by a strong customer deposit base which limits the need for wholesale funding.

QIIB has maintained a consistently low NPFR ratio in recent years and this is major credit strength, it said, adding this has been achieved by prudent underwriting and a low risk credit strategy. While NPFR loss reserves were not full at end 2018, they were very close. Moreover, the unprovided portions of NPFRs were generally well covered by collateral and/or external guarantors.

Despite its small size, QIIB has a good and relatively stable customer deposit base which has allowed it a lower reliance on wholesale deposits than a number of its peers. While this is a positive supporting factor at present, it is possible that the reliance on wholesale funding will rise over time as the balance sheet grows.

Given the success (and massive oversubscription) of the recent US dollar sukuk issue, that avenue provides an alternative to offshore deposits, CI highlighted.

As the rate of annual internal capital generation has been low, new capital will be needed, it said, adding ideally this would include additional CET-1 (common equity tier-1) capital but management have indicated that this is unlikely in the short-to-medium term.

"Additional AT-1 (additional Tier-1) capital is more likely and the bank is expected to maintain overall capital adequacy ratio at close to current levels," it added.

Al Ghashamiya achieves 3mn safe man-hours.

Nakilat's Q-flex LNG carrier 'Al Ghashamiya' achieves significant safety milestone

Nakilat's Q-flex liquefied natural gas (LNG) carrier 'Al Ghashamiya' has recently achieved a significant safety milestone of more than 10 years without lost time injury (LTI) or total recordable case (TRC), equivalent to nearly 3mn safe man-hours.

Al Ghashamiya is one of the 18 vessels being operated and managed in-house by Nakilat, with the fleet comprising 14 LNG and four LPG (liquefied petroleum gas) carriers.

"The accomplishment of such safety milestones not only affirms our high operating standards but is also a reflection of the strong safety culture and ownership amongst our seafarers, and their dedication to create a safe working environment for everyone at sea," according to Nakilat's chief executive Abdullah al-Sulaiti.

This is essential to its global operations, given that Nakilat plays the major role of shipping Qatar's LNG exports and that it owns the largest fleet of LNG carriers worldwide, he said.

Earlier in April, another Nakilat-managed vessel, LPG carrier Bu Sidra achieved seven years LTI-free with 1.6mn safe man-hours.

"Several other vessels within the managed-fleet are expected to achieve similar safety milestones in the coming months," the company spokesman said.

Nakilat has been recognised through various prestigious awards, such as the British Safety Council's Sword of Honour and the Green Award, bearing testament to the company's excellence in the management of health and safety risks at the workplace.

14 technology startups attend third edition of Mena Dojo Series A Programme in Kuwait

As many as 14 technology startups from the Middle East and North Africa (Mena), including two from Qatar, have been able to better uncover new marketing channels, and identify untapped opportunities. This was made possible at the third edition of the Mena Dojo Series A Programme in Kuwait where these entities recently worked with internationally renowned growth mentors. The two Qatari-founded startups are ADGS and MaktApp.

The event concluded with 'Investor Day', an exciting opportunity for the most promising tech-based startup participants to pitch their business ideas to a global audience of industry leaders and potential investors from across the Arab world.

The regional spin-off of the internationally-coveted 500 Startups Series A Programme was organised by global venture capital firm '500 Startups', in partnership with Qatar Science and Technology Park (QSTP) – part of Qatar Foundation Research, Development, and Innovation (QF RDI).

During the five-week accelerator growth programme, these 14 firms learned to execute highly effective marketing techniques designed to rapidly grow their customer base, thereby increasing their likelihood of securing Series A investments and ensuring the success of their businesses.

For over two decades, Qatar Foundation has planted the seeds of entrepreneurship in Mena and inspired a generation of home grown tech entrepreneurs in Qatar and beyond, according to Haya al-Ghanim, Investment Director, QSTP.

Participants who attended the third edition of the Mena Dojo Series A Programme.

"Our partnership with 500 Startups reflects Qatar Foundation's mission to advance innovation on a global scale. This collaboration allows us to sponsor and support the Mena Dojo Programme. We are confident that the Mena Dojo will continue to be the driving force for the next billion-dollar startup, forever changing the entrepreneurial landscape of the region," said al-Ghanim.

Sharif El-Badawi, '500 Startups' Partner, said the Dojo programme is a post-seed stage growth accelerator focused on driving scale through a structured and disciplined framework to enhance their distribution, marketing and sales strategies. It is led by a team of seasoned entrepreneurs, engineers, growth hackers, and investors. ADGS — a beneficiary of QSTP's Product Development Fund that provides funding for small and medium enterprises and startups developing products and services relevant to local market needs — sells a suite of products that use artificial intelligence, behavioural biometrics, and emergent behaviour.

MaktApp, which is currently based at QSTP, is a startup established by an alumnus of XLR8 – QSTP's flagship accelerator programme that takes tech-based services or products from the idea stage all the way to a validated prototype. The MaktApp team has developed fatora.io, an invoicing platform driven by AI that streamlines online payments. "Innovation is essential in the development of any economy, and QSTP is honoured to collaborate with 500 Startups to provide promising innovative entrepreneurs the support that will enable them to become important contributors to the economic growth, and diversification of the Mena region," said Yosouf Abdelrahman Saleh, executive director, QSTP.

Startups that develop innovative products, services, and solutions to address societal needs and national priorities are key to building a vibrant innovation ecosystem in Qatar, according to Dr Richard O'Kennedy, vice-president (Research, Development, and Innovation), Qatar Foundation.

"Through platforms like the Mena Dojo, we are empowering such startups to make an impactful contribution to the socio-economic growth of Qatar and the region," he said.

US Federal Reserve faces tough sell on inflation framework

Reuters
Palo Alto

Federal Reserve policymakers fear they are ill-equipped to battle the next recession under their current inflation-targeting approach, and this year are well into an effort to vet new strategies for managing interest rates in a world of muted inflation and low borrowing costs.

But for the US central bankers and monetary policy experts who converged in Palo Alto last week to discuss available options, the challenge was clear: not only will it be difficult to settle on a better framework before the next recession hits, figuring out how to explain it to the public so that it actually works will be a major challenge.

Indeed, just to explain their ideas to each other, Fed policymakers and academics at the Hoover Institution's annual conference displayed slide after slide crammed with equations, lengthy bullet points, and nearly indecipherable charts. And while most of the PhD economists in the audience presumably understood the theories, "I think where people disagree is, do the assumptions of the model really play out in real life?" Cleveland Fed Bank President Loretta Mester said in an interview on the sidelines of the conference.

In other words, what will really work? When central bankers around the world reached for unconventional tools like bond buying and forward guidance to fight the 2007-2009 financial crisis, they thought they were facing once-in-a-lifetime conditions.

But a decade on from the end of the Great Recession, it's clear the Fed is dealing with a new economic norm.

Neither inflation nor interest rates are expected to rise much even with US unemployment at a near 50-year low.

That leaves the central bank with much less leeway to cut interest rates to stimulate the economy than it historically has had.

So this year, with the US economy on an even keel, interest rate policy on pause, and an expansion set to reach record length this summer, Fed policymakers figure they have a bit of breathing room to figure out how to make policy more effective when the next recession or shock comes along.

Among the ideas: commit to making up for bouts of low inflation with periods of above-target inflation; target economic output, rather than inflation directly; and use negative interest rates to force businesses to invest and banks to lend during downturns.

All would, their advocates say, act as shock absorbers to cushion economic weakness and shorten recessions.

Each would differ, to greater or lesser degrees, from the Fed's current approach, by which it aims for 2% inflation and a loosely defined ideal of full employment.

And all would depend critically on households, businesses and financial markets understanding the framework, and reacting accordingly. Average inflation targeting is the framework option that has attracted the most support so far.

The idea, New York Fed President John Williams explained, is to aim for inflation to average out at 2% over a given period — say, a year and a half.

When inflation falls during periods of economic stress, the central bank would respond by keeping easy policy in place until inflation rises above 2% and stays there for a time.

If households and businesses know they can count on higher inflation in the future, they will borrow and spend more during recessions, which would theoretically speed the economy's return to health.

But for the plan to work, spenders will have to believe the Fed really will drive inflation higher in the future.

By contrast, negative rates would stimulate the economy by punishing businesses for not putting money to work in the economy; if they just keep their money at the bank, they'll end up paying for the privilege.

For such a regime to be accepted, however, ordinary people would need to feel sure they wouldn't be punished as well. Fed policymakers have largely rejected negative rates, but some central banks have tried it and academics like Harvard University professor Kenneth Rogoff, who presented his work at the Hoover conference, maintain it is a viable option.

Not everyone at the conference was sold on the benefits of a new framework, not even the Fed policymakers who were presenting some of the ideas.

"The bar for change is high," San Francisco Fed chief Mary Daly said. "It can be costly to make mistakes in this space."

St Louis Fed chief James Bullard has long advocated a framework known as nominal GDP targeting where the Fed would target a specific level of economic output rather than prices directly.

But even as he gave a new pitch for the idea, he expressed trepidation with such a radical change: experimenting with the way the world's biggest central bank does business, he said, could "unleash chaos" in global financial markets.

One of the challenges of selling a new framework is that for the past 10 years, central banks globally have failed to deliver on their current 2% inflation targets, the prevailing international standard.

To Cleveland Fed's Mester, having a set of rules, whatever they may be, could make policy more effective by making it easier for people to understand the aims, and limits, of Fed actions.

And Fed policymakers in Palo Alto seemed keen on exploring new ideas.

The Fed has half a dozen more events around the framework review planned for the rest of the year.

Most in the audience gave the Fed credit for tackling the issue.

Said Dartmouth College economics professor Andy Levin, "The Fed needs to find something new."

Banks lose appetite for new Brexit fight

Tepid support for concept but banks will not fund new Remain bid; little confidence in political support for sector; banks focus instead on meeting IT, market challenges

Reuters
London

While Britain debates the merits of a second Brexit referendum, London's financial centre is steering clear of the argument, resigned to the need to shift some business elsewhere.

Burned by backing the ill-fated Remain campaign three years ago, major global and British banks told Reuters they would shy away from taking a similar position in a new vote, preferring to spend time and money on "future-proofing" their business, including tackling outdated technology and moving into new markets.

A Reuters survey of leadership attitudes at 17 British and global banks found just six of the 11 institutions who responded to the survey backed the idea of a People's Vote to break a parliamentary impasse on a proposed exit deal.

Four banks said they opposed another vote while one bank said it would remain agnostic on all Brexit scenarios and would let the political process — now stretching towards its third year — run its course.

None of the 11 respondents said they would be prepared to put cash behind a campaign for either a "Leave" or "Remain" outcome at this stage.

To prepare for Brexit, Banks have transferred billions of pounds in client assets to new European Union legal entities and shifted around 2,000 roles away from London to new hubs in cities including Dublin, Paris, Frankfurt and Madrid.

But now the hard graft is complete, the industry biggest players say they would not reverse those changes even if Brexit was scrapped.

Spreading top talent across several European cities has enhanced the banks' appeal to some EU clients and reduced costs linked to doing business in London, one of the world's most expensive cities.

"The horse has bolted," a source at one of the banks which responded to the survey said.

Britain's opposition Labour Party has said it will support a second vote but only if Prime Minister Theresa May refuses to change her withdrawal deal or if there is no new national election.

A second senior banking source said he believed the chances of a second referendum were on the rise but he doubted it would garner anything like the same backing in finance industry circles as the first Remain campaign.

"I think we are still bruised by the experience the first time around.

We don't regret it, but we would have to ask ourselves why we would put ourselves through it again?"

JPMorgan, Morgan Stanley, Goldman Sachs and Citi donated between £250,000-500,000 ($326,750-$653,500) each to the Britain Stronger In Europe campaign in 2016, data from the Electoral Commission showed.

Lloyds Banking Group, Britain's leading mortgage lender, also lent £20,000 to the Remain campaign at a 1% interest rate.

CRITICISM Several key bankers including ex-Barclays chairman John McFarlane and Standard Chartered chief executive Bill Winters were among 1,280 business leaders who expressed support for the Remain campaign in a letter published a day before Britons went to the polls on June 23, 2016.

But the industry was accused of interfering in the political process and criticised for fuelling public fears about how Brexit might harm the economy.

The six banks which declined to take part in the survey cited company policy on political polls or differences of opinion in their leadership teams.

After losing the fight to secure passporting privileges, mutual recognition and enhanced equivalence regulatory regimes with the EU post Brexit, a third senior banker told Reuters it was safer to reorganise their banks without political help.

"We would not endorse a second referendum.

Why would we? What would be the point?," he said.

"The financial sector planned for the worst possible scenario.

I didn't think that politicians would deliver anything for us and I've not been disappointed."

Others said the government needed a better grasp of EU regulation and market structures that supported the industry's status as Britain's biggest taxpayer.

"Politicians should know their decisions have consequences and this kind of stress is the result," a senior executive at a fourth major bank said."I want to go back to not having the vote at all."

A view of the offices of global financial institutions, including JPMorgan Chase & Co, Citigroup, State Street Corp, Barclays, HSBC Holdings, and the commercial office block No 1 Canada Square, in the Canary Wharf business, financial and shopping district of London (file). JPMorgan, Morgan Stanley, Goldman Sachs and Citi donated between £250,000-500,000 ($326,750-$653,500) each to the Britain Stronger In Europe campaign in 2016, data from the Electoral Commission showed.

Citigroup's ousted French star sues lender after alleged snubs

Bloomberg
Geneva

A banker with Citigroup Inc in Paris once lauded as a star performer is suing the lender for harassment, claiming he was fired after snubs such as being excluded from client meetings and a thank you note sent to colleagues.

Henri-Jean Reville had been on an upward trajectory for the first five years after he began working there in 2010 and ranked fifth out of a team of 60 for his performance in 2015, his lawyer, France Lenain, told an employment tribunal panel in Paris.

But his stellar status faded in a matter of months as colleagues and his supervisor began to shun him, she told the four-person panel on Monday. Reville was excluded from client meetings that a junior colleague attended in his place and was deliberately left off a list of colleagues that his boss was thanking for their hard work, the attorney told the court.

By the middle of 2016, his supervisor began making "totally unsubstantiated" claims about his performance and shouting at him in some meetings, the lawyer said. This contributed to him going on medical leave in August 2016, and eventually to his dismissal in March 2017, she said. Reville has not been able to find work since and is seeking a payout of about €690,000 ($770,000) for harassment, lost pay and social contributions, Lenain said.

Even his decision to come back to work at Citigroup near the end of November 2016 was mocked as a "surprise return," his lawyer said, citing an internal e-mail. From 2010 to 2015 there was not a single shadow over his Citigroup career and Reville had no reason to think he'd be negatively judged in 2016, the lawyer told the tribunal. Reville had been "one of the key architects to the revival of Citi's franchise in the region," she said at the Monday afternoon hearing, quoting an internal e-mail announcing his promotion to head of equity markets for France, Belgium and Luxembourg.

Benjamin Louzier, a lawyer for the New York-based bank, painted a very different picture of Reville's final 18 months at Citigroup.

In his mid-2016 performance review, his boss pointed to a first-half 17-percent drop in performance for the equity portfolio he oversaw, said Louzier. That would become a full-year decline in that range, with commissions and trading volumes down even more, Louzier said, citing documentation from performance reviews.

More importantly, the feedback was that he had to do a much better job of reaching out to his staff, according to the lawyer.

"Here was the No 4 for Citigroup in France who managed dozens of people, who never held staff meetings," said Louzier. He rejected the notion of harassment, saying that the half-dozen e-mails offered as evidence were flimsy. "So 'three people on the team got thanked in an e-mail, and not me.' For Mr Reville, that's harassment," Louzier said.

A spokeswoman for Citigroup in London declined to comment. The employment tribunal is scheduled to give its verdict on June 25.

IBM-backed project creates Wi-Fi network for natural disasters

Bloomberg
New York

From a cramped living room in Brooklyn, New York, a handful of young computer nerds has developed a new way to use technology to help save lives in natural disasters.

They have designed tiny electronic nodes inside baseball-sized rubber casings that create a special Wi-Fi network spanning more than 100 square miles that can be used to connect victims and first responders. It's a simple and relatively cheap concept, but during a natural disaster when cell towers topple, technology fails and entire communities fall into darkness – communication can be the difference between life and death.

The five young men met competing against each other at computer hackathons. They joined together to compete in a contest sponsored by International Business Machines Corp last year called Call for Code, which asked developers to use cloud, artificial intelligence and other technologies to amplify preparedness for natural disasters. Their entry, Project Owl, which stands for Organisation, Whereabouts, and Logistics, uses a "clusterduck" network made of hubs that resemble rubber ducks, which can float in flooded areas. Once deployed, civilians are able to get on their cellphone to connect with first responders. Emergency workers are also able to learn about weather and get information data analytics through the cloud.

The team won the competition, beating more than 2,500 global entries, for a $200,000 grand prize. In March, they joined representatives from IBM to deploy the devices, known as DuckLinks, across five regions in Puerto Rico that were devastated by Hurricane Maria in 2017.

Bryan Knouse, co-founder and chief executive officer of Project Owl, sits at his apartment and work space in Brooklyn, New York.

"In the worst disasters, chaos and misinformation are pervasive," said Bryan Knouse, 28, chief executive officer and co-founder of Project Owl. "With better information and better analytics, you can get the resources you need to the places that need it most." Other members of the team include Charlie Evans, 32, Nick Feuer, 25, Taraqur Rahman, 27, and Magus Pereira, 23.

During the two-week pilot programme, Project Owl attached DuckLinks with Velcro to trees in the jungle, perched them atop of sand dunes on beaches, stuck them on car doors and cliff faces and even floated them above buildings in helium balloons. Project Owl managed to create a live Internet network across one square mile using 23 DuckLinks, communicating via the system in areas without cell reception.

Once the devices are connected, an emergency Wi-Fi network appears on smartphones directing users to a portal where they can send messages to first responders and civil defence teams. The glue of the network is the Papa Duck, which is a cloud software service connected to all the DuckLinks. The Papa Duck offers a bird's-eye view of the number of civilians accessing the emergency portal and what they urgently need.

Project Owl hopes to have enough tests done to make their network ready in a small capacity for hurricane season on the US East Coast, which begins in July. Every second seems to count.

Since 2000, more than 2.5bn people have been directly affected by a natural disaster, with the economic impact in the trillions of dollars. Combined, 2017 and 2018 were the costliest years for weather-related disasters on record, with total losses of $653bn, according to a recent analysis from UK insurance company Aon Plc.

"My hope is that we are able to set up Internet networks quickly at a low cost and that they work," Knouse said. "It doesn't have to be fancy, crazy military technology; part of what makes a solution profound is being simple and creative."

Greg Hauser, a communications branch manager for North Carolina Emergency Management, was responsible for getting the major networks back up and running after Hurricane Florence battered the Carolinas last September, killing 53 people and cutting power to almost two million. In order to restore connection, wireless carriers shifted portable towers into the counties that lost service. But in some cases this process took as long as 20 hours – leaving emergency responders offline and in the dark during the most critical rescue period.

"If Project Owl could generate some type of network connectivity and generate it out of equipment they drop from the sky — that would be a game-changer for us," Hauser said.

The Weather Company, owned by IBM, predicts seven hurricanes will strike in 2019, with the potential for three to be major events. While the Project Owl pilot programme proved the system could work, the team knows it has a long way to go.

Project Owl is still very much in the traditional start-up phase, Knouse said. The company's headquarters are currently in his living room in Brooklyn, with a bench to solder the DuckLinks together set up beside the couch. "Calling it a living room would be embellishing the truth," Knouse said. "It's really a factory floor."

They hope to one day connect an area up to 100 square miles or more, but for now are aiming for 10 square miles. The next deployment is planned later this month, with DuckLinks being velcroed to trees in a national park in Houston.

China backtracked on nearly all aspects of US trade deal: Sources

Reuters
Washington/Beijing

The diplomatic cable from Beijing arrived in Washington late on Friday night, with systematic edits to a nearly 150-page draft trade agreement that would blow up months of negotiations between the world's two largest economies, according to three US government sources and three private sector sources briefed on the talks.

The document was riddled with reversals by China that undermined core US demands, the sources told Reuters.

In each of the seven chapters of the draft trade deal, China had deleted its commitments to change laws to resolve core complaints that caused the United States to launch a trade war: theft of US intellectual property and trade secrets; forced technology transfers; competition policy; access to financial services; and currency manipulation. US President Donald Trump responded in a tweet on Sunday vowing to raise tariffs on $200bn worth of Chinese goods from 10% to 25% on Friday – timed to land in the middle of a scheduled visit by China's Vice Premier Liu He to Washington to continue trade talks.

The stripping of binding legal language from the draft struck directly at the highest priority of US Trade Representative Robert Lighthizer – who views changes to Chinese laws as essential to verifying compliance after years of what US officials have called empty reform promises.

Lighthizer has pushed hard for an enforcement regime more like those used for punitive economic sanctions – such as those imposed on North Korea or Iran – than a typical trade deal.

"This undermines the core architecture of the deal," said a Washington-based source with knowledge of the talks.

Spokespeople for the White House, the US Trade Representative and the US Treasury Department did not immediately respond to requests for comment.

Chinese Foreign Ministry spokesman Geng Shuang told a briefing yesterday that working out disagreements over trade was a "process of negotiation" and that China was not "avoiding problems".

Geng referred specific questions on the trade talks to the Commerce Ministry, which did not respond immediately to faxed questions from Reuters.

Lighthizer and US Treasury Secretary Steven Mnuchin were taken aback at the extent of the changes in the draft.

The two cabinet officials on Monday told reporters that Chinese backtracking had prompted Trump's tariff order but did not provide details on the depth and breadth of the revisions.

Liu last week told Lighthizer and Mnuchin that they needed to trust China to fulfil its pledges through administrative and regulatory changes, two of the sources said. Both Mnuchin and Lighthizer considered that unacceptable, given China's history of failing to fulfil reform pledges.

One private-sector source briefed on the talks said the last round of negotiations had gone very poorly because "China got greedy".

"China reneged on a dozen things, if not more... The talks were so bad that the real surprise is that it took Trump until Sunday to blow up," the source said.

"After 20 years of having their way with the US, China still appears to be miscalculating with this administration."

The rapid deterioration of negotiations rattled global stock markets, bonds and commodities this week.

Until Sunday, markets had priced in the expectation that officials from the two countries were close to striking a deal.

Investors and analysts questioned whether Trump's tweet was a negotiating ploy to wring more concessions from China. The sources told Reuters the extent of the setbacks in the revised text were serious and that Trump's response was not merely a negotiating strategy.

Chinese negotiators said they couldn't touch the laws, said one of the government sources, calling the changes "major."

Changing any law in China requires a unique set of processes that can't be navigated quickly, said a Chinese official familiar with the talks.

The official disputed the assertion that China was backtracking on its promises, adding that US demands were becoming more "harsh" and the path to a deal more "narrow" as the negotiations drag on.

Liu is set to arrive in Washington on Thursday for two days of talks that just last week were widely seen as pivotal – a possible last round before a historic trade deal. Now, US officials have little hope that Liu will come bearing any offer that can get talks back on track, said two of the sources.

To avert escalation, some of the sources said, Liu would have to scrap China's proposed text changes and agree to make new laws. China would also have to move further towards the US position on other sticking points, such as demands for curbs on Chinese industrial subsidies and a streamlined approval process for genetically engineered US crops.

The administration said the latest tariff escalation would take effect at 12:01am Friday (0401 GMT), hiking levees on Chinese products such as internet modems and routers, printed circuit boards, vacuum cleaners and furniture.

The Chinese reversal may give China hawks in the Trump administration, including Lighthizer, an opening to take a harder stance.

Mnuchin – who has been more open to a deal with improved market access, and at times clashed with Lighthizer – appeared in sync with Lighthizer in describing the changes to reporters on Monday, while still leaving open the possibility that new tariffs could be averted with a deal.

Trump's tweets left no room for backing down, and Lighthizer made it clear that, despite continuing talks, "come Friday, there will be tariffs in place."

Report casts fresh doubt on India's growth figures

AFP
Mumbai

An Indian government agency report has cast fresh doubts on India's economic growth figures, in a blow to Prime Minister Narendra Modi as he seeks re-election in ongoing polls.

Data compiled by India's National Sample Survey Office (NSSO) found that there were significant gaps in how the growth figures of Asia's third-largest economy are calculated.

Modi regularly trumpets his economic credentials but the opposition Congress party says his government spins statistics to make their record on the economy look better than previous administrations.

The NSSO study found that more than one-third of companies included in a database used to calculate India's economic growth were "closed, out of coverage, or non-traceable".

"India's GDP figures and data have been under scrutiny for sometime now internationally," Ashutosh Datar, a Mumbai-based economist, told AFP.

"These new reports raise more questions about their credibility and accuracy," he added.

The report was released last week but only came to light on Wednesday when it was reported by the Mint business daily.

Modi and Congress leader Rahul Gandhi have clashed over gross domestic product numbers since Modi's Bharatiya Janata Party-led administration last year revised down growth figures for when Congress was in power.

The revision, based on a new way of calculating GDP that Modi's regime introduced four years ago, saw average growth under Congress from 2005-2012 fall below that recorded by the BJP since it took over the government in 2014.

Modi's government has defended the changes, saying they bring India more in line with how GDP is calculated in other major economies.

The new data is the second time this year that statistics released by a government agency have threatened to embarrass the government.

In January, data leaked from the statistics ministry showed India's unemployment rate hitting a 45-year-high of 6.1% in 2017-18.

GDP growth slowed from 7.1% to 6.6% in the third quarter of the 2018-19 financial year, data released in February showed.

Economists say that the Indian economy needs to grow at least seven % per annum to create jobs for the estimated 1mn people entering the labour market each month.

The results of India's election are due on May 23.

China's trade shows economic recovery tested by global woes

Bloomberg
Beijing

An unexpected fall in China's exports and an equally unforeseen rise in imports show that the world's second-largest economy continues a tentative recovery while global demand weakens and trade tensions re-escalate.

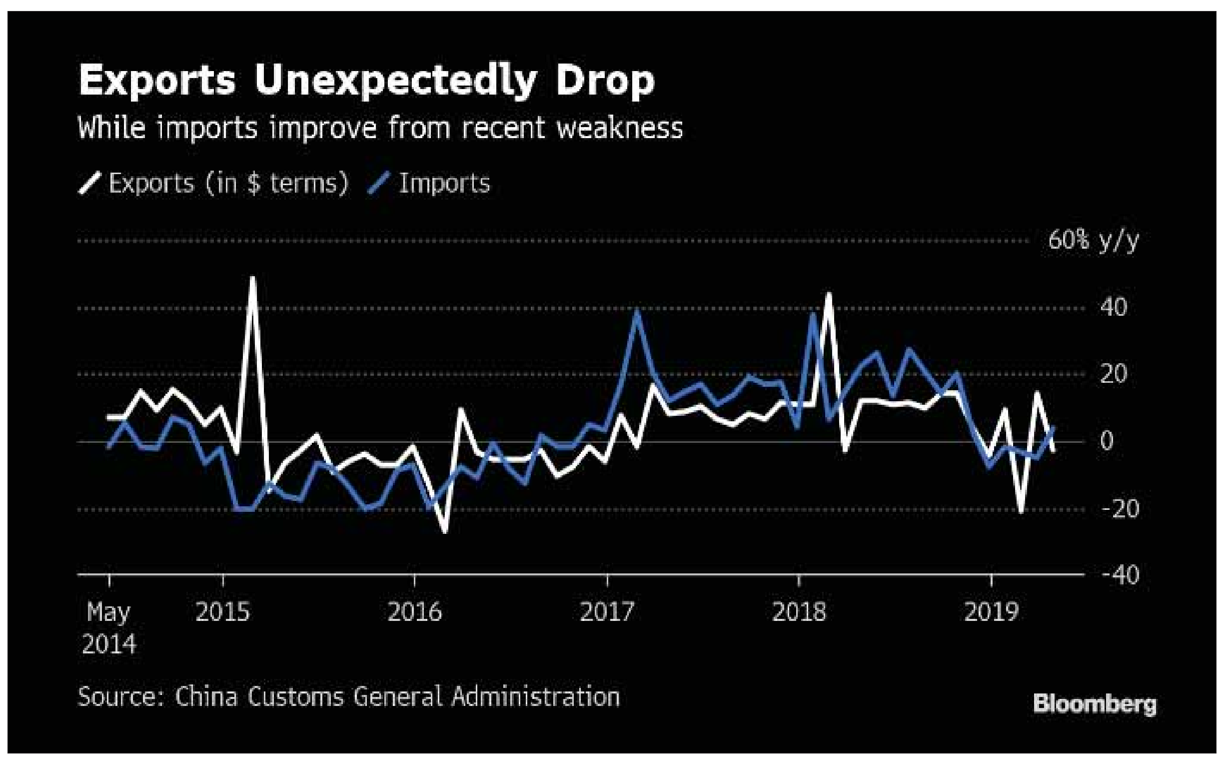
Exports dropped 2.7% in April versus a forecast 3% increase, while imports expanded by 4% compared to a projected slip, the customs administration said yesterday.

Those misses highlight that the global slowdown is weighing down on China's growth, instead of the other way around, at least for now. Months of policy stimulus has fueled a pickup in the Asian economy, although the re-escalating trade threats may throttle those green shoots.

"The lacklustre exports show that the global economy probably hasn't bottomed yet, while the imports signal recovering domestic demand," said Peiqian Liu, Asia strategist at Natwest Markets PLC in Singapore. "The noise and uncertainties in the trade war will continue to weigh on China's trade."

Terminal customers should click on chart for underlying data.

China's shipments to the US, Japan and South Korea slumped from a year earlier last month, and those to the largest European economies also slowed from a surge in March. The trade surplus with the US in the first four months of 2019 expanded 10.5% from the same period in 2018 to about 570bn yuan ($84bn), as trade flows both ways declined. While early data from Japan and the euro area show signs of stabilisation, President Donald Trump's abrupt Sunday announcements that he planned to raise tariffs on $200bn of Chinese imports to 25% from 10% is throwing that outlook back into uncertainty. He also threatened to impose duties "shortly" on all other goods not already tariffed. A Chinese delegation led by Vice Premier Liu He will visit Washington for negotiations today and yesterday.



In an all-out trade-war scenario, annual gross-domestic product may shrink by as much as 0.6% in the US and by 1.5% in China, according to the International Monetary Fund. The tensions between the US and China are "a threat for the global economy," according to IMF managing director Christine Lagarde. JPMorgan Chase & Co chief executive officer Jamie Dimon also noted that global growth would be hit if the talks go "really south," but still put the odds of the US and China reaching a trade deal at 80%.

"The contraction in China's April trade data is worrying even after taking into account the seasonal-driven large upswings in March. It is even more concerning in light of the latest flare-up of trade tensions between China and the US."

The flaring trade tensions will threaten China's outlook, which had been brightened by strong data in March following fiscal stimulus and credit easing since last year. The imported volume of crude oil, copper and coal increased from a year earlier in April.

Still, the import data may have been flattered by rising oil and iron ore prices. A tax cut announced earlier this year may also have prompted importers to delay shipments until after April 1, from when they can pay lower value-added taxes, according to Lu Ting, chief China economist at Nomura Holdings Inc in Hong Kong.

"There is real risk of double dip in growth, and Beijing cannot afford to stop easing yet," Lu wrote in a note. "With the rapid escalation of the trade conflict with the US, we believe Beijing will likely step up easing measures again."

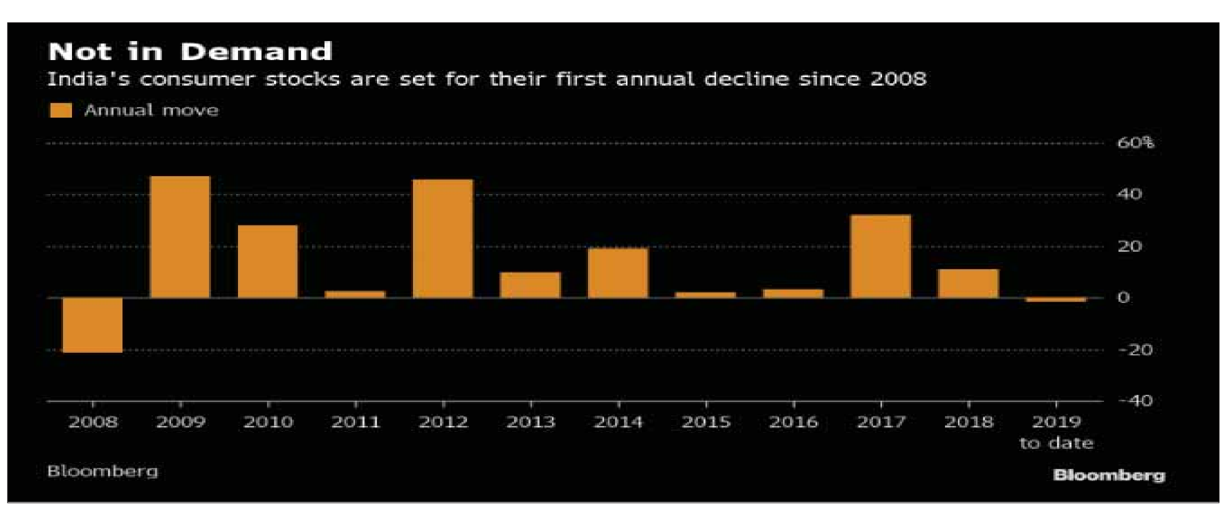
Once darling India consumer stocks turn sour as demand cools

Bloomberg
Mumbai

Producers of household items have been India's best stock market bets for years. But the consumption slowdown in the world's fastest-growing major economy is rubbing the sheen off these shares.

The 74-member S&P BSE Fast-Moving Consumer Goods Index, which has had only one down year since 2006, has bucked the gains in the nation's benchmark measure. And some of the biggest names in the gauge have accumulated double-digit losses five months into the year.

India's consumption engine is sputtering as the cash crunch caused by the crisis in the shadow-banking sector has curbed spending even on staples after hurting demand for cars and homes. Hindustan Unilever Ltd, whose soaps and detergents are used by nine out of 10 Indian households, in an analysts call Friday pinned the deceleration on weak rural demand and said it is unable to say when the buoyancy of the past would return. "When a generally-measured management like Hindustan Unilever's uses the term 'recession' in its comments in the post-result presser, it generally isn't a one-quarter blip," analysts led by Rohit Chordia at Kotak Institutional Equity Research wrote in a note on the weekend.



The company's volume growth slowed to 7% in the March quarter after five straight quarters of double-digit expansion. Growth for Dabur India Ltd during the period was 4.3% compared with about 8% a year ago. Britannia Industries Ltd grew 7%, versus 11%, and Godrej Consumer Products Ltd posted a 1% increase in its domestic branded-business volumes.

The market is repricing the growth outlook. Hindustan Unilever has declined 7.2% in 2019, Godrej Consumer 21.5%, Britannia 15% and Dabur 14.8%. The S&P BSE Fast-Moving Consumer Index trades at a 12-month blended forward price-to-earning of about 32, higher than its five-year mean, signalling potential for further drop in values.

The gauge lost 0.7% to close at the lowest level since March 1.

"The sector isn't a bad place to be in but the high price-earnings ratios are a challenge," Pashupati Advani, president of Advani Group, said by phone. "The explosive growth we saw in the past has disappeared. It is difficult to say when the economy will revive."

The slowdown may not be cyclical, according to a separate report by Kotak Institutional Equities, which cites insufficient income growth as the reason for the weak demand. Lower property purchases by households from fiscal 2013 through 2018 helped sustain consumption, which is cooling off now as incomes fall, according to the note co-authored by Sanjeev Prasad.

As India's on-going general elections enter the last stretch, the task for the new government is cut out – take steps to revive economic growth. Review pricing policies to boost FDI in key infrastructure sectors Raise foreign ownership limits in government bonds to boost inflows

Chinese AI start-up Megvii raises $750mn ahead of planned HK IPO

Reuters
Hong Kong

Chinese artificial intelligence (AI) provider Megvii Inc, commonly known as Face++, said yesterday it raised $750mn in its latest funding round.

The funding raises start-up Megvii's valuation to slightly over $4bn as it prepares for an initial public offering (IPO) in Hong Kong planned for later this year, said two sources with knowledge of the matter.

Bank of China Group Investment (BOCGI) Ltd, the state bank's private equity arm, led the fundraising with $200mn, they said.

BOCGI declined to comment on the fundraising.

Macquarie Group, ICBC Asset Management (Global) Co and a wholly-owned subsidiary of the Abu Dhabi Investment Authority, one of the world's biggest sovereign wealth funds, also joined the new round, Megvii said in a statement.

Existing investor Alibaba Group also participated in this round, said one of the sources. Alibaba declined to comment.

Megvii, also backed by Foxconn Technology, has enlisted Citigroup, Goldman Sachs and JPMorgan to work on its Hong Kong IPO, said the second of the two sources.

Megvii declined to comment further on its fundraising or IPO plans.

All of the banks declined to comment.

Reuters reported in December that Megvii was targeting raising $500mn in a new funding round.

The proceeds will be mainly used to strengthen Megvii's technology capabilities in deep learning, accelerate the commercialisation of its AI-enabled solutions, recruit talent and finance global expansion, according to the statement.

The fundraising comes amid Beijing's plans to build a ubiquitous closed-circuit television (CCTV) surveillance network and become an international leader in AI, a technology that is increasingly becoming key to various sectors.

Chinese and foreign investors are pouring money into the sector given Beijing's emphasis on the technology.

Investments in the AI sector surged to $2.1bn through 88 deals last year, more than four times the total value in the previous two years, data from Refinitiv showed.

Megvii's rival SenseTime Group Ltd has raised more than $600mn from SoftBank and its Vision Fund, valuing it in the most recent round at $7.6bn. Last year, Alibaba invested for the first time in Megvii, which provides the technology for Alipay, Alibaba's online payment unit, to use facial recognition to make transactions, Reuters reported.

Megvii chief executive officer Yin Qi founded the company in 2011 with two friends from China's Tsinghua University, Tang Wenbin and Yang Mu.

Megvii provides facial recognition and other AI technology to businesses including Alibaba, Ant Financial and Huawei Technologies and serves government entities and state-owned firms.

CORPORATE RESULTS

Toyota annual net profit drops by a quarter despite record sales

Profits at Japanese car giant Toyota hit the skids despite record sales, the company admitted yesterday, although it said it expected to accelerate out of trouble in the year ahead.
The maker of the Camry sedan and Prius hybrid said net profit was down 24.5% from its best-ever result the year before, at ¥1.88tn ($17bn) in the year to March 31.
Toyota's bottom line was pushed down by some ¥294bn in book losses on its investment portfolio.
Senior managing officer Masayoshi Shirayanagi blamed "the deterioration of the stock market in the current period" for the investment losses. He added the figures also suffered in comparison with previous year's ¥250bn boost from US tax reform.
However, the firm forecast net profit to rise 19.5% in the coming year to ¥2.25tn.
And sales rose 2.9% to a record ¥30.23tn, leaving an operating profit of ¥2.47tn, which was up 2.8% year-on-year.
Akio Toyoda, the firm's president, noted it was the first time a Japanese company had ever logged annual sales in excess of ¥30tn.
The firm expects operating profit for the current year to March 2020 will increase 3.3% to ¥2.55tn. Sales are forecast to sag 0.7% to ¥30tn.
"Toyota has cruised steadily, compared with its rivals," said analyst Satoru Takada at TIW, a Tokyo-based research and consulting firm.
"The firm largely showed a reasonable performance around the world at a time when the global market is slowing down," he said.
Takada was less bullish on the outlook of the auto industry.
Japanese carmakers have enjoyed a heyday in recent years with the North American market steadily recovering from the financial crisis of the late 2000s and China growing into a mammoth market, he noted.
"But the outlook for the two biggest markets is now murky, while material costs are rising," said the analyst.
"Also, they can't expect the one-time impact of US tax cuts, which temporarily boosted their profit before. Tough factors outnumbered positive ones," he told AFP.

Honda

Honda announced yesterday that its net profit plunged 42.4% to ¥610bn, citing losses related to reorganisation of the global automobile production in Europe. Sales rose 3.4% to ¥15.9tn.
The company forecasts net profit for the year ending March 2020 will grow 9% to ¥665bn.
The business environment for auto companies has also been clouded by the US-China trade war and continued uncertainty from Brexit.
President Toyoda noted: "If you look at the world, the protectionist way of thinking is spreading. Just as natural resource-poor Japan cannot live alone, we, companies, cannot live alone."

Petrobras

Oil and gas production at petroleo Brasileiro SA on Tuesday night posted a 42% drop in first quarter net profit, missing Refinitiv estimates.
Analysts at BTG Pactual led by Thiago Duarte called the results "uninspiring," noting in particular a 38% increase in net debt due to the adoption of new accounting standards.
But investors seemed unfazed, and were pleased by increasing production. Brazil-listed preferred shares in Petrobras were up 4.1%t in mid-day trade. Brazil's benchmark Bovespa index was up 1.9%.
Thomson Reuters Corp yesterday reported stronger-than-expected quarterly profit, boosted by demand for information it sells to legal professionals, and reaffirmed its forecast for the rest of this year and 2020.
Its Canadian-listed stock rose 1.9% to C$83.76 after earlier hitting an all-time high of $C84.45.
The shares are up more than 60% over the past 12 months.is on the rise, executives said yesterday, telling analysts that the firm was on course to hit its annual production target despite lagging output in the first three months of the year.
In a call with analysts following the release of first-quarter results, Exploration and Production Director Carlos Alberto de Oliveira reaffirmed the firm's production goal of 2.8mn of oil equivalent per day (boepd) for 2019, adding that the company has been exceeding that figure in May. In the first quarter, the firm reported oil production of 2.538mn boepd, as output was hit by a number of stoppages.
Executives at Petrobras, as the firm is known, also pledged to keep forging ahead with an ambitious divestment programme.
Chief executive officer Roberto Castello Branco said the company would look to sell its remaining 10% stakes in TAG and NTS, two natural gas pipeline units recently sold to investors, as soon as possible.
The firm will also publish a teaser in June with first details for investors on the sale of eight refineries in a process it has said could fetch some $15bn, said Anelise Lara, the head of downstream operations.
Castello Branco said fuel distribution unit Petrobras Distribuidora SA, which is being privatised, would not be a potential purchaser of the refineries, contradicting comments on Tuesday by that unit's CEO.

Wirecard

German payments firm Wirecard is considering buying back shares following its partnership with Japan's SoftBank Group which it said yesterday had already created leads for potential cooperation in digital payments.
Wirecard will pay out to shareholders "a substantial portion" of the proceeds of a €900mn ($1bn) convertible bond issue that SoftBank will buy as part of the alliance struck last month, CEO Markus Braun said. "We have already started very quickly to make this partnership happen," Braun told analysts on a conference call after Wirecard reported a 41% increase in first-quarter core profits, helping to lift its shares price.
Braun made the bullish statements as he seeks to shake off allegations of fraud and false accounting made in a series of Financial Times articles that shook investors and wiped up to $10bn off Wirecard's market value in January and February.
The quarterly results come two weeks after Wirecard published full-year 2018 accounts, delayed by an investigation by its own law firm that concluded staff in Singapore may have committed crimes but absolved head office in Munich.
Wirecard won a 'clean' opinion from auditor EY for its annual results, but said it would tighten up on compliance after finding shortcomings in the handling of software licences issued to its partners.
Braun said Wirecard was in talks with six to eight companies in SoftBank's portfolio – in Asia, europe and the United States – to co-operate on digital payments.
He declined to elaborate but said Wirecard would share an analysis of the alliance's potential in invites for its June 18 annual general meeting that go out this Friday. Shareholders are being asked to vote on the SoftBank deal.

UBI Banca

Italy's fifth biggest lender UBI Banca posted better than expected revenues in the first quarter of the year after it increased the rates it charges for customer loans, sending its shares 5% higher.
Net interest income – a measure of how much money a bank makes from its core retail business – rose 1.8% from a year earlier, ahead of expectations, while net fees and commissions fell slightly.
On Tuesday, Italy's largest retail bank Intesa Sanpaolo was the first major Italian lender to publish first quarter results, reporting a 9% drop in total revenues and sparking concerns of weak quarterly earnings across the whole industry.
UBI's revenues for the period were roughly steady at 920.6 million euros, better than an analyst consensus forecast distributed by the bank of 895 million euros.
Net profit fell 30 percent from a year ago to 82.2 million euros, compared with a consensus estimate of €62mn, weighed down by charges of €42.6mn related to nearly 300 layoffs announced in March.
The bank's common equity tier 1 ratio, a key measure of financial strength, stood at 11.47% at the end of March compared with 11.34% at the end of 2018.

Nokian Tyres

Finland's Nokian Tyres reported weaker than expected first quarter earnings due to unfavourable exchange rates and mounting competition in the passenger car market, sending its shares lower.
Nokian Tyres first-quarter operating profit fell 12% from a year ago to €53.9mn ($60.4mn). Analysts in a Reuters poll had expected a profit of €59.9mn, with estimates ranging from €50mn to €64mn.
Shares in Nokian turned lower after the report and were down 2.1% by 1132 GMT.
"Operating profit decreased due to the highly competitive tire market in Central Europe, as well as currencies," chief executive Hille Korhonen said in a statement.
Nokian, which has a large plant in Russia and a smaller one in Finland, said changes in currency exchange rates cost it €5mn in the quarter.
Sales at its passenger car tyres unit fell 1% in the quarter and operating profit fell 15% from a year ago.
"Average Sales Price with comparable currencies decreased slightly due to product and country mix. Summer tire inventories are at a high level in Central europe and in Russia," the Finnish company said.

Commerzbank

Germany's Commerzbank posted a 54% drop in net profit in the first quarter, blaming a higher tax burden for the decline.
Net profit of €120mn ($134.4mn) was slightly above the €115mn expected by analysts in a Reuters poll. It fell from €262mn a year earlier.
Commerzbank shares slipped 1.3% to €7.64 by 1040 GMT.
Revenues also declined to €2.156bn in the first quarter, from €2.217bn a year earlier. But the bank forecast that underlying revenues would be higher in 2019 than in 2018.
Commerzbank yesterday played down the prospects of an immediate takeover approach by a foreign bank following failed merger talks with Deutsche Bank.
Commerzbank's finance chief Stephan Engels, speaking to journalists after a sharp fall in first-quarter profit, said he didn't hear anyone knocking at the door, as he put it.
Both Italy's UniCredit and Dutch ING Groep have expressed interest in Commerzbank, which is Germany's second largest lender and 15% owned by the government, sources have said. Unicredit and ING have declined to comment.
A strategy of continuing as a standalone bank remains an alternative, Engels said. "It was before and it is now. I can't say if it always will be."
Talks with larger rival Deutsche bank ended last month after six weeks of negotiations. The banks attributed the failure to the risks of doing a deal, restructuring costs and capital demands.
German government officials, led by Finance Minister Olaf Scholz, had pushed for a tie-up to create a national banking champion and end questions over the future of both banks, which have struggled to recover since the financial crisis.
Chief executive Martin Zielke told staff during the merger talks with Deutsche that Commerzbank does not have the market share for costly investments, fuelling speculation of an alternative tie-up if talks fell through.

Vestas

Shares in Vestas' fell 3% yesterday as first-quarter profit fell well below forecasts and the wind turbine maker surprisingly announced the departure of its chief executive, known for an earlier turnaround of the company.
Operating profit before special items dropped 66% to €43mn, less than half of analysts' average forecast, due to a fall in prices for wind turbines ordered in 2017, tariffs and higher raw material prices.
The wind industry has seen a steep decline in prices and increased competition as governments move away from guaranteeing generous fixed, subsidised tariffs for power towards a competitive auction-based system that favours the lowest bidders.
"We have a big chunk of orders that we took in 2017 where the prices were really low," chief financial officer Marika Fredriksson told Reuters, adding that most of the low-margin orders had been executed in the first quarter of 2019.
In addition tariffs stemming from US-China trade tensions and higher raw material prices had increased costs.
On a positive note, prices remained stable and Vestas reiterated that 2019 will be "extraordinarily busy" with activity levels speeding up in the second half of the year.
This echoed comments made by its main rival Siemens Gamesa which on Tuesday said it expects its project pipeline for new wind farms in the second half of the year to bolster faltering profitability.
Vestas shares fell around 3 percent with analysts citing disappointing earnings and the departure of chief executive Anders Runevad, announced after market close on Tuesday.

Sampo

Financial group Sampo posted a 7% rise in first-quarter profit yesterday, boosted by its Danish insurer and a rebound in equity markets, although its main pan-Nordic insurance business missed forecasts.
Sampo's first quarter pre-tax profit of €475mn ($533mn) comfortably topped analyst expectations in a Reuters poll ranging from €362mn to €469mn.
Sampo's share of pre-tax profit from Topdanmark, the Danish insurer in which it owns a 46.7% stake, grew 53% from a year ago to €92mn, beating all analyst forecasts in the poll.
However, Sampo's main insurance business, If, missed forecasts with a 3 percent rise in pre-tax profit to €198mn.
Sampo's 21.2% stake in Nordea netted it €83mn, roughly half the amount of a year ago, after the Nordic region's biggest lender booked a €95mn provision for a possible fine for alleged money-laundering.
Shares in Sampo opened 1% lower.

DNO

Norwegian oil and gas firm DNO reported a lower than expected operating result in the first quarter, in the first earnings it presented after acquiring British rival Faroe petroleum earlier this year to diversify its operations.
Earnings before interest and taxes (EBIT) rose to $37.9mn in the quarter from $25mn from the same period a year ago, lagging a forecast of $73.2mn in a Reuters poll of analysts.
The Oslo-listed DNO's shares opened 3.8% lower after disappointing results.
"At first glance, the key reasons (for the earnings miss) were lower than expected production and lag effects of the weak fourth-quarter oil price, impacting Kurdistan revenue," Teodor Sveen-Nilsen at Sparebank 1 markets said in a note.
The Middle East-focused DNO acquired Faroe petroleum in January after raising its cash offer to 160 pence per share to win over reluctant shareholders in a hostile takeover.
"With our recent acquisition, DNO has transformed into a more balanced company,… now with a strong, second leg in the North Sea," DNO's executive chairman Bijan Mossavar-Rahmani said in a statement.
DNO's Company Working Interest (CWI) production rose by 36% from a year ago to 107,600 barrels of oil equivalent per day (boepd) in the first quarter, of which 89,000 boepd were produced in the Kurdistan region of Iraq and 18,200 boepd in the North Sea.
The company also said it planned to increase its total capital and exploration expenditure to $440mn in 2019 from $200 million last year, split between $240mn in Kurdistan and $190mn in the North Sea.
Following Faroe's acquisition, DNO's proven and probable reserves rose to 465mn barrels of oil equivalent, of which around 20% are in the North Sea.
In 2019, North Sea assets, including the recently started Oda field, are expected to contribute around 20% of DNO's production and 30% of its revenues, the company said.

Steinhoff

South African retailer Steinhoff on Tuesday reported a $4bn operating loss in the 2017 fiscal year, in a much-delayed earnings report revealing the impact of a $7.4bn accounting fraud.
Steinhoff, which is also listed in Frankfurt, delayed the results after finding holes in its accounts, shocking investors who had backed its reinvention from small South African furniture outfit into a discount furniture retailer straddling four continents.
The owner of Mattress Firm Inc in the United States, the Fantastic chains in Australia and Conforama in France said operating loss came in at €3.7bn ($4.14bn) in the year ended September 2017 compared with profit of €278mn in the restated 2016 figures.
The company blamed writedowns for the loss as it cleans up its balance sheet. The total writedowns have already topped €13bn since revealing the fraud that left it on the brink of collapse and wiped out more than 200bn rand ($13.87bn) of shareholder equity.
"The consequential impact of reversing the accounting irregularities is the fact that the restatements highlight that several of the group's operating entities are unprofitable," Steinhoff said in a 359-page annual report posted on its website shortly before midnight.
An investigation by auditor PwC released in March found that eight people, including former Steinhoff executives, were involved in a complex scheme where potential intercompany transactions worth €6.5bn were fraudulently recorded as external income to prop up profits and hide costs in money-losing subsidiaries.
The retailer has delayed releasing results several times as it waited for the findings of the PwC investigation and audit process of its external auditor Deloitte.

Siemens

Siemens cheered investors yesterday by saying it would spin off its faltering €30bn ($34bn) gas-turbines business and posting better-than-expected quarterly earnings.
The German engineering company said it would hand over to existing investors shares in the Gas and Power unit that has suffered from collapsing demand and cut-throat price competition as customers abandon fossil fuels and switch to renewable energy.
That announcement and a 7% rise in industrial profit for January to March helped Siemens shares rise nearly 4% in early trading.
The separation is the latest overhaul by Siemens chief executive Joe Kaeser who floated Siemens's Healthineers business last year and its wind power business in 2017.
Siemens has been divesting its businesses one by one, avoiding the attention of activist investors who have sought the break up of other conglomerates, particularly in German-speaking nations where employees and customers traditionally receive equal consideration to shareholders.
"The spin-off of the Gas and Power division announced for 2020 and the savings and return targets announced in the run-up to today's capital markets day are the measures we have long been asking for to make Siemens more competitive," Union Investment fund manager Christoph Niesel said. Kaeser, who has led Siemens since 2013, has also spun off its healthcare business, merged its wind-power operations with Spain's Gamesa and sold the group's remaining home-appliance business to joint-venture partner Bosch. "It is about further developing a company which is changing fundamentally," Kaeser said. "Our maximum priority is to stabilise a company which is sound and strong in its core.
The company also reported yesterday that its industrial profit rose 7% to €2.4bn in the three months that ended on March 31, beating estimates of €2.24bn in an Infront data poll.
Revenue rose 4% to €20.9bn, matching estimates, while orders rose 6% to €23.6bn.

Antitrust regulator blocks Vodafone unit merger with TPG

Reuters
Sydney

A deliveryman pushing boxes passes by a Vodafone shop in downtown Sydney. Australia's anti-trust regulator blocked a A$15bn ($11bn) merger between TPG Telecom and Vodafone's Australian joint venture on competition grounds yesterday, knocking shares in the firms involved.

Australia's anti-trust regulator blocked a A$15bn ($11bn) merger between TPG Telecom and Vodafone's Australian joint venture on competition grounds yesterday, knocking shares in the firms involved.

The Australian Competition and Consumer Commission's (ACCC) rejection of a deal between Australia's third and fourth-largest telcos – accidentally uploaded earlier than expected – unravelled the prospect of combining TPG's fibre and Vodafone's mobile networks.

Vodafone mainly runs a mobile phone business in a joint venture with Hutchison Telecommunications (Australia) Ltd, but has struggled with reliability, while TPG largely has an Internet business with a low-cost reputation.

The firms said they would contest the decision, but it heaps pressure on the growth plans of both, weighing especially on TPG to resume investment in a mobile network it quit in January.

A deal would stop both from competing in each other's markets, the ACCC had said in December, concluding yesterday it would reduce rivalry in the sector as a whole.

It is the largest deal the regulator has blocked for years and could now grind through the courts, much like the ultimately successful tie-up between gambling houses Tabcorp Holdings and Tatts Group in 2017.

The market reaction was a chaotic sell-down in the minutes after the decision's unexpected release, since both firms need the tie-up to grow, Mathan Somasundaram, Market Portfolio Strategist at stockbroker Blue Ocean Equities in Sydney, said.

"Both of them are really out of plan B," he said. "Vodafone needs a dancing partner and TPG needs scale."

TPG shares dropped as much as 15% and closed at a five-month low, more or less where they were before the deal was agreed, while thinly traded Hutchison stock dropped 28% to its lowest since February.

The firms said they remain committed to the deal and not everyone feels it is doomed.

"There are a number of unknowns and many variable valuation outcomes," Nick Harris, an analyst at Brisbane stockbroker Morgans, wrote in a note to clients after ACCC's decision.

Morgans retains a hold rating on TPG.

TPG abandoned building its mobile telephone network in which relied on Huawei equipment after the Chinese telco was banned by Australia on security grounds last year.

The regulator believes TPG may revisit the plan to build the network and that rivalry in the industry depends on it.

"TPG is the best prospect Australia has for a new mobile network operator to enter the market, and this is likely the last chance we have for stronger competition in the supply of mobile services," ACCC chairman Rod Sims said in a statement.

"TPG has the capability and commercial incentive to resolve the technical and commercial challenges it is facing."

TPG did not mention the network in a statement, which said the merger would improve competition.

Vodafone Hutchison Australia said it remains committed to the deal.

The firms agreed to extend the deadline for implementing the merger until August 31, 2020.

"It is extremely difficult for us to understand this decision," Vodafone Hutchison Australia chief executive officer Inaki Berroeta said on a conference call with journalists.

"It looks like the ACCC has created an ideal market structure... and they are trying to compare that with reality, which I believe is a fallacy," he said. "This is something that we will definitely contest."

The regulator's decision caught traders, analysts and the companies unawares since it was not due to announce its final verdict until today, after twice delaying the decision date.

"This information was inadvertently published online on our mergers register briefly this afternoon," the ACCC said.

The news sent both firms into a tailspin and shares sliding until the market closed 25 minutes later and the regulator published a fuller note explaining its reasons.

Sims told the Australian Broadcasting Corp it was extremely unfortunate, was caused by a systems error and would be investigated.

Pakistan budget deficit to hit Rs2.8tn this fiscal year

Internews
Islamabad

Pakistan's fiscal imbalance has further worsened and the budget deficit is all set to exceed by touching absolute historic peak figures of Rs2.8tn till end June 2019.

The escalation in budget deficit can be attributed to Rs450bn revenue shortfall being faced by the FBR that is 1.3% of GDP, increasing requirement of debt servicing in the wake of increased discount rates and surge in defence spending owing to tension with India.

The IMF has asked Pakistan to take additional tax measures of Rs730bn or 1.7% of GDP in the upcoming budget to make massive fiscal adjustments for moving towards surplus primary balance.

The delayed decision taken by the government for approaching the IMF has limited option for it.

Now the government is making last ditch effort to convince the IMF team to fix the target in the range of Rs5,250bn against the IMF estimates of FBR's potential to generate Rs5,590bn.

The FBR has projected that its revenue collection could touch Rs4,050bn or 10.7% of GDP during the outgoing fiscal year.

However, independent economists argue that the FBR's collection could not cross Rs3,950bn in case no amnesty is introduced.

The budget deficit is expected to embark upon historic peak in terms of absolute figures during the first year rule of PTI government by touching a whopping figure of Rs2.8tn or 7.6% of Gross Domestic Product (GDP).

"The budget deficit is projected to exceed by Rs600bn more and going to touch Rs2.8tn till end June 2019 during the outgoing fiscal year of PTI regime against Rs2.2tn in the last financial year 2017-18 under the PML (N) led regime," said top official sources.

When contacted, former finance minister and renowned economist Dr Hafeez A Pasha said budget deficit would touch 7.5% or 7.6% of GDP during the outgoing fiscal year ending on June 30, 2019.

The FBR's revenue shortfall will be standing at Rs450bn or 1.3% of GDP in the outgoing fiscal year and expenditures hike would also cause increase in the budget deficit to 7.5% of GDP against 6.6% of GDP in the last financial year.

The fiscal adjustments, he suggested, should be executed in a gradual manner, as there's no rationale to ask Pakistan for generating additional taxes of Rs700bn to Rs800bn in one year. "I have never seen such massive increase in single year," he added.

Dr Pasha said fiscal measures should have been staggered into two fiscal years in order to fetch additional revenues to the tune of Rs700bn to Rs800bn.

He warned that heavy taxation in the coming budget could further choke the economy which was already running dismally low during the outgoing financial year

Asad Umar set to become chairman of Standing Committee on Finance

Internews
Islamabad

Pakistan Prime Minister Imran Khan has approved Asad Umar as the chairman for the National Assembly's Standing Committee on Finance, Revenue and Economic Affairs, sources said yesterday.

According to sources, Imran Khan has informed Asad Umar of his decision and issued directives to National Assembly Chief Whip Amir Dogar.

At present, PTI MNA (member of National Assembly) Faiz Ullah is the chairman of the standing committee. According to rules, Asad Umar will first be made a member of the committee and then appointed chairman.

During a meeting of the Pakistan Tehreek-e-Insaf's parliamentary party, Prime Minister Imran Khan said removing Asad Umar as finance minister was a difficult decision, however, he still considered him his right hand.

On Tuesday, Asad Umar held a one-on-one meeting with Imran Khan.

The meeting was part of efforts to convince the former finance minister to re-join the cabinet.

A manager who saw India credit crisis now warns of realty stress

Bloomberg
Mumbai

The next flash point in India's credit markets could be real-estate debt.

That's the view of ICICI Prudential Life Insurance Co, a major corporate bond buyer and one of India's top life insurers. The firm avoided investing in debt of stressed companies before credit market strains spread last year.

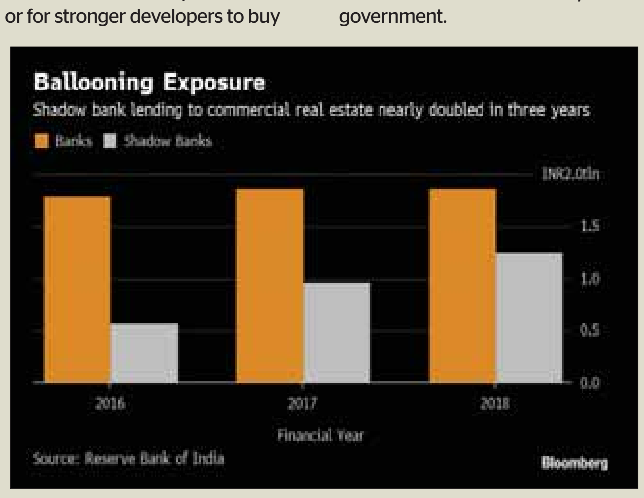
That crisis was triggered by shock defaults by major infrastructure financier IL&FS Group, and its fallout pushed up financing costs for a range of borrowers including wealthy property tycoons struggling to roll over debt. The country hardly needs more stresses now just as credit markets regain some normalcy after policy makers took steps to inject more liquidity into the financial system.

"While most of the credit market is healthy, one needs to be cautious on NBFCs having large exposure to the real-estate sector," said chief investment officer Manish Kumar, who oversees Rs1.1tn ($15.8bn) at ICICI Prudential Life. Pressure may rise at non-bank firms, raising the need for lenders to liquidate assets or for stronger developers to buy up projects, he said. Indian shadow banks lent heavily to the property industry in recent years, helping to fuel a construction boom. They now face rising risks that weaker developers may struggle to repay those borrowings, as housing sales have failed to keep pace with debt expansion. Teetering economic activity also isn't helping.

Earlier this year, troubles for mortgage lender Dewan Housing Finance Corp were among factors that pushed up financing costs.

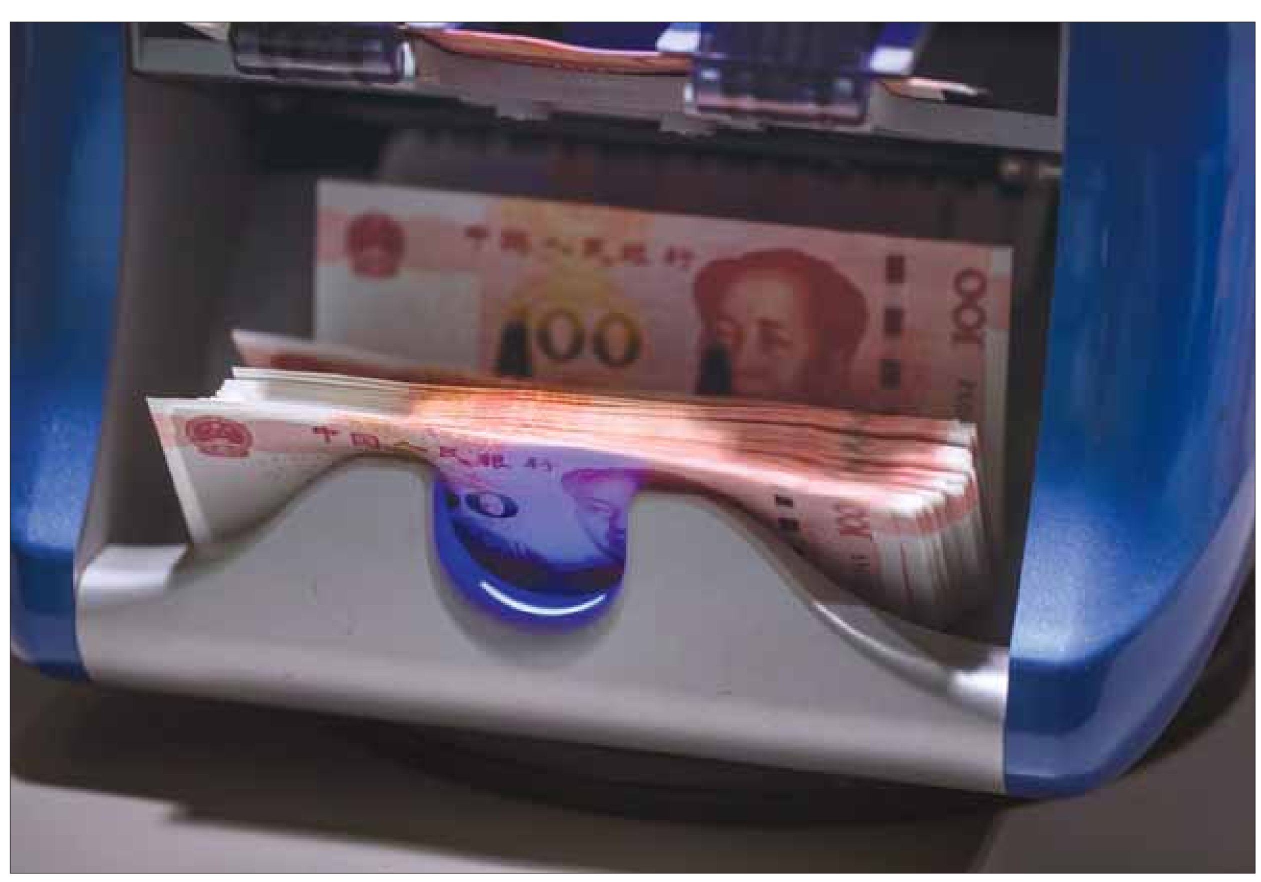
An analysis of about 11,000 home builders by research firm Liases Foras in February showed that developers on average have to repay twice as much in debt each year as the income they generate that can be used to service it. Property prices in India's biggest cities have been flagging – home values in Mumbai sank 11% last year.

That all means property debt investors need to be extra cautious, but there are still pockets of opportunity, according to ICICI Prudential. The firm has raised corporate bond holdings to 33% from 31% since the IL&FS crisis, mainly by increasing investments in notes issued by top-rated housing finance firms and bonds that will be serviced by the government.



China bank lending seen moderating

Reuters
Beijing



Chinese one-hundred yuan banknotes run through a counting machine at a bank in Beijing. Chinese banks are expected to have extended 1.2tn yuan ($177.24bn) in net new yuan loans in April, falling from 1.69tn yuan in March but still ahead of 1.18tn yuan in the same month last year, a median estimate in a Reuters survey of 32 economists showed.

New bank loans in China likely pulled back in April from strong levels the previous month, but may still outpace the historical trend as the central bank keeps up efforts to support cash-strapped smaller companies, a Reuters poll showed.

Chinese banks are expected to have extended 1.2tn yuan ($177.24bn) in net new yuan loans in April, falling from 1.69tn yuan in March but still ahead of 1.18tn yuan in the same month last year, a median estimate in a Reuters survey of 32 economists showed.

While April lending levels have tended to moderate from March in past years, investors are closely watching trends for any signs that policymakers are turning more cautious about additional stimulus measures.

Bank lending jumped 20% in the first quarter to a new record – and there are some signs the economy is slowly responding – but there are also concerns that a prolonged, heavy credit burst could fuel a further rise in bad loans as banks loosen lending standards.

Still, while stronger measures may be on hold, analysts believe the central bank will maintain an easing policy stance to support domestic demand, especially after an unexpected escalation in trade tensions with the United States this week.

The People's Bank of China said on Monday it will cut reserve requirement ratios for some small and medium-sized banks, in the latest in a series of moves specially tailored to help small firms struggling amid the economic slowdown.

"We think this will push up bank lending growth in the coming months. In particular, the targeted nature of the RRR cut should help to reverse the recent slowdown in lending to SMEs," analysts at Capital Economics said in a note.

Outstanding yuan loan growth on a year-on-year basis likely dipped fractionally to 13.6%, from 13.7% in March, the poll showed. Broad M2 money supply was seen rising 8.5% on-year, a notch down from March.

TSF, a broad measure of credit and liquidity in the economy, was estimated to have dropped to 1.7tn yuan in April from 2.86tn yuan in the previous month, as local government special bond issuance slowed after a rush in the first quarter.

TSF includes off-balance sheet forms of financing that exist outside the conventional bank lending system, such as initial public offerings, loans from trust companies and bond sales.

Some analysts have warned Chinese banks' asset quality could come under pressure as they heed Beijing's request to ramp up small business loans.

Smaller, private firms are considered higher credit risks than state-backed firms and more vulnerable to cyclical downturns. The "front-loading" of loans at the beginning of the year, with some banks hitting 40% of their annual targets, squeezed interest margins at some lenders.

Net interest margin (NIM), a key gauge of profitability, narrowed in the first quarter at some big state-owned banks including Bank of China Ltd (BoC) and China Construction Bank Ltd (CCB).

Chinese leaders have pledged to ensure economic stability in a year that will mark the 70th anniversary of the founding of the People's Republic, while vowing not to adopt "flood-like" stimulus that could worsen debt and structural risks.

Analysts believe PBoC has less room to ease policy this year after it cut RRRs and interest rates aggressively in past economic downturns.

Beijing has been leaning more on fiscal stimulus this time, counting on higher infrastructure spending and tax cuts to stoke growth.

QATAR

Company Name	Lt Price	% Chg	Volume
Zad Holding Co	120.06	-2.31	1,460
Widam Food Co	59.89	-0.18	65,318
Vodafone Qatar	7.62	-1.04	519,892
United Development Co	13.44	-0.44	563,573
Salam International Investme	4.70	-2.29	86,078
Qatar & Oman Investment Co	5.51	-6.29	6,304
Qatar Navigation	67.00	0.56	10,083
Qatar National Cement Co	67.49	2.26	2,000
Qatar National Bank	187.00	-0.50	257,736
Qatar Islamic Insurance	53.90	1.70	3,020
Qatar Industrial Manufactur	38.50	-1.28	17,182
Qatar International Islamic	67.40	-1.76	90,285
Qatari Investors Group	23.23	-0.73	20,067
Qatar Islamic Bank	160.67	-2.09	78,734
Qatar Gas Transport(Nakilat)	21.95	-0.99	340,292
Qatar General Insurance & Re	40.00	1.27	545
Qatar German Co For Medical	6.13	0.33	2,143
Qatar Fuel Qsc	207.00	-1.43	43,218
Qatar First Bank	4.75	-1.04	617,601
Qatar Electricity & Water Co	161.60	-0.86	41,783
Qatar Exchange Index Etf	100.00	-1.48	5,690
Qatar Cinema & Film Distrib	19.00	-2.71	654
Al Rayan Qatar Etf	25.00	0.00	-
Qatar Insurance Co	37.29	0.78	85,223
Qatar Aluminum Manufacturing	9.95	-0.90	1,234,142
Ooredoo Qpsc	64.01	-0.31	46,223
National Leasing	8.34	-0.12	135,616
Mazaya Qatar Real Estate Dev	8.08	-2.65	150,877
Mesaieed Petrochemical Holdi	20.20	-0.10	532,362
Al Meera Consumer Goods Co	142.00	-1.97	7,912
Medicare Group	60.61	-0.07	963
Mannai Corporation Qsc	42.50	0.00	2,000
Masraf Al Rayan	35.62	-0.78	354,212
Al Khalij Commercial Bank	11.75	-1.09	365,972
Industries Qatar	114.12	-2.88	238,711
Islamic Holding Group	21.24	-1.76	33,818
Investment Holding Group	5.81	-1.53	540,086
Gulf Warehousing Company	47.00	-2.08	17,871
Gulf International Services	18.38	-1.45	311,961
Ezdan Holding Group	9.99	-0.20	932,755
Doha Insurance Co	12.00	0.00	-
Doha Bank Qpsc	22.11	-1.12	345,370
Dlala Holding	9.90	-2.65	124,876
Commercial Bank Pqsc	48.00	-2.16	86,198
Barwa Real Estate Co	34.12	-1.70	167,187
Al Khaleej Takaful Group	15.29	-1.99	39,047
Al Ahli Bank	8.78	-0.68	291,660

KUWAIT

Company Name	Lt Price	% Chg	Volume
Sultan Center Food Products	55.80	-1.93	215,120
Kuwait Foundry Co Sak	250.00	0.00	100,000
Kuwait Financial Centre Sak	89.50	-0.56	7,000
Ajial Real Estate Entmt	140.00	-2.10	60,001
Kuwait Finance & Investment	40.00	1.27	222
National Industries Co Ksc	190.00	5.56	40,000
Kuwait Real Estate Holding C	30.90	6.55	12,788
Securities House/The	50.40	-2.89	662,085
Boubyan Petrochemicals Co	985.00	3.14	336,621
Al Ahli Bank Of Kuwait	330.00	0.00	-
Ahli United Bank (Almutahed)	318.00	0.95	871,408
National Bank Of Kuwait	981.00	-0.30	3,990,377
Commercial Bank Of Kuwait	530.00	-0.93	30,793
Kuwait International Bank	285.00	1.42	10,980,948
Gulf Bank	318.00	0.95	6,370,714
Al-Massaleh Real Estate Co	37.00	-9.09	40,000
Al Arabiya Real Estate Co	32.30	2.54	24,967
Kuwait Remal Real Estate Co	35.00	6.71	230,158
Alkout Industrial Projects C	840.00	0.00	-
A'ayan Real Estate Co Sak	65.70	1.08	146,501
Investors Holding Group Co.K	10.60	0.95	6,041,280
Al-Mazaya Holding Co	60.50	-1.14	2,925,868

KUWAIT

Company Name	Lt Price	% Chg	Volume
Al-Madar Finance & Invt Co	157.00	-1.26	734,250
Gulf Petroleum Investment	25.30	-4.17	2,779,426
Mabanee Co Sakc	689.00	1.32	2,530,544
Inovest Co Bsc	75.00	3.45	15,400
Al-Deera Holding Co	14.30	-6.54	61,035
Mena Real Estate Co	38.60	0.00	115,340
Amar Finance & Leasing Co	30.80	0.00	-
United Projects For Aviation	380.00	-16.48	7,152
National Consumer Holding Co	30.00	0.00	-
Amwal International Investme	46.00	-18.44	200
Equipment Holding Co K.S.C.C	26.80	0.00	-
Arkan Al Kuwait Real Estate	80.00	0.00	-
Gfh Financial Group Bsc	73.50	-0.54	1,523,734
Energy House Holding Co Kscp	36.20	1.97	60
Kuwait Co For Process Plant	237.00	0.00	-
Al Maidan Dental Clinic Co K	1,260.00	0.00	-
National Shooting Company	14.40	0.00	-
Al-Ahleia Insurance Co Sakp	450.00	8.96	1,100
Wethaq Takaful Insurance Co	31.00	0.00	-
Salbookh Trading Co Kscp	48.50	-1.02	54,000
Aqar Real Estate Investments	60.00	0.00	-
Hayat Communications	44.00	0.00	-
Soor Fuel Marketing Co Ksc	119.00	-0.83	43,538
Tamkeen Holding Co	11.80	0.00	-
Alargan International Real	133.00	0.00	-
Burgan Co For Well Drilling	90.00	0.00	-
Kuwait Resorts Co Kscc	56.60	1.25	28,310
Oula Fuel Marketing Co	118.00	-1.67	46,779
Palms Agro Production Co	40.00	0.00	-
Mubarrad Holding Co Ksc	62.00	2.31	127,295
Shuaiba Industrial Co	150.00	0.00	-
Aan Digital Services Co	12.90	-3.01	546,800
First Takaful Insurance Co	44.90	0.00	-
Kuwaiti Syrian Holding Co	54.40	0.00	-
National Cleaning Company	62.10	-4.46	20,000
United Real Estate Company	61.00	0.16	3,900
Agility	793.00	1.80	1,534,141
Kuwait & Middle East Fin Inv	40.60	-14.53	295,582
Fujairah Cement Industries	55.00	0.00	-
Livestock Transport & Tradng	181.00	-9.50	48
International Resorts Co	20.30	0.00	-
National Industries Grp Hold	238.00	3.48	15,096,948
Warba Insurance Co	73.10	0.00	-
First Dubai Real Estate Deve	32.60	-2.10	325,000
Al Arabi Group Holding Co	89.10	0.00	-
Kuwait Hotels Sak	100.00	0.00	-
Mobile Telecommunications Co	504.00	2.23	6,657,184
Effect Real Estate Co	20.50	0.00	-
Tamdeen Real Estate Co Ksc	360.00	-0.83	10,000
Al Mudon Intl Real Estate Co	20.40	0.00	-
Kuwait Cement Co Ksc	300.00	3.45	1,020
Sharjah Cement & Indus Devel	72.00	0.00	-
Kuwait Portland Cement Co	1,300.00	4.84	15,693
Educational Holding Group	316.00	0.00	37,000
Bahrain Kuwait Insurance	200.00	0.00	-
Asiya Capital Investments Co	35.90	-0.83	207,938
Kuwait Investment Co	129.00	0.78	218,764
Burgan Bank	330.00	0.00	3,280,762
Kuwait Projects Co Holdings	224.00	1.82	857,529
Al Madina For Finance And In	20.40	0.99	247,521
Kuwait Insurance Co	330.00	0.00	-
Al Masaken Intl Real Estate	70.00	0.00	-
Intl Financial Advisors	23.50	2.17	380,151
First Investment Co Kscc	38.40	1.05	1,140,356
Al Mal Investment Company	17.20	-2.27	102,502
Bayan Investment Co Kscc	41.80	0.00	10,000
Egypt Kuwait Holding Co Sae	455.00	0.00	-
Coast Investment Development	39.70	0.00	-
Privatization Holding Compan	60.00	-1.48	592,502
Injazzat Real State Company	83.90	0.00	3,100
Kuwait Cable Vision Sak	25.50	0.00	-
Sanam Real Estate Co Kscc	49.50	0.00	-
Ithmaar Holding Bsc	22.30	0.00	-
Aviation Lease And Finance C	265.00	-1.12	250,082
Arzan Financial Group For Fi	32.40	0.31	550,690
Ajwan Gulf Real Estate Co	12.90	-3.01	787,400
Kuwait Business Town Real Es	42.20	-1.40	10,000
Future Kid Entertainment And	103.00	5.10	60,830
Specialities Group Holding C	71.90	-0.42	5,500
Abyaar Real Eastate Developm	13.50	-2.88	604,075
Dar Al Thuraya Real Estate C	179.00	0.00	-
Kgl Logistics Company Kscc	42.00	-1.41	1,614,004
Combined Group Contracting	225.00	0.00	266,492
Jiyad Holding Co Ksc	56.80	0.18	2,094
Warba Capital Holding Co	87.00	-1.14	94,079
Gulf Investment House Ksc	56.60	-5.03	52,005
Boubyan Bank K.S.C	597.00	1.88	555,848
Ahli United Bank B.S.C	259.00	0.78	8,274,568
Osos Holding Group Co	100.00	-2.91	54,500

KUWAIT

Company Name	Lt Price	% Chg	Volume
Al-Eid Food Ksc	48.20	0.00	-
Qurain Petrochemical Industr	389.00	0.00	131,297
Advanced Technology Co	1,000.00	0.00	-
Ekttitab Holding Co Sak	18.20	-1.62	5,287
Real Estate Trade Centers Co	28.00	0.00	3,300
Acico Industries Co Kscc	140.00	-4.55	387,566
Kipco Asset Management Co	71.90	-0.14	10
National Petroleum Services	1,000.00	0.00	6,000
Alimtiaz Investment Group	137.00	2.24	1,814,020
Ras Al Khaimah White Cement	65.00	0.00	30,000
Kuwait Reinsurance Co Ksc	132.00	0.00	-
Kuwait & Gulf Link Transport	80.30	-3.25	85,027
Humansoft Holding Co Ksc	3,490.00	2.95	52,255
Automated Systems Co Kscc	86.90	-9.95	1,681
Metal & Recycling Co	30.00	0.00	-
Gulf Franchising Holding Co	59.00	0.00	-
Al-Enma'a Real Estate Co	39.80	-1.00	164,130
National Mobile Telecommuni	677.00	0.15	15,918
Sanad Holding Co Kscc	110.00	0.00	-
Unicap Investment And Financ	60.50	-8.33	1,556,580
Al Salam Group Holding Co	37.00	-5.13	2,631,080
Al Aman Investment Company	63.30	0.80	649,013
Mashaer Holding Co Ksc	69.50	0.72	428,621
Manazel Holding	25.00	0.00	-
Tijara And Real Estate Inves	50.00	0.00	-
Jazeera Airways Co Ksc	880.00	0.00	-
Commercial Real Estate Co	92.00	0.00	626,907
National International Co	74.90	5.49	42,560
Taameer Real Estate Invest C	27.00	-3.57	928,274
Gulf Cement Co	56.00	-6.51	15,000
Heavy Engineering And Ship B	397.00	0.51	282,436
National Real Estate Co	81.60	0.12	856,997
Al Safat Energy Holding Comp	25.50	0.00	-
Kuwait National Cinema Co	900.00	0.00	-
Danah Alsafat Foodstuff Co	31.20	-6.87	800
Independent Petroleum Group	420.00	0.00	23,000
Kuwait Real Estate Co Ksc	71.70	0.99	655,800
Salhia Real Estate Co Ksc	345.00	0.00	-
Gulf Cable & Electrical Ind	383.00	0.79	66,500
Kuwait Finance House	693.00	1.02	10,229,922
Gulf North Africa Holding Co	53.00	0.00	20,250
Hilal Cement Co	125.00	0.00	-
Osoul Investment Kscc	59.10	0.00	-
Gulf Insurance Group Ksc	620.00	-1.27	100
Umm Al Qaiwain General Inves	58.70	0.00	-
Aayan Leasing & Investment	46.80	1.74	1,509,827
Alrai Media Group Co Ksc	46.60	0.00	-
National Investments Co	117.00	0.00	1,001,060
Commercial Facilities Co	204.00	-1.92	250,000
Yiaco Medical Co. K.S.C.C	66.50	0.00	-
Dulaqan Real Estate Co	350.00	0.00	-
Real Estate Asset Management	171.00	0.00	-

OMAN

Company Name	Lt Price	% Chg	Volume
Voltamp Energy Saog	0.18	0.00	5,000
Vision Insurance Saoc	0.12	0.00	-
United Power/Energy Co- Pref	1.00	0.00	-
United Power Co Saog	2.97	0.00	-
United Finance Co	0.07	0.00	-
Ubar Hotels & Resorts	0.13	0.00	-
Takaful Oman	0.13	0.00	-
Taageer Finance	0.10	0.00	139
Sweets Of Oman	0.55	0.00	178
Sohar Power Co	0.11	0.00	-
Sohar International Bank	0.11	0.00	10,000
Smn Power Holding Saog	0.09	0.00	-
Shell Oman Marketing - Pref	1.05	0.00	-
Shell Oman Marketing	1.07	0.00	-
Sharqiyah Desalination Co Sa	0.30	0.00	-
Sembcorp Salalah Power & Wat	0.12	0.00	-
Salalah Port Services	0.60	0.00	-
Salalah Mills Co	0.56	0.00	2,000
Salalah Beach Resort Saog	1.38	0.00	-
Sahara Hospitality	3.09	0.00	-
Renaissance Services Saog	0.52	5.26	559,938
Raysut Cement Co	0.31	-0.65	203,944
Phoenix Power Co Saoc	0.09	-1.15	9,924
Packaging Co Ltd	2.21	0.00	-
Ooredoo	0.46	-3.77	23,262
Ominvest	0.30	-3.80	133,929
Oman United Insurance Co	0.25	0.00	-
Oman Telecommunications Co	0.53	-1.85	205,923
Oman Refreshment Co	1.66	0.00	-
Oman Qatar Insurance Co	0.09	-5.38	10,000

OMAN

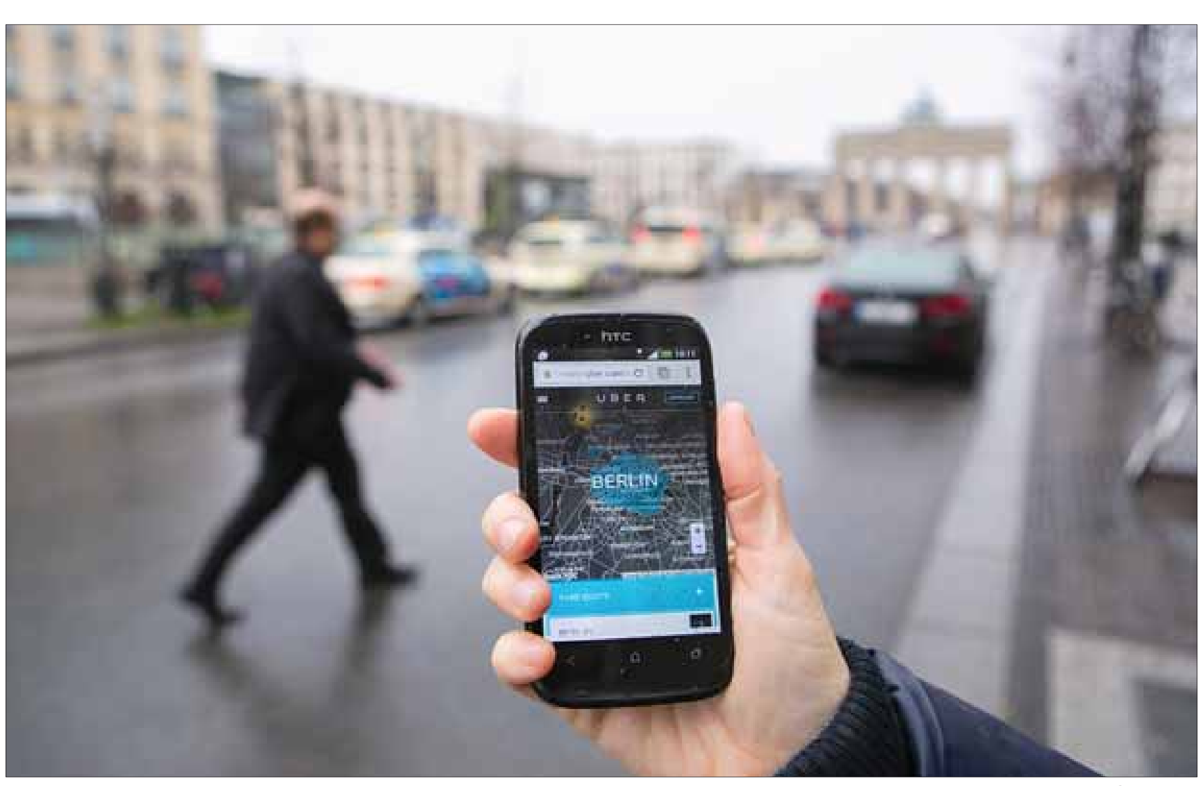
Company Name	Lt Price	% Chg	Volume
Oman Packaging	0.27	0.00	-
Oman Oil Marketing Company	1.07	0.00	-
Oman National Engineering An	0.15	-8.81	15,000
Oman Investment & Finance	0.08	0.00	-
Oman Intl Marketing	0.52	0.00	-
Oman Flour Mills	0.53	0.00	3,700
Oman Fisheries Co	0.06	0.00	104,080
Oman Europe Foods Industries	1.00	0.00	-
Oman Education & Training In	0.23	0.00	-
Oman Chromite	3.64	0.00	-
Oman Chlorine	0.40	0.00	-
Oman Ceramic Company	0.42	0.00	-
Oman Cement Co	0.23	-2.10	6,820
Oman Cables Industry	0.90	0.00	-
Oman & Emirates Inv(Om)50%	0.08	0.00	-
Natl Aluminium Products	0.34	0.00	-
National Real Estate Develop	5.00	0.00	-
National Mineral Water	0.09	0.00	-
National Life & General Insu	0.30	0.00	-
National Gas Co	0.19	-7.50	20,000
National Finance Co	0.14	0.00	-
National Detergent Co Saog	0.70	0.00	-
National Biscuit Industries	3.92	0.00	-
National Bank Of Oman Saog	0.16	-0.62	227,910
Muscat Thread Mills Co	0.08	0.00	-
Muscat Insurance Co Saog	0.84	0.00	-
Muscat Gases Company Saog	0.16	0.00	-
Muscat Finance	0.06	1.59	690,266
Muscat City Desalination Co	0.11	-3.64	5,933
Majan Glass Company	0.18	0.00	-
Majan College	0.18	0.00	-
Hsbc Bank Oman	0.12	0.00	-
Hotels Management Co Interna	1.25	0.00	-
Gulf Stone	0.12	0.00	-
Gulf Mushroom Company	0.31	0.00	-
Gulf Investments Services	0.06	0.00	500
Gulf Invest. Serv. Pref-Shar	0.11	0.00	-
Gulf International Chemicals	0.14	0.00	-
Gulf Hotels (Oman) Co Ltd	9.50	0.00	-
Global Fin Investment	0.08	0.00	-
Galfar Engineering&Contract	0.08	-2.50	726,750
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	0.30	0.00	-
Dhofar Insurance	0.17	0.00	-
Dhofar Generating Co Saoc	0.19	0.00	-
Dhofar Fisheries & Food Indu	1.28	0.00	-
Dhofar Cattlefeed	0.10	0.00	-
Dhofar Beverages Co	0.26	0.00	-
Construction Materials Ind	0.03	0.00	500
Computer Stationery Inds	0.26	0.00	-
Bankmuscat Saog	0.40	0.00	107,025
Bank Nizwa	0.09	0.00	751,001
Bank Dhofar Saog	0.14	0.73	10,214
Arabia Falcon Insurance Co	0.11	0.00	-
Aloula Co	0.53	0.00	-
Al-Omaniya Financial Service	0.12	0.00	-
Al-Hassan Engineering Co	0.02	0.00	-
Al-Fajar Al-Alamia Co	0.75	0.00	-
Al-Anwar Ceramic Tiles Co	0.10	-2.94	10,000
Al Suwadi Power	0.08	-3.75	10,535
Al Sharqiya Invest Holding	0.08	0.00	6,044
Al Maha Petroleum Products M	0.83	0.00	-
Al Maha Ceramics Co Saoc	0.19	0.00	2,500
Al Madina Takaful Co Saoc	0.09	0.00	50,000
Al Madina Investment Co	0.03	0.00	-
Al Kamil Power Co	0.38	0.00	-
Al Jazerah Services -Pfd	0.55	0.00	-
Al Jazeera Steel Products Co	0.27	0.00	-
Al Jazeera Services	0.12	0.00	11,000
Al Izz Islamic Bank	0.08	-1.20	128,856
Al Buraimi Hotel	0.88	0.00	-
Al Batinah Power	0.08	2.60	8,500
Al Batinah Hotels	1.13	0.00	-
Al Batinah Dev & Inv	0.08	0.00	-
Al Anwar Holdings Saog	0.10	-1.03	1,241,069
Al Ahlia Insurance Co Saoc	0.36	0.00	-
Ahli Bank	0.12	0.00	-
Acwa Power Barka Saog	0.66	0.00	-
Abrasives Manufacturing Co S	0.05	0.00	-
A'saffa Foods Saog	0.60	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	-

LATEST MARKET CLOSING FIGURES

As Uber gears up for IPO, many Indian drivers talk of shattered dreams

Drivers say earnings, incentives have dropped sharply; many drivers say struggling to make ends meet; stories of angry drivers come as Uber set for stock market debut; Uber warns driver dissatisfaction will generally increase

Reuters
Mumbai/Delhi



A smartphone displays the Uber Technologies car service application in Berlin. Uber is set to debut today on Wall Street.

In 2016, Rajesh Raut started driving an Uber taxi in Mumbai, hoping he could earn more than the $215 he received each month for making flatbreads at a roadside stall.

Thanks to attractive cash incentives offered as Uber lured drivers in one of its biggest markets outside the United States, Raut's monthly earnings jumped to $1,280.

He managed his car loan and home rent with ease, and sent more money than before back to his family in a village in eastern India.

But as Uber slashed incentives, Raut's earnings dwindled swiftly.

His income dropped to about $540 a month this year and he defaulted on his taxi loan payments.

Deciding after an accident that he couldn't afford to fix the vehicle, he quit Uber and now his monthly income, from a new job driving a truck, has crashed to $200.

"There is no benefit in driving for Uber… my life was much better just as a cook," said 26-year-old Raut.

Former Uber India executives say incentives were sharply cut in early 2017 because of growing pressure from the US head office to improve financial performance ahead of an initial public offering (IPO), which values it at as much as $90bn.

Uber is set to debut today on Wall Street.

In interviews in the metropolises of Mumbai, New Delhi and Bengaluru, more than 35 drivers said discontent against Uber was growing.

Mounting debt from taxi loans was a key concern.

Many drivers took loans to buy cabs, while some leased cars from the companies themselves.

To be sure, many drivers from Uber are still earning more than they could get in other blue-collar jobs in India.

The national minimum wage in India is only about $2.50 a day.

"It's not that we are making a fortune, but it does give us a livelihood," said Prakash K C, who earns around Rs38,000 ($548) a month driving an Uber in Bengaluru city.

Uber has acknowledged the risk of unhappiness among its drivers. "As we aim to reduce driver incentives to improve our financial performance, we expect driver dissatisfaction will generally increase," it said in its IPO filing.

Uber currently operates in 40 Indian cities and the country accounts for an estimated 11% of its global rides.

Uber said last year it would double down on India investments after it sold its Southeast Asia business to Singapore's Grab Holdings.

Grab does not operate taxis in India.

Uber started its India operations in 2013, three years after local rival Ola launched a ride-hailing service.

Both are backed by Japan's Softbank Group Corp.

Ola, which operates in 125 cities in India, last year said it plans to go public in four years.

Both gave attractive cash incentives to drivers and offered very low fares to riders when they started operations.

It wasn't uncommon for Uber drivers to boast of monthly earnings of 100,000 rupees, which is the typical salary of a junior multinational executive in the country.

There were perks too.

In a January 2017 company video, Uber drivers are seen entering a luxury hotel in northern Chandigarh city, where guards open their taxi doors and welcome them.

Sitting and smiling with their families in a large hall with chandeliers, some of the drivers receive prizes such as an Apple iPhone, holiday package and a car.

In early 2017, the company slashed incentives by around 30% overnight, said three former Uber India executives, who declined to be named.

The total incentive cut in recent years may well be far higher: research firm RedSeer Consulting estimates online taxi operators driver incentives, as a percentage of gross booking totals, fell from 60% in 2015 to 18% last year.

That came at a time when prices of diesel, used in many taxis in India, surged by about 30%.

One of the former Uber executives told Reuters the company should have taken more care as drivers were its most important stakeholder.

The decision to cut incentives sharply had disappointed several members of Uber's India team back then, the executive added.

Last October, hundreds of drivers went on strike in Mumbai and New Delhi, demanding higher fares to meet rising fuel costs.

Drivers say they ended the strike as taxi firms assured some fare concessions, but more needs to be done.

Some Uber drivers in the United States and Britain have called for a strike on Wednesday in protest against what they call low pay.

An Uber spokesman told Reuters drivers were at the heart of its service and the company was committed to ensuring drivers get sustainable earnings, even though some were making less than they did three years ago.

"Uber continues to invest heavily in the well being of drivers and their families," the spokesman said, adding it was helping them access life and health insurance, as well as loans.

Ola did not respond to a request for comment.

To mark its IPO, Uber says it plans to pay $300mn to more than 1.1mn drivers, a so-called "appreciation reward". Qualified drivers in the United States, Uber said in its filing, will get $100 to $10,000 based on trips taken.

The Uber spokesman said thousands of drivers in India earned the reward, but did not provide an exact number.

A driver in New Delhi showed his Uber app that said he had received an $84 reward, while another in the city, Arvind Kumar, received $165.

"There are a lot of troubles, this amount is nothing… all my dreams are broken," said Kumar, who earns half the $1,432 per month he made five years ago.

He said the drop in earnings had scuttled plans to provide his children with private-school education.

DJIA

Company Name	Lt Price	% Chg	Volume
Apple Inc	203.22	0.18	3,373,335
American Express Co	117.24	-0.83	353,812
Boeing Co/The	356.18	-0.29	458,670
Caterpillar Inc	133.11	-0.42	315,274
Cisco Systems Inc	53.59	0.25	2,857,122
Chevron Corp	117.57	-0.59	479,076
Walt Disney Co/The	134.69	0.94	818,542
Dowdupont Inc	31.76	-1.18	1,252,856
Goldman Sachs Group Inc	201.51	-0.55	139,745
Home Depot Inc	195.43	0.34	199,250
Intl Business Machines Corp	137.77	0.09	308,702
Intel Corp	50.27	-0.42	2,783,329
Johnson & Johnson	140.02	0.03	365,510
Jpmorgan Chase & Co	113.17	-0.04	1,257,950
Coca-Cola Co/The	47.93	-0.15	844,340
Mcdonald's Corp	197.86	-0.09	159,776
3M Co	179.66	0.30	231,380
Merck & Co. Inc.	78.36	0.59	953,129
Microsoft Corp	125.46	-0.05	3,245,030
Nike Inc -Cl B	83.40	1.04	709,615
Pfizer Inc	40.58	-0.61	1,613,491
Procter & Gamble Co/The	105.24	0.52	676,653
Travelers Cos Inc/The	141.75	0.03	55,299
Unitedhealth Group Inc	239.24	0.50	288,989
United Technologies Corp	136.93	1.10	186,004
Visa Inc-Class A Shares	160.65	0.27	414,240
Verizon Communications Inc	56.29	-0.60	955,956
Walgreens Boots Alliance Inc	53.58	1.21	823,616
Walmart Inc	100.51	-0.78	561,177
Exxon Mobil Corp	76.74	0.03	1,347,028

FTSE 100

Company Name	Lt Price	% Chg	Volume
Anglo American Plc	1,933.20	-0.54	4,359,823
Associated British Foods Plc	2,526.00	-0.28	510,868
Admiral Group Plc	2,132.00	-0.37	2,153,836
Ashtead Group Plc	2,055.00	0.88	1,329,205
Antofagasta Plc	855.60	0.28	2,155,563
Auto Trader Group Plc	576.40	0.38	2,142,267
Aviva Plc	415.50	-0.46	6,650,009
Astrazeneca Plc	5,835.00	1.25	2,065,668
Bae Systems Plc	470.00	-0.40	7,880,438
Barclays Plc	159.56	0.09	36,296,754
British American Tobacco Plc	2,845.00	-0.99	6,357,185
Barratt Developments Plc	586.00	0.38	4,186,077
Bhp Group Plc	1,764.20	-0.03	4,697,053
Berkeley Group Holdings/The	3,652.00	-1.40	360,886
British Land Co Plc	585.40	-2.14	2,307,331
Bunzl Plc	2,239.00	0.31	806,488
Bp Plc	538.30	0.96	33,242,271
Burberry Group Plc	1,940.00	0.78	1,303,697
Bt Group Plc	219.25	-2.51	25,751,490
Coca-Cola Hbc Ag-Di	2,754.00	0.81	517,428
Carnival Plc	4,022.00	0.85	607,572
Centrica Plc	105.00	-1.04	35,433,345
Compass Group Plc	1,708.00	-0.52	3,385,844
Croda International Plc	5,125.00	1.79	378,081
Crh Plc	2,516.00	-0.16	1,660,041
Dcc Plc	6,672.00	0.91	159,973
Diageo Plc	3,240.50	0.89	4,036,614
Direct Line Insurance Group	312.00	-1.70	6,602,957
Evraz Plc	597.80	-1.09	3,527,822
Experian Plc	2,196.00	0.69	1,450,182
Easyjet Plc	1,050.00	-3.05	1,996,171
Ferguson Plc	5,450.00	1.00	1,082,819
Fresnillo Plc	736.80	0.03	1,204,370
Glencore Plc	286.95	-0.88	39,223,895
Glaxosmithkline Plc	1,524.40	0.43	6,028,776
Gvc Holdings Plc	617.60	-0.03	1,533,611
Hikma Pharmaceuticals Plc	1,772.50	-0.28	646,107
Hargreaves Lansdown Plc	2,321.00	2.16	1,043,395
Halma Plc	1,792.50	-0.22	1,317,414
Hsbc Holdings Plc	659.00	-0.48	14,258,474
Hiscox Ltd	1,616.00	-0.25	512,049
Intl Consolidated Airline-Di	500.80	-2.83	8,716,528
Intercontinental Hotels Grou	4,944.50	-0.76	325,860
3I Group Plc	1,057.50	0.00	2,004,119
Imperial Brands Plc	2,180.50	-6.32	5,864,065
Informa Plc	786.00	3.42	4,776,327
Intertek Group Plc	5,214.00	1.72	443,664
Itv Plc	123.60	-6.08	27,144,096
Johnson Matthey Plc	3,219.00	-0.09	426,761
Kingfisher Plc	254.00	0.63	8,565,889
Land Securities Group Plc	911.00	-1.09	1,507,273
Legal & General Group Plc	271.60	-0.15	22,311,358
Lloyds Banking Group Plc	61.82	0.02	102,175,179
London Stock Exchange Group	5,142.00	0.59	1,077,951
Micro Focus International	1,812.00	3.86	1,463,636
Marks & Spencer Group Plc	272.90	-1.48	7,051,851
Mondi Plc	1,645.00	0.21	1,180,654
Melrose Industries Plc	189.00	0.11	13,789,993
Wm Morrison Supermarkets	213.60	-0.60	7,342,183
National Grid Plc	824.00	-1.26	7,939,734
Nmc Health Plc	2,732.00	0.18	286,203
Next Plc	5,666.00	-0.77	475,044
Ocado Group Plc	1,353.00	-1.10	2,132,282
Paddy Power Betfair Plc	6,200.00	-0.70	183,211
Prudential Plc	1,659.00	-0.96	7,270,537
Persimmon Plc	2,110.00	-2.04	1,815,929
Pearson Plc	808.60	0.17	2,352,010
Reckitt Benckiser Group Plc	6,111.00	1.87	1,648,130
Royal Bank Of Scotland Group	235.20	0.09	13,298,183
Royal Dutch Shell Plc-A Shs	2,412.50	1.58	6,117,639
Royal Dutch Shell Plc-B Shs	2,418.00	1.75	5,648,960
Relx Plc	1,743.50	1.60	4,598,559
Rio Tinto Plc	4,422.00	0.27	4,095,997
Rightmove Plc	555.50	1.61	2,103,125
Rolls-Royce Holdings Plc	914.40	0.20	5,238,126
Rsa Insurance Group Plc	534.40	0.72	2,832,992
Rentokil Initial Plc	388.00	0.57	4,631,343
Sainsbury (J) Plc	209.00	-2.29	17,317,182
Schroders Plc	3,099.00	-0.16	398,873
Sage Group Plc/The	719.80	1.75	2,316,827
Segro Plc	677.80	-0.24	1,659,585
Smurfit Kappa Group Plc	2,286.00	-0.17	500,858
Standard Life Aberdeen Plc	271.80	-0.55	6,311,321
Ds Smith Plc	348.00	0.00	5,200,465
Smiths Group Plc	1,517.00	1.13	650,226
Scottish Mortgage Inv Tr Plc	526.00	1.54	2,937,492
Smith & Nephew Plc	1,576.00	-0.38	2,618,799
Spirax-Sarco Engineering Plc	8,200.00	1.23	250,793
Sse Plc	1,121.50	-2.98	4,282,414
Standard Chartered Plc	688.00	-0.66	8,541,305
St James's Place Plc	1,113.00	-0.49	1,709,771
Severn Trent Plc	1,954.00	-2.23	977,946
Tesco Plc	243.50	-1.42	21,453,483
Tui Ag-Di	819.20	-3.80	2,875,981
Taylor Wimpey Plc	177.25	-1.72	9,248,948
Unilever Plc	4,629.00	0.78	2,368,468
United Utilities Group Plc	789.80	-2.49	2,717,249
Vodafone Group Plc	140.10	0.07	56,585,547
John Wood Group Plc	446.60	1.96	1,708,164
Wpp Plc	971.60	0.68	3,610,051
Whitbread Plc	4,533.00	0.18	963,666

TOKYO

Company Name	Lt Price	% Chg	Volume
Japan Airlines Co Ltd	3,685.00	-3.58	3,278,600
Recruit Holdings Co Ltd	3,327.00	1.19	6,815,300
Softbank Corp	1,311.00	0.61	7,578,000
Kyocera Corp	6,855.00	-2.06	1,573,400
Nissan Motor Co Ltd	873.70	-0.49	17,660,500
T&D Holdings Inc	1,187.50	-0.67	2,935,800
Toyota Motor Corp	6,759.00	-0.95	11,081,500
Kddi Corp	2,539.50	-1.57	7,985,100
Nitto Denko Corp	5,349.00	-1.69	1,098,700
Hitachi Ltd	3,700.00	-3.24	5,396,200
Takeda Pharmaceutical Co Ltd	4,119.00	-3.17	8,417,900
Jfe Holdings Inc	1,834.00	-1.90	3,100,600
Sumitomo Corp	1,516.50	-1.62	4,500,400
Canon Inc	3,015.00	-1.50	4,179,700
Eisai Co Ltd	6,314.00	-1.28	1,280,300
Nintendo Co Ltd	37,130.00	-0.24	1,732,000
Shin-Etsu Chemical Co Ltd	9,757.00	-2.62	1,974,300
Mitsubishi Corp	2,929.00	-1.93	5,110,400
Smc Corp	41,570.00	-0.93	292,300

WORLD INDICES

Indices	Lt Price	Change
Dow Jones Indus. Avg	25,979.89	+14.80
S&P 500 Index	2,884.65	+0.60
Nasdaq Composite Index	7,961.42	-2.33
S&P/Tsx Composite Index	16,420.83	+63.08
Mexico Bolsa Index	43,432.10	-151.49
Brazil Bovespa Stock Idx	95,994.97	+1,606.24
Ftse 100 Index	7,271.00	+10.53
Cac 40 Index	5,417.59	+21.84
Dax Index	12,179.93	+87.19
Ibex 35 Tr	9,227.00	-8.10
Nikkei 225	21,602.59	-321.13
Japan Topix	1,572.33	-27.51
Hang Seng Index	29,003.20	-359.82
All Ordinaries Indx	6,351.76	-31.73
Nzx All Index	1,719.26	+5.59
Bse Sensex 30 Index	37,789.13	-487.50
Nse S&P Cnx Nifty Index	11,359.45	-138.45
Straits Times Index	3,283.84	-28.68
Karachi All Share Index	25,864.93	-416.24
Jakarta Composite Index	6,270.20	-27.12

TOKYO

Company Name	Lt Price	% Chg	Volume
Nidec Corp	15,215.00	-1.58	964,900
Isuzu Motors Ltd	1,505.50	-3.18	2,090,500
Unicharm Corp	3,538.00	-3.12	1,227,300
Nomura Holdings Inc	395.10	-3.42	19,990,600
Daiichi Sankyo Co Ltd	5,753.00	-0.64	2,402,300
Subaru Corp	2,599.00	-1.20	3,463,800
Sumitomo Realty & Developmen	4,047.00	-1.77	1,598,800
Ntt Docomo Inc	2,397.00	-1.11	7,186,900
Sumitomo Metal Mining Co Ltd	3,224.00	-4.19	2,053,800
Orix Corp	1,574.00	0.22	6,852,600
Asahi Group Holdings Ltd	4,738.00	-2.09	1,696,900
Keyence Corp	67,440.00	-1.10	395,900
Mizuho Financial Group Inc	170.40	-1.22	110,417,500
Sumitomo Mitsui Trust Holdin	3,799.00	-1.04	1,134,100
Japan Tobacco Inc	2,512.00	-2.05	9,597,600
Sumitomo Electric Industries	1,411.00	-2.08	2,515,500
Daiwa Securities Group Inc	502.60	-0.97	7,654,700
Softbank Group Corp	11,470.00	0.04	5,647,400
Panasonic Corp	980.50	-2.10	8,506,800
Fujitsu Ltd	7,351.00	-0.59	1,682,900
Central Japan Railway Co	22,420.00	-0.82	680,200
Nitori Holdings Co Ltd	13,055.00	-1.43	359,400
Ajinomoto Co Inc	1,771.00	-1.20	1,526,000
Daikin Industries Ltd	13,400.00	-2.93	1,054,900
Mitsui Fudosan Co Ltd	2,542.50	-2.00	2,583,500
Ono Pharmaceutical Co Ltd	2,021.00	-2.41	1,706,100
Toray Industries Inc	730.30	-1.66	7,097,000
Bridgestone Corp	4,269.00	-2.02	2,397,900
Sony Corp	5,368.00	-0.74	10,428,700
Astellas Pharma Inc	1,438.50	-3.13	7,635,400
Hoya Corp	7,685.00	-5.44	2,613,000
Nippon Steel Corp	1,918.00	-1.77	4,052,700
Suzuki Motor Corp	4,914.00	-2.50	1,851,600
Nippon Telegraph & Telephone	4,705.00	-0.99	4,500,100
Jxtg Holdings Inc	518.10	-0.37	24,227,200
Murata Manufacturing Co Ltd	5,144.00	-0.56	6,026,300
Kansai Electric Power Co Inc	1,294.00	-0.58	4,510,700
Denso Corp	4,535.00	-2.31	3,148,900
Sompo Holdings Inc	4,190.00	-0.31	1,170,800
Daiwa House Industry Co Ltd	3,081.00	-1.50	2,350,500
Dai-Ichi Life Holdings Inc	1,555.00	-1.14	4,874,300
Mazda Motor Corp	1,298.50	-0.54	4,017,500
Komatsu Ltd	2,490.00	-2.92	10,898,500
West Japan Railway Co	8,355.00	-2.34	1,006,100
Kao Corp	8,603.00	-3.95	2,875,300
Mitsui & Co Ltd	1,673.50	-3.54	10,281,300
Daito Trust Construct Co Ltd	14,600.00	-2.60	554,800
Otsuka Holdings Co Ltd	3,887.00	-2.16	1,334,600
Oriental Land Co Ltd	12,325.00	-2.03	789,000
Sekisui House Ltd	1,765.00	-1.40	2,636,400
Secom Co Ltd	9,225.00	-1.22	568,300
Tokio Marine Holdings Inc	5,524.00	-1.09	1,913,900
Aeon Co Ltd	2,009.50	-1.66	3,249,700
Asahi Kasei Corp	1,155.00	-0.65	4,607,300
Kirin Holdings Co Ltd	2,346.00	-5.10	3,123,000
Marubeni Corp	757.00	-1.89	8,102,000
Mitsubishi Ufj Financial Gro	532.00	-1.81	55,830,900
Mitsubishi Chemical Holdings	753.50	-2.76	8,645,500
Fanuc Corp	19,655.00	-2.24	1,329,300
Fast Retailing Co Ltd	64,150.00	1.34	977,700
Ms&Ad Insurance Group Holdin	3,351.00	-1.67	1,320,200
Kubota Corp	1,592.50	-3.63	3,797,500
Seven & I Holdings Co Ltd	3,750.00	-1.47	3,397,300
Inpex Corp	1,021.00	-1.11	5,915,700
Resona Holdings Inc	459.90	-2.04	13,862,500
Fujifilm Holdings Corp	5,051.00	-0.55	1,830,900
Yamato Holdings Co Ltd	2,384.00	-2.30	2,613,800
Chubu Electric Power Co Inc	1,614.50	-1.67	2,829,300
Mitsubishi Estate Co Ltd	1,853.50	-2.63	4,237,000
Mitsubishi Heavy Industries	4,557.00	-0.76	1,061,900
Sysmex Corp	6,157.00	-2.59	821,500
Shiseido Co Ltd	8,505.00	-3.68	2,781,700
Shionogi & Co Ltd	6,550.00	-0.37	1,307,600
Terumo Corp	3,307.00	-2.22	2,170,400
Tokyo Gas Co Ltd	2,706.00	-2.40	1,799,400
Tokyo Electron Ltd	16,780.00	-2.41	1,387,700
East Japan Railway Co	10,005.00	-2.06	1,005,300
Itochu Corp	1,948.00	-2.99	10,436,500
Ana Holdings Inc	3,734.00	-1.84	1,624,900
Mitsubishi Electric Corp	1,495.50	-1.87	6,515,700
Sumitomo Mitsui Financial Gr	3,967.00	-1.32	5,279,500

SENSEX

Company Name	Lt Price	% Chg	Volume
Adani Ports And Special Econ	369.80	-0.56	1,688,110
Asian Paints Ltd	1,385.70	-0.15	1,414,591
Axis Bank Ltd	735.50	-0.86	6,739,894
Bajaj Finance Ltd	2,921.30	-3.17	1,155,023
Bharti Airtel Ltd	324.50	-0.14	4,774,792
Bharti Infratel Ltd	266.70	-0.49	2,225,529
Bajaj Auto Ltd	2,957.75	-2.48	427,476
Bajaj Finserv Ltd	7,345.75	-2.86	230,383
Bharat Petroleum Corp Ltd	379.80	0.25	3,801,308
Cipla Ltd	558.00	0.01	1,890,174
Coal India Ltd	249.10	0.12	4,215,463
Dr. Reddy's Laboratories	2,900.50	-1.43	450,398
Eicher Motors Ltd	20,336.55	-0.08	43,021
Gail India Ltd	337.50	-0.95	3,681,837
Grasim Industries Ltd	870.95	-0.16	1,170,460
Hcl Technologies Ltd	1,132.60	0.08	1,493,911
Housing Development Finance	1,930.75	-1.81	3,626,183
Hdfc Bank Limited	2,307.25	-0.65	3,016,052
Hero Motocorp Ltd	2,499.70	-1.09	406,025
Hindalco Industries Ltd	200.00	-0.22	7,883,819
Hindustan Petroleum Corp	281.90	-1.09	3,442,649
Hindustan Unilever Ltd	1,688.70	-0.52	1,243,338
Icici Bank Ltd	382.20	-1.11	22,509,400
Indiabulls Housing Finance L	673.00	-0.83	5,268,914
Indusind Bank Ltd	1,488.75	-1.78	2,652,472
Infosys Ltd	719.35	-0.72	6,247,642
Indian Oil Corp Ltd	152.20	-0.81	5,788,594
Itc Ltd	300.65	-0.41	7,876,031
Jsw Steel Ltd	289.25	0.40	7,900,967
Kotak Mahindra Bank Ltd	1,402.20	-0.42	2,539,315
Larsen & Toubro Ltd	1,360.35	-0.46	1,601,700
Mahindra & Mahindra Ltd	621.65	-2.26	3,853,705
Maruti Suzuki India Ltd	6,650.15	-0.77	552,749
Ntpc Ltd	130.80	-2.46	8,742,473
Oil & Natural Gas Corp Ltd	168.90	-1.63	8,603,091
Power Grid Corp Of India Ltd	190.00	-0.81	5,726,663
Reliance Industries Ltd	1,299.45	-3.28	14,610,543
State Bank Of India	298.25	-2.36	22,103,678
Sun Pharmaceutical Indus	439.15	-2.02	4,885,249
Tata Steel Ltd	522.65	-1.50	6,478,432
Tata Consultancy Svcs Ltd	2,152.85	0.04	1,824,895
Tech Mahindra Ltd	802.30	-1.52	1,270,071
Titan Co Ltd	1,088.70	0.20	3,336,769
Tata Motors Ltd	185.10	-3.06	28,443,735
Upl Ltd	961.65	1.10	2,384,763
Ultratech Cement Ltd	4,507.65	-0.52	567,034
Vedanta Ltd	159.40	-2.51	26,136,247
Wipro Ltd	290.85	-1.02	3,952,116
Yes Bank Ltd	160.75	-2.43	47,387,735
Zee Entertainment Enterprise	331.60	-10.17	67,279,826

The German share price index DAX graph is seen at the Frankfurt Stock Exchange. The DAX 30 gained 0.7% to 12,179.93 points yesterday.

Europe stocks try battling back after Trump-inflicted meltdown

AFP
Paris

Punch-drunk stock markets attempted a comeback yesterday emboldened by a new flicker of hope for a US-China trade deal, but fears that President Donald Trump may yet unleash a tariff war capped gains.

Trump's threat to hike tariffs on $200bn of Chinese imports at the end of the week wiped more than $1tn off stock market valuations on Monday and Tuesday.

Nervous investors shifted money into government bonds, gold or the Japanese yen, all attractive safe-haven assets in times of uncertainty.

"We're in risk aversion mode in the markets as investors prepare for the prospect of tariffs on Friday rather than a trade deal between the world's two largest economies," said Craig Erlam, an analyst with OANDA.

But analysts wouldn't rule out Trump stepping back from the brink before the new tariffs become a reality, a view the president himself seemed to back Wednesday.

While pressing on with his tariff plans, Trump also said that Chinese trade officials intend to "make a deal" when they arrive in Washington this week for talks.

"US stocks are hovering around the flatline after overcoming an early drop after a tweet from President Donald Trump said China was coming here 'to make a deal'," Charles Schwab analysts said.

But until any such deal actually happened, market participants should tread carefully, analysts warned.

"The fact this could be little more than a bargaining gambit cannot be ignored," said James Hughes, chief market analyst at AxiTrader. "Developments in the coming days could see volatility maintained."

Having traded mostly lower in the morning, key European markets posted small gains by the close, but investors clearly didn't have the stomach to take big positions with so little visibility on trade developments.

Frankfurt's saving grace was a sharp gain in DAX index heavyweight Siemens which reported steady profits and announced the spinoff of its historic power and gas unit.

Wall Street reversed an early weak trend to trade steady approaching midday in New York.

"The two largest economic powerhouses, the US and China, either will be at a trade war or a trade peace and in reality there's only a couple of people who know the answer to that and it isn't those of us on Wall Street," Larry Robbins, CEO of Glenview Capital Management, told Bloomberg TV.

Earlier yesterday Asian markets slumped again, following Tuesday's blowout on Wall Street.

In Europe, London's FTSE 100 gained 0.2% to 7,271.00 points, Frankfurt's DAX 30 was up 0.7% to 12,179.93 and Paris's CAC 40 rose 0.4% to 5,417.59 at close yesterday.

Hopes that it could soon be back to business as usual on the trade front helped oil prices rise.

Sterling slumped yesterday on signs that Brexit talks between Britain's government and the main opposition party may soon collapse.

The pound has been falling as negotiations between the Conservative and Labour Parties lumber on with little success and as concerns grow about a challenge to Prime Minister Theresa May's leadership.

But a suggestion by broadcaster ITV's political editor that the talks could be pronounced dead later on Wednesday took Sterling down another leg.

The pound dropped below $1.31 for the first time in a week, down 0.6% on the day. It also hit a six-day low versus the euro of 86.24 pence, again down 0.6% on the day.

Volatility in currency markets is currently very low and in recent weeks investors have also curtailed their bets on big swings in the pound.

The government conceded on Tuesday that Britain would take part in European Parliament elections this month, a poll that could deliver more bruising results to both major parties.

"The announcement that the UK will take part in European elections confirms that cross-party Brexit talks aren't going anywhere fast. This also refocuses attention on a leadership challenge to May. Favour the pound to "$1.2950," said ING analysts in a note to clients.

Some analysts attribute Sterling's recent tepid performance to major risks that could yank the currency either way.

"To the upside, the probability of no Brexit via a second referendum and vote to remain… has started to edge up again in recent days. The downside is associated with.. the risk of May being replaced as PM which is rising," said RBC's chief currency strategist Adam Cole.

May agreed a withdrawal deal with the EU last year, but it was rejected three times by a deeply divided British parliament. That delayed the exit date, a postponement that has weighed on the pound as investors fret about prolonged political uncertainty.

Sterling has traded in a narrow range of $1.28-$1.31 since Britain pushed its scheduled departure from the European Union back from March until October 31. There is still little clarity about when, how, or even if, Brexit will happen.

Investors have been broadly impervious to tepid economic data recently and even relatively hawkish comments from the bank of England last week failed to jolt the currency.

HONG KONG

Company Name	Lt Price	% Chg	Volume
Ck Hutchison Holdings Ltd	80.60	-1.23	7,132,062
Hang Lung Properties Ltd	17.34	-1.48	2,902,241
Ck Infrastructure Holdings L	63.05	-0.94	2,247,051
Hengan Intl Group Co Ltd	67.90	0.07	3,779,921
China Shenhua Energy Co-H	17.10	-2.40	14,798,202
Cspc Pharmaceutical Group Lt	14.12	-2.08	24,029,800
Hang Seng Bank Ltd	206.60	0.29	1,346,090
China Resources Land Ltd	33.50	-0.59	9,392,368
Ck Asset Holdings Ltd	62.90	0.56	9,304,875
Sino Biopharmaceutical	7.40	0.27	37,199,291
Henderson Land Development	47.15	-1.26	4,380,307
Aia Group Ltd	80.40	-1.71	23,874,879
Ind & Comm Bk Of China-H	5.65	-1.57	304,032,533
Want Want China Holdings Ltd	6.23	-1.58	19,832,507
Sun Hung Kai Properties	134.50	-0.44	3,154,547
New World Development	12.84	-0.93	11,995,013
Geely Automobile Holdings Lt	14.36	-1.91	56,331,742
Swire Pacific Ltd - Cl A	97.15	0.10	941,688
Sands China Ltd	41.65	-1.42	7,731,206
Wharf Real Estate Investment	58.85	-2.00	3,121,691
Clp Holdings Ltd	88.15	-0.23	2,275,555
Country Garden Holdings Co	12.06	-2.11	31,602,545
Aac Technologies Holdings In	48.60	-1.32	13,311,084
Shenzhou International Group	101.30	-2.60	2,680,977
Ping An Insurance Group Co-H	89.20	-1.98	48,446,937
China Mengniu Dairy Co	29.50	-0.51	7,738,495
Sunny Optical Tech	90.65	-2.84	8,174,723
Boc Hong Kong Holdings Ltd	34.20	-1.16	12,498,709
China Life Insurance Co-H	20.10	-3.13	72,521,703
Citic Ltd	11.14	-1.76	14,496,750
Galaxy Entertainment Group L	55.75	-2.28	14,682,107
Wh Group Ltd	8.10	-2.99	101,021,975

HONG KONG

Company Name	Lt Price	% Chg	Volume
Hong Kong & China Gas	18.70	-0.64	13,489,920
Bank Of Communications Co-H	6.40	-3.32	44,338,520
China Petroleum & Chemical-H	5.77	-1.70	117,994,240
Hong Kong Exchanges & Clear	261.00	-1.58	5,314,692
Bank Of China Ltd-H	3.60	-1.37	474,002,583
Hsbc Holdings Plc	67.45	-1.82	21,418,045
Power Assets Holdings Ltd	55.05	-0.27	3,874,739
Mtr Corp	46.90	-0.85	3,775,843
China Overseas Land & Invest	29.00	0.69	24,774,107
Tencent Holdings Ltd	384.80	1.05	34,223,197
China Unicom Hong Kong Ltd	8.97	-1.75	21,482,534
Link Reit	94.20	-0.53	4,215,475
Sino Land Co	13.26	-2.07	7,341,192
China Resources Power Holdin	10.82	-1.46	7,907,107
Petrochina Co Ltd-H	4.70	-1.47	92,210,700
Cnooc Ltd	13.66	-1.73	45,619,563
China Construction Bank-H	6.65	-1.92	436,916,141
China Mobile Ltd	72.65	-1.09	14,822,444

GCC INDICES

Indices	Lt Price	Change
Doha Securities Market	10,123.40	-127.68
Kuwait Stocks Exchange	4,855.86	-13.29
Oman Stock Market	3,874.97	-26.16

UK gilts soar boosted by Brexit uncertainty and shares fall

Reuters
London

British government bond prices rose to their highest level since April 10 yesterday as investors shied away from global stocks and saw reason for caution in Britain after a report that Brexit talks between government and opposition could soon collapse.
The yield on the 10-year gilt, which moves inversely to the price, hit a low of 1.096% at 1025 GMT, just after an ITV reporter said negotiations between the government and opposition Labour Party on a compromise Brexit deal had almost collapsed. It last stood at 1.11%, down 5 basis points on the day.
Adding to gilts' allure, world shares fell to a five-week low, while there were also technical factors at play, RBC fixed income strategist Vatsala Datta said.
She pointed to the difference between the yields of 10-year British government bonds and those of lower-yielding German Bunds, which exceeded 120 basis points on Tuesday, the widest spread since late 2016.
By Wednesday, this had shrunk to 116 basis points, as gilts outperformed their German counterparts."There's basically a grab-for-yield behaviour. I think there was little scope for gilts to keep underperforming," Datta said, citing dovish economic forecasts from the Bank of England last week.
Although BoE governor Mark Carney tried to convince investors on Thursday that they were underestimating how much interest rates could rise in future, markets showed little reaction.
On Tuesday, BoE chief economist Andy Haldane said it would be "deeply arrogant" to suggest that the market view was wrong, given the uncertainty around Brexit and therefore the economic outlook.
Markets are currently pricing in a less-than 25% chance that the BoE will raise interest rates this year.

India's Sensex joins global rout

Bloomberg
Mumbai

Indian equities declined for a sixth session, joining a global sell-off triggered by renewed trade tensions between the US and China.
The S&P BSE Sensex fell 1.3% to 37,789.13 at the close in Mumbai, marking its longest losing streak since February. The NSE Nifty 50 Index dropped 1.2%. The outcome of the fresh spat between the US and China may depend on negotiations today and tomorrow, when a China delegation led by Vice Premier Liu He visits Washington.
Investors are also assessing quarterly earnings reports, with net income at 10 of the 18 Nifty companies that have reported so far either beating or matching analyst estimates, data compiled by Bloomberg showed. Meanwhile, India is in the final two weeks of its marathon national election campaign, with Prime Minister Narendra Modi's ruling party forecasting it will be reinstated with the support of allies.
Trade concerns may weigh on India stocks in the "short term" as the US is its largest export market, said Sameer Kalra, president at Mumbai-based advisory Target Investing. Investors' focus may shift back to speculation about who will join the new government in the coming days, he said.
The trade dispute adds to investors' anxiety about the election outcome, said Chokkalingam G, managing director of Equinomics Research & Advisory Pvt in Mumbai.
All of the 19 sector indexes compiled by BSE Ltd fell, led by a gauges of energy and real estate stocks.
Twenty nine of the 31 Sensex members and 40 of the 50 Nifty companies declined.
Reliance Industries Ltd was the top loser on the benchmark gauge while software stocks including HCL Technologies Ltd and Tata Consultancy Services Ltd eked out marginal gains.

Asian markets drop on growing trade war fears

AFP
Hong Kong

Schoolchildren walk past an electronics stock indicator in Tokyo displaying the closing numbers for the Tokyo Stock Exchange. Japanese stocks closed lower yesterday, as fears about a US-China trade war and a higher yen against the dollar weighed on the market.

A red wave swept across Asia trading floors yesterday as investors grew increasingly concerned that the China-US trade deal, which appeared all but ready to sign, could fall through.
After months of healthy gains across markets this year, Donald Trump's threat to hike tariffs on $200bn of Chinese imports from Friday caused shockwaves and rekindled the spectre of a trade war between the planet's two biggest economies.
And while Beijing insisted it would still send its top negotiator to planned talks in the US today and tomorrow, observers said confidence has been shattered, with uncertainty reigning ahead of the high-stakes meeting.
"The two largest economic powerhouses, the US and China, either will be at a trade war or a trade peace and in reality there's only a couple of people who know the answer to that and it isn't those of us on Wall Street," said Larry Robbins, CEO of Glenview Capital Management.
"It's to be expected that there's some volatility into this critical week," he told Bloomberg TV.
Asian markets staged a minor recovery Tuesday following the previous day's pummelling, which came in response to Trump's warning.
But a blowout on Wall Street continued in Asia, with investors running for the hills.
Shanghai and Hong Kong each tanked more than 1%, with investors also spooked by weaker-than-forecast export data out of Beijing that highlighted the impact of the trade war on China and the global economy.
Tokyo shed 1.5% at 21,602.59 by the close while Sydney and Seoul each fell 0.4%.
Singapore dropped 1% and Manila was 1.4% lower.
Taipei, Bangkok, Mumbai and Jakarta also sank.
However, a first New Zealand interest rate cut since 2016 – and a signal of further reductions – helped Wellington reverse course to end 0.4% higher. Stephen Innes at SPI Asset Management warned there could be worse to come.
"With the possibility of the trade deal in tatters, markets could turn upside down," he said in a note.
"Indeed, the relentless bull market seemed impervious to risk, but (that) spawned a high degree of complacency that leaves most market participants ill-prepared for the inevitable reversal."
He added: "While the impact of more tariffs will be harmful to both the US and China economies, it is hard to overlook the damaging effect on other economies in Asia."
World markets had already been showing signs of fatigue from their run this year, with signs of a slowdown in the world economy playing on investors' minds, while central banks have turned more dovish in recent months with an eye on this.
OANDA senior market analyst Jeffrey Halley said the trade deal was "the critical determinant of how deep or shallow the downturn will be".
He added: "With global interest rates mostly at, or near, record lows except for the US, the world's central banks are ill-placed to cut rates to stimulate growth, as they reap the harvest of their excessively easy monetary policies over the last 10 years.
"In this context, the importance of the trade deal can be clearly noted."
On oil markets, both main contracts rose after buckling Tuesday under trade fears.
But there are tipping a rough near-term for prices as supply gaps from Venezuela and Iran have been filled, while there is concern Opec and Russia might not extend their output caps past next month, despite US production and stockpiles rising.

Investors sell shares, shelter in bonds before make-or-break trade talks

Reuters
London

World shares tumbled towards five-week lows yesterday as renewed trade tensions and concern over the strength of the global economy drove investors to the safety of bonds and the Japanese yen, with the latter hitting a six-week high against the dollar.
Wall Street looked set to open sharply lower, with S&P 500 futures down almost half a per cent following Tuesday's steep falls, when trade-sensitive industrial and technology sectors were slammed by fears a potential US-China trade deal could unravel.
Nasdaq and Dow Jones futures too were 0.3% to 0.5% lower.
Chinese Vice Premier Liu He is due to visit Washington today and tomorrow for trade talks in a last-ditch bid to avert a sharp increase in tariffs on Chinese goods ordered by US President Donald Trump.
However, optimism over some kind of agreement was undermined after Reuters quoted sources as saying Beijing had backtracked on most aspects of the deal.
"I think it's a major risk that Trump raises tariffs," said Christophe Barraud, chief strategist at brokerage Market Securities in Paris.
"If that happens we can imagine that negotiations will break down, implying another few months of uncertainty... All in all, bonds as well as other safe-havens such as yen, look set to benefit from this situation in the short-term."
European shares slid 0.3% while MSCI's Asia-Pacific share index excluding Japan was down almost 1% earlier to touch its lowest level since late-March.
Colin Harte, head of research, multi asset solutions at BNP Paribas Asset Management described the trade situation as a "quasi-Cold War."
"That was a jolt to the markets. The market assumed there was no serious threat, and it suddenly woke up this week to find that the whole thing could be derailed," Harte said.
Market jitters have been exacerbated by the mixed nature of recent economic data from China as well as other big economies.
Chinese trade data showed solid imports but an unexpected fall in April exports. The figures follow lacklustre economic data in Europe, signs of steep inventory build-ups in the United States and subdued manufacturing surveys worldwide.
There was also bad news on the British front, where broadcaster ITV reported Brexit talks between the two opposition parties were very close to being terminated.
That drove sterling half a per cent lower while 10-year Gilt yields dropped six basis points to 1.098%.

Bonds benefit

Underscoring policymakers' fears for economic growth, New Zealand cut interest rates, becoming the first country in the developed world to do so since the Fed turned tail on policy earlier this year.
The decision pushed the kiwi dollar to a six-month low, while government bonds jumped, sending yields 5-7 basis points lower across the curve.
"You can see why the reserve bank is easing rates, but how powerful will that be?," Harte said. "The days of the central bank cavalry riding to the rescue are over."
On currency markets, investors' demand for safe-havens boosted the Japanese yen 0.2% against the dollar at 110.02 yen, taking its gains to more than 1% this month.
Bonds too have benefited from the worries for growth and trade, with 10-year yields on US Treasuries, German bunds and Japanese government bonds (JGBs) falling to five-week lows.
Germany's 10-year government bond yield, the benchmark for the bloc, hovered near five-week lows at -0.059%, not far from the 2-1/2 year low of -0.094% while Japan's 10-year yield burrowed deeper into negative territory..
While the growth gloom pressured commodity markets, oil prices were bolstered by the surge in Chinese crude imports as well as US sanctions on crude exporters Iran and Venezuela.
Brent crude oil futures held at $70.31 per barrel, 43 cents, or 0.6% above their last close.

China grabs yet more gold for coffers as central bankers buy

Bloomberg
London

China's stashing away more gold in its coffers as the central bank boosted bullion reserves for a fifth straight month, recording the biggest inflow since 2016 and reinforcing speculation that purchases will be sustained.
The People's Bank of China raised reserves to 61.1mn ounces in April from 60.62mn a month earlier, according to data on its website on Tuesday. In tonnage terms, last month's inflow totalled 14.9 tonnes and the increase follows the addition of almost 43 tonnes in the four months through March.
Central-bank buying has emerged as a key trend in the global market, and first-quarter purchases were the highest in six years as countries diversify assets away from the dollar, according to the World Gold Council.
The moves could help support prices, which remain little changed this year as investors cut holdings in exchange-traded funds. Beijing's latest bullion addition comes amid a sharp escalation in trade tensions with the US and slump in equities.
"Banks buying is the underlying demand story which continues to develop from central banks seeking to de-dollarise their reserves," said Ole Hansen, head of commodity strategy at Saxo Bank A/S.
"What is missing for gold to move higher is a pickup in paper demand through futures and ETFs. Something that will happen if stocks run into a prolonged period of profit taking and/or the dollar stabilises."
Official purchases could reach 700 tons this year should the China trend continue and Russia at least matches 2018 volumes of about 275 tonnes, Citigroup Inc. said in April, flagging a de-dollarisation trend. Last year, governments added 651.5 tonnes, the biggest rise since 1971, according to WGC data.


An employee arranges gold jewellery at a shop in Wuhan, Hubei province. The People's Bank of China raised its gold reserves to 61.1mn ounces in April from 60.62mn a month earlier, according to data on its website on Tuesday.

The latest data from the PBoC may signal a steady pace of additions lies ahead, much like the period from mid-2015 to October 2016, when it boosted holdings almost every month.
China has previously gone long periods without revealing increases. When the central bank announced a 57% jump to 53.3mn ounces in mid-2015, that was the first update in six years.
Bullion for immediate delivery was 0.2 percent higher at $1,286.39 an ounce yesterday.

Africa aviation — time to leave protectionist policies behind

By Pratap John

Africa is on the cusp of an aviation boom. The continent is set to become one of the fastest growing aviation regions in the next 20 years with an annual expansion of nearly 5%.
By 2035, Africa is estimated to see an extra 192mn passengers a year to make up a total market of 303mn passengers, travelling to and from African destinations.
As I have written in these columns a few weeks ago, while it is evident that aviation has the potential to fuel economic growth in Africa, several barriers still exist.
One major obstacle, the International Air Transport Association (IATA) points out, is the slow pace of implementing the proposed 'open skies programme' in Africa.
Open Skies' trajectory is at the heart of Single African Air Transport Market (SAATM), a flagship project of the African Union (AU), which was launched in 2018. It was designed to open up Africa's skies, allowing airlines to fly between any two African cities without having to do so via their home hub airport, boosting intra-Africa trade and tourism as a result.
But progress in realising 'African open skies' has been rather tardy, analysts say.
At a recent industry event in Cape Town, IATA's regional vice-president Raphael Kuuchi noted African aviation was at risk of falling behind if countries delayed the creation of open skies while waiting for others to implement the programme first.
Continent Africa comprises some 54 countries, but IATA says so far only 28 countries have agreed to SAATM.
They are Benin, Burkina Faso, Botswana, Capo Verde, Central African Republic, Chad, Congo, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea Conakry, Kenya, Liberia, Mali, Mozambique, Niger, Nigeria, Rwanda, Sierra Leone, South Africa, Swaziland, Togo, Zimbabwe, Lesotho and Cameroon.
However, these countries represent more than 80% of the existing aviation market in Africa.
Obviously, SAATM's key objective is to create a single unified air transport market for African airlines, which can boost local economies through increased intra-African trading.


The logo of South African Airways is seen on the tailfins of aircraft parked at O.R. Tambo International airport in Johannesburg (file). By 2035, Africa is estimated to see an extra 192mn passengers a year to make up a total market of 303mn passengers, travelling to and from African destinations.

Like the European market benefiting the European airlines, African carriers too can tap into a "bigger local market", keeping them on a similar competitive advantage by reducing what many describe as "protectionist policies".
Africa has 731 airports and 419 airlines with an aviation industry that supports around 6.9mn jobs and $80bn in economic activity, data show.
At the same time, the continent's share of the global tourism industry is diminishing, figures reveal. In 10 years, it had fallen from 4.8% of global arrivals and receipts in 2006, down to 3.3% in 2016.
An IATA survey earlier suggested that if just 12 key Africa countries opened their markets and increased connectivity, an extra 155,000 jobs and $1.3bn in annual GDP would be created in those countries.
At the Aviation Africa Summit & Exhibition at Kigali, Rwanda, in late February, Qatar Airways Group Chief Executive, HE Akbar al-Baker highlighted "the need for a global repositioning of Africa's aviation industry as well as the changing political approach" to aviation in the region.
"Although Africa makes up 16% of the world's population, it only captures approximately 3.1% of the world's air travellers. Now is the time to reconsider how Africa's aviation market is positioned in order to maximise its full potential. Governments should leave behind protectionist approaches to regulating aviation and embrace liberalisation, because when such policies are adopted, countries benefit from improved connectivity and a positive impact on trade, tourism and employment, al-Baker had said.
Despite its rosy outlook, Africa's aviation sector still faces enormous challenges. Indeed, protectionist trends have resulted in a rather lacklustre response from many member countries, concerning competition rules, ownership and control, consumer rights, taxes, and commercial viability.
Weak infrastructure, high ticket prices, poor connectivity and lack of proper liberalisation are some of the headwinds on African aviation's path, albeit the continent currently sees an economic boom with tourism started benefiting from greater prosperity.
Airport infrastructure in most African countries remains outdated and cannot effectively serve the growing passengers or cargo volumes.
Airlines and airports are often managed by government entities or regulatory bodies while foreign investment is generally discouraged.
Undoubtedly, Africa's aviation potential remains massive. SAATM was clearly a bold step towards unlocking Africa's aviation potential. But it may end up as another "unfulfilled dream" in African aviation, unless the industry works closely with respective governments to break the barriers that restrict the continent from reaching the levels, it really is capable of.
Until African governments recognise the wider benefits an efficient aviation system can bring in, with its impact on economic development, aviation potential may remain the "same old cliché."

■ *Pratap John is Business Editor at Gulf Times.*

The true cost of flying 'low cost'

By Alex Macheras

Over the last decade, low-cost airlines have dominated the air travel sector. Around the world, passengers have become accustomed to being able to fly 2,000 miles for as little as $20. The rapid rise of low-cost airlines all over the globe has driven down the cost of global air travel, making it an affordable means of transport for the majority of the world's travelling population.
In order to grow, budget airlines have adapted their strategy to ensure they are flying from major airports in order to attract customers from the traditional scheduled airlines. In Europe, Ryanair is often regarded as the airline at the extreme end of the low-cost carrier scale, frequently selling tickets for as little as €0.10 cents, in return for making passengers queue at the aircraft door (even in harsh winter conditions), while the previous flight's passengers disembark. And while your ticket may have only been 10 cents, you'll be paying pay 3 times the ordinary price for a bottle of water on any Ryanair flight.
However, the seriousness of what these ultra-low fares have done to the flight working environment is a bleak reality, of which most passengers are seemingly oblivious to. The true cost of ultra-cheap air travel nowadays is the rise in the number of the exhausted, fatigued crew — responsible for the safety of every single person on the aircraft. At low-cost carriers, the crew members are subject to poorer working conditions, minimum rest, and maximum flying. It's an issue of such importance that, if a passenger were to have any doubts over the safety of air travel (which still remains the safest form of transport), they'd be more logical to be concerned if the flight crew had sufficient rest since their last flight, rather than worry about bumpy weather en route. Last year, Ryanair left a flight's cabin crew to sleep overnight on the floor of the airline's Malaga Airport office, claiming there were no hotels available — a completely dishonest statement from the largest budget airline in Europe. After I independently verified the information with six sources, I found there were at least 400 hotels in and around the main city of the airport available on that night. Furthermore, it doesn't take much thought to recognise that it was low-season in Southern Spain, and most hotel occupancy rates were at 50% (half-empty), as is normal for that time of year. Why is a tired crew of concern to the public?
Fatigue can impair a crew member's alertness and ability to safely operate an aircraft or perform safety-related duties. For example, an exhausted crew may struggle to evacuate a passenger aircraft fast enough or may forget to check surroundings through the exit door window prior to opening it in an emergency.
In the Middle East, several pilots of the UAE low-cost airline FlyDubai have spoken out against the airline, in order to shed light on how pilots are "being pushed to the limit." FlyDubai crews have complained about a higher level of fatigue and 'dangerous' schedules.
In the immediate aftermath of a FlyDubai accident — where a FlyDubai Boeing 737 crashed during an aborted landing at Rostov-on-Don Airport, Russia, on 19 March 2016 — a FlyDubai pilot told BBC News: "I don't want to speculate on what caused the crash, but I think that fatigue must have been a contributory factor. The crew are overworked and suffering from fatigue. It is a significant risk. Staff are going from night to day shifts without enough rest in between. I would say 50% of the airline's workforce is suffering from acute fatigue."
Are passengers expecting cheaper airfares to be here for decades to come? Absolutely. But should those cheaper airfares result in a compromise having to be made over the alertness of the pilots operating the flight, or the wellness of the cabin crew responsible for evacuating all passengers in 90 seconds? Are budget airlines' punishing schedules, and increased workload in order to meet the low cost travelling demand, now revealing the 'true cost' of 'low cost?'

■ *The author is an aviation analyst. Twitter handle: @AlexInAir*

A Rolls Royce engine on a Boeing 787-9 of an Air New Zealand aircraft. Rolls, which exited the New Midsize Aircraft programme earlier this year, may return to the contest if the timetable slips, CEO Warren East said at the company's annual shareholder meeting in Bristol, England.

Rolls-Royce may power Boeing 797 if Max crisis delays aircraft

Bloomberg
London

Rolls-Royce Holdings Plc could re-enter the competition to power a medium-sized jetliner under development at Boeing Co if the US plane maker pushes the project back to help cope with the 737 Max crisis.
Rolls, which exited the New Midsize Aircraft programme earlier this year saying a new engine won't be ready for the plane to enter service in 2025, may return to the contest if the timetable slips, chief executive officer Warren East said at the company's annual shareholder meeting in Bristol, England.
"We said to Boeing, we can't produce something that we are confident will be sufficiently mature," East said. "If Boeing change their timescales then obviously we can reassess. We think technically we have a good solution."
Rolls had initially regarded the NMA, also dubbed the 797, as a potential launch platform for the new Ultrafan engine that will form the basis of its turbine offerings for the foreseeable future. That was before East said in February that it would be wiser to withdraw than "screw up the launch" of the plane and create service issues for customers.
Boeing put back a decision to select an engine for the NMA even before the fatal crash of an Ethiopian Airways Max on March 10. The subsequent worldwide grounding of the 737 has led some analysts to suggest that the company may need to suspend work on the new plane to focus its full attention to getting the narrow-body workhorse flying again. Whatever the decision on the NMA, East said Rolls intends to bid to power the next generation of single-aisle planes expected to succeed both the Max and Airbus SE's A320neo jets from 2030. That would represent a milestone for the company after it quit the narrow-body market in 2011 to focus solely on bigger planes, leaving the sector to General Electric Co and Pratt & Whitney.
The cautious approach on the mid-size Boeing has been motivated by a desire to avoid any glitches with the Ultrafan that could colour the view of airlines and planemakers on the engine. That's especially so given the issues Rolls has had with its Trent 1000 turbines that power the American firm's 787 Dreamliner.
The NMA aside, the first available application for the Ultrafan could be a re-engined version of the Airbus A350 that the European company is studying for introduction toward the end of the 2020s. East said that the company had caught up delays on Airbus's newest widebody, the A330neo, after falling behind last year, adding that the low number of deliveries of that aircraft in the first quarter was unrelated to engines.
The company has also managed to "draw a box" around the the Trent 1000 issues that have affected some 787 operators, which has helped it secure new orders this year after a sales "drought" in 2018. Rolls has finalised claims with "effectively all" operators of the engine, with more than half of the 1.5bn pounds ($1.95bn) in costs associated with fixing the program earmarked for compensation payments.

Mideast airlines' freight volumes increased 1.3% in March: IATA

Middle Eastern airlines' freight volumes increased 1.3% in March compared to the year-ago period, International Air Transport Association (IATA) has said in a report.
Capacity increased by 3.8%. A clear downward trend in seasonally-adjusted international air cargo demand is now evident with weakening air freight volumes to/from North America and to/from Asia Pacific contributing to the softer performance.
IATA's latest data for global air freight markets showed that demand, measured in freight tonne kilometers (FTKs), increased 0.1% in March 2019, compared to the same period in 2018.
While this is a significant improvement on the 4.9% contraction in February, in seasonally adjusted terms, demand is still down 1.5% over the past year.
Freight capacity, measured in available freight tonne kilometres (AFTKs), rose by 3.1% year-on-year in March 2019. Capacity growth has now outstripped demand growth for 11 out of the last 12 months.
Industry confidence regarding the outlook, however, remains relatively upbeat with only 13% of respondents from IATA's Business Confidence Survey expecting to see a decrease in freight volumes in 2019 compared to 2018.
"Year-on-year demand for air freight edged back into positive territory in March with 0.1% growth. After four consecutive months of contraction, this is an encouraging development. But the headwinds from weakening global trade, growing trade tensions and shrinking order books have not gone away," said IATA's director-general and CEO Alexandre de Juniac.
Asia-Pacific airlines saw demand for air freight shrink by 3.4% in March 2019, compared to the same period in 2018. This was a significant improvement from the 12% decline in growth from the previous month. Weaker manufacturing conditions for exporters in the region, ongoing trade tensions and a slowing of the Chinese economy impacted the market. Capacity decreased by 1%.
African carriers posted the fastest growth of any region in March 2019, with an increase in demand of 6% compared to the same period a year earlier. Seasonally-adjusted international freight volumes are lower than their peak in mid-2017; despite this, they are still around 30%

Dollies holding cargo containers are seen at Chiang Mai International Airport in Thailand. IATA's latest data for global air freight markets showed that demand, measured in freight tonne kilometres (FTKs), increased 0.1% in March 2019, compared to the same period in 2018.

higher than their most recent trough in late-2015. Capacity grew 15.2% year-on-year.
European airlines posted a 3.6% increase in freight demand in March 2019 compared to the same period a year earlier. Given the weaker manufacturing conditions for exporters in Germany, and uncertainty over Brexit, March's performance represents a positive outcome. Capacity increased by 6.4% year-on-year.
North American airlines saw demand increase by 0.4% in March 2019, compared to the same period a year earlier. The recent easing of growth is partly due to a slowing of US domestic economic activity in the later part of 2018 and falling global trade volumes.
Despite this, new export orders are rising which would support air cargo growth. Capacity increased by 2.6% over the past year, IATA said.

US-Qatar Business Council welcomes Qatar's new Commercial Attaché to US


Al-Dosari is confident that "we can make a positive impact on the US-Qatar trade relationship".

The US-Qatar Business Council (USQBC) has hosted a reception to welcome Fahad al-Dosari, Qatar's newly appointed Commercial Attaché to the US.
The reception welcomed over 60 members of the business community and was hosted at the recently opened Conrad Hotel near CityCenterDC, which is one of Qatar's first major investments in the US, totalling over $650mn.
Al-Dosari is the first Commercial Attaché of Qatar to the US, and his posting is part of an initiative of the Ministry of Commerce and Industry to place representatives overseas to further increase trade and investment. His appointment was made alongside appointments of attachés to the UK and France, a USQBC statement said.
He is well-versed in international trade, having served with Qatari delegations to the World Trade Organisation. He also participated in the Gulf Cooperation Council's trade negotiations with China and represented Qatar in the joint committees to Singapore and the Scandinavian countries to review trade agreements.
"Though I have a lot of work before me, I am appreciative of my partners here in Washington, and confident we can make a positive impact on the US-Qatar trade relationship," said al-Dosari, who was also a major participant in handling the World Trade Organisation's periodic reviews of Qatar's trade policy.
"He (al-Dosari) has arrived in the US at a very promising time for US-Qatar business relations," said Ambassador Anne Patterson, USQBC's President.
Mohammed Barakat, managing director of the USQBC, said the appointment is the first step in further deepening the US-Qatar trade relationship and shows the importance of the US to the Qatari economy.
"We look forward to working with al-Dosari and the Ministry of Commerce and Industry to further develop the trade relationship," he said.


US President Donald Trump speaks at an event in the Rose Garden of the White House in Washington, DC. Trump, who has embraced largely protectionist policies as part of his "America First" agenda, has warned China that it was mistaken if it hoped to delay a trade deal until a Democrat controlled the White House.

Trump is 'happy' to keep tariffs on Chinese goods; China threatens retaliation

Sources say China backtracked on draft agreement; US says higher tariffs to be effective today; two days of talks resume in Washington

Reuters
Washington

US President Donald Trump said on Wednesday he would be happy to keep tariffs on Chinese imports, prompting Beijing to threaten retaliation, as the world's two largest economies prepared to resume talks to end a trade war that has roiled global supply chains and financial markets.

The United States and China have locked horns over trade since last year, when the Trump administration slapped levies on billions of dollars worth of Chinese goods and demanded the Asian nation adopt policy changes that would, among other things, make China's market more accessible to US companies.

Beijing has responded in kind with its own tariffs on a range of US goods including soybeans and pork products.

While expectations have mounted that the two sides appeared to be nearing a deal, relations have soured in recent days.

Reuters, citing US government and private-sector sources, reported on Wednesday that China late last week had backtracked on almost all aspects of a draft trade agreement, threatening to blow up the negotiations.

Trump, who has embraced largely protectionist policies as part of his "America First" agenda, warned China on Wednesday that it was mistaken if it hoped to delay a trade deal until a Democrat controlled the White House.

"The reason for the China pullback & attempted renegotiation of the Trade Deal is the sincere HOPE that they will be able to 'negotiate' with Joe Biden or one of the very weak Democrats," Trump, a Republican, tweeted on Wednesday.

"Guess what, that's not going to happen! China has just informed us that they (Vice-Premier) are now coming to the US to make a deal.

We'll see, but I am very happy with over $100 Billion a year in Tariffs filling US coffers," he added.

China has announced it is sending Vice-Premier Liu He, its lead negotiator for the trade dispute, to Washington for talks on Thursday and today, which some observers have taken as a sign that Beijing wants to strike a deal.

In the meantime, the US government said in its official journal on Wednesday it would raise tariffs on $200bn of Chinese goods to 25% from 15% effective at 12:01am EDT (0401 GMT) today.

Trump announced the plan on Sunday.

Separately, China's Commerce Ministry said it would respond in kind, adding that escalating trade frictions were not in the interest of either country or the world.

Speaking to reporters, White House spokeswoman Sarah Sanders separately said the Trump administration has received an "indication" that China wants an agreement.

Major stock indexes rebounded from this week's earlier losses after her comments.

The United States is demanding Beijing make sweeping changes to its trade and regulatory practices, including protecting US intellectual property from theft and forced transfers to Chinese firms, curbs on Chinese government subsidies and increased American access to China's markets.

Trump also has sought massive hikes in Chinese purchases of US farm, energy and manufactured products to shrink a gaping US trade deficit with China.

But sources familiar with the talks said China's latest demands for changes to a 150-page document that had been drafted over several months would make it hard to avoid the US tariff hike today.

That increase would affect Chinese imports from computer modems and routers to vacuum cleaners, furniture, lighting and building materials.

Scott Kennedy, a China expert at the Center for Strategic and International Studies in Washington, said the talks were at a delicate stage and much depended on what sort of proposal Liu is bringing to Washington.

"I think the Trump administration is quite serious about imposing tariffs," Kennedy said. "I don't think Liu He would have agreed to come if he was just going to give the US a lecture."

KPMG fined over defective audit of Co-op Bank

Reuters
London

Accounting giant KPMG has been fined and reprimanded by regulators over a defective audit of Britain's Co-op Bank and its audits of lenders will face additional checks for three years.

Britain's Financial Reporting Council said KPMG had been fined £5mn ($6.5mn), reduced for a settlement to £4mn.

KPMG audit partner Andrew Walker was also fined £125,000, discounted for settlement to £100,000, and reprimanded.

The penalties relate to a 2009 audit of the Co-op Bank shortly after its ill-fated merger with the Britannia Building Society, which pushed it to the brink of collapse.

The penalties come at a difficult time for Britain's big four accountancy firms — which also include PwC, Deloitte and EY — with regulators calling on their audit functions to be ringfenced from consultancy after a string of auditing failures on major firms including BHS and Carillion.

All KPMG's audit engagements with credit institutions for audits ending in 2019, 2020 and 2021 will be subject to an additional review by a separate KPMG audit quality team who will provide reports to the FRC, the regulator said.

KPMG will also pay £500,000 towards the FRC's costs.

The FRC said KPMG and Walker both admitted their conduct fell significantly short of standards expected in assessing the fair value of Britannia's loan book.

The accountancy firm failed to obtain sufficient evidence and to exercise sufficient professional scepticism and failed to inform Co-op Bank the financial statements were not adequate.

A spokesperson for KPMG said: "We regret that some of our audit work around specific elements of the Bank's Fair Value Adjustments did not meet the appropriate standards

"The work in question was conducted almost a decade ago and we have significantly enhanced our procedures and training around the areas in question since then."

After further years of tough trading Co-op Bank was rescued by a consortium of US hedge funds in 2017.

The lender separately reported first quarter results this morning, with a pre-tax loss of £28.6mn for the first three months of 2019.

Abraaj founder kept in custody in absence of £15mn bail

Reuters
London

Arif Naqvi, the founder of collapsed buyout firm Abraaj Group, was yesterday given another two days to raise a 15mn pound bail by a London court, a court official said.
Naqvi was arrested in Britain last month and has been awaiting potential extradition to the United States where he faces charges of defrauding investors.
On May 3, Westminster Magistrates Court granted Naqvi bail on condition that he pay £15mn ($19.72mn) and an additional surety of £650,000, as well as surrendering his Pakistani passport, remaining under 24-hour curfew at an address given to the court and wearing an electronic tag, a prosecution spokesman said at the time. Yesterday's bail hearing was adjourned until May 10, the last date for which the bail money can be paid, the official said.
Naqvi declined to comment, according to an e-mail from his public relations firm.
He has previously maintained his innocence.
Under the US charges, Naqvi is accused of inflating positions held by Abraaj in order to attract greater funds from them, causing them financial loss.
The US Securities and Exchange Commission alleges that Naqvi and his firm raised money for the Abraaj Growth Markets Health Fund, collecting more than $100mn (£77mn) over three years from US-based charitable organisations and other US investors, including the Bill & Melinda Gates Foundation.

Selling pressure in industrials, consumer goods drags QSE

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange yesterday witnessed a huge selloff, especially in industrials and consumer goods, resulting in 128 points decline in the key benchmark, which settled way below 10,200 levels.
Foreign funds' increased net selling pressure led the 20-stock Qatar Index plunge 1.25% for the fourth consecutive day to 10,123.4 points.
A Kamco technical analysis suggests that medium-term and long-term investors can stay in the market with a stop-loss below 10,200 points and 9,700 points, respectively. The weakened buying interests of domestic institutions also dampened the market, whose sensitive index is down 1.71% year-to-date.
Market capitalisation eroded about QR6bn or 1.02% to QR566.38bn mainly owing to mid large and small cap segments.
Islamic equities were seen under-performing the market, where local retail investors however turned net buyers.
Trade turnover and volumes were on the increase on the bourse, where industrials, banking and realty sectors together accounted for more than 85% of the total volume.
The Total Return Index shed 1.25% to 18,627.91 points, All Share Index by 1.04% to 3,078.29 points and Al Rayan Islamic Index (Price) by 1.36% to 2,303.71 points.
The industrials index tanked 1.63%, consumer goods (1.3%), banks and financial services (1.08%), realty (0.72%), transport (0.64%) and telecom (0.6%); whereas insurance gained 0.73%.
More than 82% of the traded constituents were in the red with major losers being Industries Qatar, Woqod, Qatar Islamic Bank, Commercial Bank, Doha Bank, QIIB, Dlala, Gulf International Services, Mazaya Qatar, Barwa, Vodafone Qatar, Gulf Warehousing and Nakilat; even as Milaha, Qatar Insurance, Qatar National Cement and Qatari German Company for Medical Devices were among the prime gainers. Non-Qatari institutions' net profit booking increased significantly to QR23.4mn against QR7.38mn on Tuesday.
The Gulf individual investors' net selling grew marginally to QR0.67mn compared to QR0.27mn on May 7.
Domestic institutions' net buying declined considerably to QR3.94mn against QR14.42mn the previous day.
However, local retail investors' net buying grew noticeably to QR22.39mn compared to QR0.76mn on Tuesday.
Non-Qatari individuals' net selling declined significantly to QR2.05mn against QR5.81mn on Tuesday.
The Gulf institutions' net profit booking decreased perceptibly to QR0.21mn compared to QR1.56mn the previous day.
Total trade volume grew 39% to 8.82mn shares, value by 47% to QR230.13mn and transactions by 58% to 5,404.
The insurance sector's trade volume grew more than six-fold to 0.13mn equities and value also by more than six-fold to QR3.92mn on more than doubled deals to 155.
The banks and financial services sector saw a 64% surge in trade volume to 2.5mn stocks and 40% in value to QR101.86mn on more than doubled transactions to 1,531.
The telecom sector's trade volume soared 50% to 0.57mn shares, value by 21% to QR6.93mn and deals by 21% to 312.
There was a 35% increase in the industrials sector's trade volume to 3.23mn equities, 93% in value to QR69.93mn and 56% in transactions to 1,888.
The consumer goods sector's trade volume shot up 31% to 0.21mn stocks, value by 1% to QR14.66mn and deals by 63% to 263.
The realty sector reported a 21% expansion in trade volume to 1.81mn shares, 38% in value to QR23.86mn and 37% in transactions to 1,110.
Although the transport sector's trade volume was flat at 0.37mn equities, value was down 1% to QR8.96mn and deals by 8% to 145.
In the debt market, there was no trading of treasury bills and sovereign bonds.