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Iran supply again boosts Opec oil output in April

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GULF TIMES
BUSINESS

VACCINATION HOPES : Page 4

Eurozone dips into second recession in Q1, but recovery ahead

New covered short selling rules to make QSE more attractive

By Santhosh V Perumal
Business Reporter

Qatar's securities market is now in the process of issuing new covered short selling rules as part of its reforms to make the market more attractive for the investors, especially foreign.

It is also in the process of modifying the procedures relating to the securities lending and borrowing (SLB) as well as omnibus accounts, the latter of which indicates the advent of derivatives in the capital market.

"The new short selling rules, updates to the lending and borrowing rules and pooled trading account procedures, aim to enable investors to use different investment strategies in line with the best practices in the financial markets," QSE chief executive Rashid bin Ali al-Mansoori said in a tweet.

The move appears to be the offshoot of a "strategic session" between the Qatar Stock Exchange (QSE) and the Qatar Financial Market Authority (QFMA) early this February, where discussions centred on various topics such as the launch of derivatives market as well as product diversification and enhancement of SLB, covered short selling and listing rules.

The QSE, which has given its response to the feedback sought by the QFMA, is awaiting the regulator's final approval.

Most short selling is done by hedge funds and institutional investors to cushion their positions against falling stock prices. The QFMA has already approved covered short selling with liquidity providers allowed to conduct short selling of the exchange traded funds or ETF units and index constituents for performing bona fide ETF liquidity provision activity.

The QSE is also in the process of modifying the procedures relating to the securities lending and borrowing as well as omnibus accounts, the latter of which indicates the advent of derivatives in the capital market

Omnibus account is used with custodians to facilities more investors in one account and make it efficient to place orders.

An omnibus account is normally overseen by a futures manager. The futures manager uses the funds in the account to complete trades on behalf of the participating individual investors.

Market sources are of the view that one of the advantages of omnibus accounts is that it would reduce costs as one account is required for many investors and also ease the burden for issuers.

In a recently released Capital Market Report 2020, the Qatar Financial Centre had suggested creating a derivatives market, initially offering single-stock futures contracts, as part of the key recommendations for the country's capital market development.

A derivatives market would add to the breadth of Qatar's capital market, offering investors risk management tool to hedge their investments and business exposure.

The QSE had recently announced that it is looking into derivatives trading, indicating that it could be hosted on the exchange, supported by a listing framework and clearing and settlement through the Qatar Central Securities Depository.

GECF hosts 'Gas Lecture Series' on Monday

The Gas Exporting Countries Forum (GECF), the global platform of the leading gas producing countries, will host its next signature 'Gas Lecture Series' on Monday at 14:30 hours.
Featuring Dr Sergey Brilev, president of Global Energy Association, the lecture is titled "Global Energy: Supporting Science and Innovation" and will be the 53rd lecture of the series and the fifth for this year.
He will share with the GECF his expertise about the promotion of an innovative future for the energy industry and nudging creative ideas to increase the global energy efficiency and minimising carbon emissions.
Brilev, well-known as a journalist for his interviews with prominent global figures and leaders, holds a PhD in history and has is an author of several documentaries and books in the fields of international relations, politics, history, and energy.
He is the president of the Bering-Bellingshausen Institute on Russia-Latin America relations (IBBA, Montevideo, Uruguay).

Featuring Dr Sergey Brilev, president of Global Energy Association, the lecture is titled "Global Energy: Supporting Science and Innovation" and will be the 53rd lecture of the series and the fifth for this year

Qatar realty sales worth QR421.8mn in fourth week of April: Ezdan

Qatar witnessed a total of QR421.8mn worth real estate sales during the fourth week of April 2021, according to Ezdan weekly report.

The country saw QR258.2mn revenue accrue from land sales, or 61.2% of the total sales, and the sale of buildings of all types generated QR163.6mn, or 38.8% of the total sales, in the review period.

During the period, market activity showed that the registered property sales were distributed among seven municipalities: Umm Slal, Al Khor, Al Dakhira, Doha, Al Rayyan, Al Shamal, Al Daayen, and Al Wakra, and included the sales of vacant lands, residences, multi-use buildings, multi-use land lots and residential buildings, Ezdan said, quoting data from the real estate bulletin released by the Real Estate Registration Department.

Doha ranked first in terms of value through the sale of a vacant land lot in Fereej Al Sudan at a value of QR103mn. The land lot spans over 30,903sqm and was sold at a price of QR310 per square foot.

Doha also has seen the sale of a vacant multipurpose land lot in Lusail area, at a value of QR51.6mn, extending over an area of 7,375sqm, and the square foot price stood at QR650.

Ezdan Real Estate Company runs more than 22,800 residential units, and 790 commercial units inside Doha and its suburbs, including Al Wakra and Al Wukair. The company continues to invest in the real estate sector and contribute to real estate development in Qatar on a large scale.

Strong buying interests in industrials, insurance boost sentiment

QSE WEEKLY REVIEW

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange witnessed strong buying interests, especially in the industrials and insurance counters, as it settled higher this week, which saw two more entities – Milaha and Qatar Islamic Bank – suggest up to 100% foreign ownership limit.
The increased net buying by the Gulf funds and a substantial decline in the net selling pressure from the domestic institutions helped the 20-stock Qatar Index settle 0.61% higher at 10,911 points this week, which saw Industries Qatar report net profit of QR1.5bn in the first quarter (Q1) of 2021.
Foreign institutions and local retail investors continued to be net buyers but with lesser intensity this week, which saw the global credit rating agency Moody's affirm Masraf Al Rayan's long and short term issuer ratings at 'A1/P-1'.
Amidst an overall bullish overhang, decliners outnumbered gainers this week, which saw Ooredoo report QR1.8bn revenues in Q1, 2021.
More than 56% of the traded constituents saw their shares depreciate in value this week, which saw Qatar Electricity and Water Company's Q1, 2021 net profit at QR372mn.
The Gulf individuals and the Arab funds were increasingly net profit takers this week, which saw a total of 92,690 Masraf Al Rayan-sponsored exchange traded fund QATR valued at QR240,739 change hands across 23 transactions.
The foreign individuals were seen bearish in the week, which saw a total of 604,012 Doha Bank-sponsored exchange traded funds QETF worth QR6.48mn trade across 81 deals.
Market capitalisation saw about QR4bn or 0.61% increase to QR630.88bn, mainly on mid and large cap segments this week, which saw Qatar's trade surplus swell 73% year-on-year to QR13.18bn in March 2021.
The industrials index shot up 3.14%, insurance (1.42%) and banks and financial services (0.15%); whereas realty declined 1.52%, consumer goods and services (1.13%), transport (0.58%) and telecom (0.12%) this week, which saw the industrials and consumer goods sectors together account for more than 68% of the total trade volume.
The industrials sector accounted for 45% of the total trade volume, consumer goods and services (24%), banks and financial services (13%), real estate (12%), insurance (3%) and telecom (2%) and transport (1%).
In terms of value, the industrials sector's share stood at 36% of the total, banks and financial services (25%), consumer goods and services (19%), realty (9%), insurance (5%), and transport and telecom (3% each).
Major gainers included Doha Bank, Qamco, Doha Insurance, Industries Qatar, Zad Holding, Qatar National Cement, Gulf International Services, Mesaieed Petrochemical Holding and Al Khaleej Takaful this week.
Nevertheless, Widam Food, Dlala, Investment Holding Group, Qatari German Medical Devices, Mazaya Qatar, Ahlibank Qatar, QIIB, Alijarah Holding, Inma Holding, United Development Company, Vodafone Qatar and Milaha were among the losers.
The Gulf institutions' net buying increased notably to QR33.09mn against QR25.21mn the week ended April 22.
The domestic funds' net selling fell significantly to QR167.61mn compared to QR440.69mn the previous week.
However, the Gulf individuals' net profit booking grew drastically to QR22.6mn against QR4.98mn a week ago.
The foreign funds' net buying decreased considerably to QR136.13mn against QR313.4mn the week ended April 22.
Qatari investors' net buying shrank markedly to QR9.15mn compared to QR56.64mn the previous week.
The Arab individuals' net buying weakened substantially to QR13.18mn against QR51.04mn a week ago.
The Arab funds' net selling strengthened marginally to QR1.35mn compared to QR0.47mn the week ended April 22.
The foreign individuals turned net sellers to the extent of QR0.27mn against net buyers of QR0.31mn the previous week.
Total trade volume declined 21% to 1.28bn shares, value by 14% to QR2.69bn and transactions by 18% to 49,216.
The consumer goods and services sector's trade volume plummeted 52% to 303.45mn equities, value by 32% to QR498.63mn and deals by 29% to 9,128 this week.
The market witnessed a 40% plunge in the telecom sector's trade volume to 21.91mn stocks, 20% in value to QR73.23mn and 26% in transactions to 1,917.
The transport sector's trade volume tanked 29% to 18.73mn shares, value by 22% to QR75.4mn and deals by 1% to 1,938.
The banks and financial services sector saw a 24% shrinkage in trade volume to 163.96mn equities, 32% in value to QR671.82mn and 34% in deals to 13,754.
The real estate sector's trade volume shrank 5% to 156.45mn stocks, value by 23% to QR246.46mn and transactions by 23% 4,782.
However, there was a 15% surge in the industrials sector's trade volume to 570.52mn shares, 31% in value to QR978.3mn and 16% in deals to 14,746.
The insurance's sector's trade volume was flat at 43.11mn equities and value also flat at QR140.6mn, while transactions rose 9% to 2,951.

Iran again boosts Opec oil output in April, says survey

Reuters
London

Opec oil output has risen in April as higher supply from Iran countered involuntary cuts and agreed reductions by other members under a pact with allies, a Reuters survey found, adding to signs of a 2021 recovery in Tehran's exports.

The 13-member Organization of the Petroleum Exporting Countries pumped 25.17mn barrels per day (bpd) in April, the survey found, up 100,000 bpd from March.

Output has risen every month since June 2020 with the exception of February.

Iran's exports are rising as talks take place to revive a 2015 nuclear deal which could eventually allow more oil to the market.

US President Joe Biden's administration took office in January pledging to rejoin the accord.

So far, Opec and its allies, known as Opec+, are not concerned by Iran and plan their own output boost from May.

"The elevated levels that we are seeing from Iran are generally continuing," Daniel Gerber, chief executive of Petro-Logistics, a consultant that tracks oil shipments, told Reuters this month.

Hoping for a demand recovery, Opec+ this week confirmed a plan to ease from May more of the record cuts made in 2020.

From May Saudi Arabia will also begin to unwind an extra voluntary cut it made in February, March and April.

The extra Saudi cut means Opec still pumped much less than called for under the Opec+ deal in April.

A general view of Abadan oil refinery in southwest Iran (file). Iran's exports are rising as talks take place to revive a 2015 nuclear deal which could eventually allow more oil to the market.

Compliance with pledged cuts was 123%, the survey found, versus 124% in March.

Iran, plus fellow Opec members Libya and Venezuela, are exempt from making cuts, so changes in their output do not affect the compliance rate.

Iran has managed to raise exports since the fourth quarter despite US sanctions, according to various assessments of the shipments.

The survey puts Iranian supply in April at 2.5mn bpd, up 200,000 bpd from March and the biggest rise in Opec.

There were small increases in Algeria, Nigeria and Angola.

Top exporter Saudi Arabia kept output steady, delivering on its additional cut pledge for a third month.

Output was also steady in the United Arab Emirates and Kuwait, the survey found.

Libya and Venezuela posted notable declines.

Libya on April 19 declared force majeure on exports from its Hariga oil terminal due to a budget dispute with the central bank, and production dropped.

The force majeure was lifted this week. Venezuelan output, which has been edging up in recent months, fell back amid a shortage of medium and light crude for blending operations to produce exportable crude grades, the survey found.

The Reuters survey aims to track supply to the market and is based on shipping data provided by external sources, Refinitiv Eikon flows data, information from tanker trackers such as Petro-Logistics and Kpler, and information provided by sources at oil companies, Opec and consultants.

Lebanese prosecutor opens probe into central bank governor, brother

Reuters
Beirut

Lebanon's public prosecutor has launched an investigation into central bank governor Riad Salameh, a judicial source said, after a Swiss legal request alleged that more than $300mn had been embezzled from the bank through a company owned by his brother.

The senior judicial source told Reuters the offices of Salameh's younger brother Raja had been sealed off, with computers and files confiscated in the course of the investigation.

The public prosecutor had no comment.

Riad Salameh, who denies any wrongdoing, had no comment when asked by Reuters about the opening of the investigation, the sealing of his brother's office and the confiscation of the files.

The central bank also declined to comment, or to provide contact details for Raja Salameh, and Reuters was not immediately able to ask him for comment.

The Swiss attorney general's office said in January that it had requested legal assistance from Lebanon in investigating "aggravated money laundering" and possible embezzlement relating to the Lebanese central bank, the Banque du Liban.

The Swiss request, seen by Reuters, alleges that Forry Associates, a company owned by Raja Salameh with a bank account in Switzerland that took commission on sales of Lebanese Eurobonds and Treasury bills, was paid $326mn by the central bank between 2002 and 2014 in transactions labelled as fees and commissions.

Most of the payments to Forry were then transferred to an account in Raja Salameh's name.

More than $7mn were also transferred from Forry Associates between 2008 and 2012 to an account in Riad Salameh's name, the document said.

Reuters was unable to find any contact details for Forry Associates.

The Swiss attorney general's office had no comment about the content of the legal request other than repeating its statement from January.

It has not said whether Riad Salameh is a suspect.

'Turkish bank seen to keep rates unchanged next week'

Reuters
Ankara

Turkey's central bank is expected to keep its policy rate unchanged at 19% next week and a cut is not expected until the third quarter, a Reuters poll showed on Friday, as economists see inflation rising further in coming months.

The delayed expectations of a rate cut suggest new Governor Sahap Kavcioglu, who promised that rates will remain above inflation, has been able to convince markets that an early rate cut will not be delivered.

All 18 participants in the Reuters poll estimated the central bank would keep its policy rate unchanged next week.

Out of 15 who responded to a question about the timing of a rate cut, 10 expected the first cut in the third quarter, while two expected it in the second and three in the fourth. In last month's poll, five people expected a cut in the second quarter and seven in the third, while two expected it in the fourth quarter.

Presenting the quarterly inflation report this week, Kavcioglu said inflation would peak in April.

According to a Reuters poll, inflation is expected to exceed 17% in April.

The data is scheduled for release on Monday. But economists say it could keep rising into May or even June and that the high levels of inflation are likely to keep the central bank from cutting its policy rate.

Among the 12 economists who participated in the poll for the year-end policy rate, the median estimate was 16%, with forecasts ranging between 12% and 17%.

CORPORATE RESULTS

ExxonMobil returns to profitability in Q1 on higher oil prices

After a string of losses, ExxonMobil said on Friday it returned to profitability in the first quarter, bolstered by a significant jump in oil and natural gas prices.

The oil giant, which reported losses in all four quarters in 2020, reported profits of $2.7bn in the first quarter.

Revenues rose 5.3% to $59.1bn.

The company said its average price for crude oil sold rose 42 % compared with the fourth quarter, while natural gas prices rose by 33 %.

Those better conditions in the exploration and production business offset the anaemic state of ExxonMobil's downstream business tied to refining crude into gasoline.

Conditions in the downstream business improved from the fourth quarter, "but remained below 10-year lows driven by market oversupply and high product inventory levels," ExxonMobil said.

But ExxonMobil enjoyed heady conditions in its chemical business, where profits surged due to "continued strong demand, global shipping constraints and ongoing supply disruptions, particularly in North America," the company said.

ExxonMobil has been under scrutiny from Wall Street over its debt level, which exceeds that of Chevron and other rivals.

The company pledged to maintain its 2021 capital budget in the previously-planned range, saying additional cash generated would go to paying down debt.

Eni

Italian energy giant Eni said Friday it returned to profit in the first quarter, the latest oil company to recover from the coronavirus crisis after a rebound in crude prices.

Eni booked a net profit of €856mn ($1bn) in the first three months of the year following €2.9bn in losses in the same period last year. The results were far better than expected, as analysts polled by Factset had forecast €578mn.

"The first quarter of 2021 has been significantly impacted by ongoing national lockdowns, however despite this Eni has achieved significantly improved results," chief executive Claudio Descalzi said in a statement.

"With the pandemic situation gradually improving, and a broadening economic recovery looking more likely, we have been able to improve our outlook for the coming months," he added.

Eni expects free cash flow generation of more than three bn euros this year, based on a scenario of oil prices staying at around $60 per barrel.

Reliance Industries

Indian conglomerate Reliance Industries saw its quarterly profits more than double between January and March, the firm said Friday, boosted by a turnaround in its key oil and retail businesses.

The Mumbai-based behemoth — which is owned by Asia's richest man, Mukesh Ambani — said its consolidated net profit for the period jumped 108% to 132.27bn rupees ($1.79bn) from 63.48bn rupees a year earlier.

The oil-to-telecoms giant enjoyed a strong recovery during the quarter as India eased coronavirus lockdowns, prompting the transport and retail sectors to bounce back, before a ferocious second wave of infections forced a new round of restrictions this month.

"Our consumer businesses have proved to be a digital and physical lifeline for the nation in these challenging times," Ambani said in a statement.

Its telecom arm Jio added over 15mn subscribers during the quarter, with revenues up by 18.9%, as pandemic restrictions saw increasing numbers of Indians rely on digital services.

The conglomerate said its operating revenues grew 11% to 1.54tn rupees for the quarter, with its retail revenues climbing 20% and its refining revenues up 4.4%.

AstraZeneca

British pharmaceuticals giant AstraZeneca said Friday that its Covid vaccine generated $275mn (€227mn) in sales in the first quarter, as its chief executive defended performance in the face of EU legal action.

It is the first time that the company has disclosed figures from sales of one of the world's leading vaccines, which it sells at cost.

The company has delivered about 68mn doses of the vaccine, which was developed with the University of Oxford and has been instrumental in Britain's rapid vaccination drive.

However, public confidence in the jab has been dented over links to very rare blood clots, and the company is also mired in a legal fight with the EU over delivery shortfalls.

"I don't think we ever overpromised...more than we thought we could deliver," chief executive Pascal Soriot told reporters on Friday, insisting there were no regrets. "What we communicated at the time was based on the capacity that we had put together."

The bulk of AstraZeneca's jab sales during the first quarter — $224mn worth — were in Europe, the company said.

A total $43mn were in emerging markets, and $8mn in the rest of the world, it added.

The Covid jab revenue data was contained in a results statement showing that AstraZeneca's net profit doubled in the first quarter to $1.56bn from a year earlier.

Total revenue jumped 15% to $7.32bn in the reporting period, boosted by strong sales of new cancer drugs.

ANA

Japan's biggest airline ANA reported its worst ever annual loss on Friday but predicted a rebound to profit this financial year, with its vice president seeing "light at the end of the tunnel" after the pandemic.

For the past year to March, ANA Holdings logged a record net loss of ¥404.6bn ($3.72bn), compared with net profit of ¥27.6bn in the previous 12 months.

The loss was smaller than the firm's earlier projection, after it sought to cut costs in areas from personnel and fuel to airport usage fees, and retired some aircraft sooner than planned.

But it expects to see a ¥3.5bn net profit for the year to March 2022, as the coronavirus disruption that has battered the aviation industry worldwide begins to ease. The sector "has faced an unprecedented contraction as a result of diminished passenger demand caused by immigration restrictions and stay-at-home orders in many countries", ANA said in a statement.

Barclays

British bank Barclays on Friday announced soaring profits in the first quarter as it slashed bad debt provisions set aside during the Covid crisis.

Profit after tax almost trebled to £1.7bn ($2.4bn, €2.0bn) in the first three months of the year compared with the first quarter in 2020, Barclays said in a statement.

Money set aside for soured loans dived to £55mn from £2.1bn a year earlier.

Bad debt charges during the quarter have also fallen sharply at Barclays' major UK rivals HSBC, Lloyds and NatWest.

"While evidence of recovery is encouraging, we have continued to take a cautious view of the impact of the pandemic on the business," said chief executive Jes Staley.

BNP Paribas

France's BNP Paribas on Friday reported a better-than-expected first-quarter profit, helped by lower provisions for pandemic-related bad loans and a rebound in its equity trading business that the bank aims to expand.

The eurozone's biggest listed lender said net profit rose 37.9% to €1.77bn ($2.14bn) from a year earlier, beating a mean forecast for €1.20bn in a poll of analysts compiled by Refinitiv.

Revenue was up 8.6% at €11.83bn, above the €11.2bn expected by analysts.

In its corporate and investment banking activities, revenue rose by 24.3%, spurred by a 41.4% jump in its markets business.

BNP Paribas said a rebound in equity trading offset a 15.7% drop in fixed income, currencies and commodities trading.

"Primary, credit and commodity derivatives activities performed very well but the context was less favourable than in the first quarter of 2020 for rates and forex activities," the bank said in a statement.

Gazprom

Russian energy giant Gazprom said on Thursday its net profits slumped last year by a factor of nine compared to the previous year owing to the fallout from the global pandemic as demand and prices slumped.

The state-controlled group scored net profits of 135bn roubles (€1.496bn, €1.81bn at current rates) in 2020 compared with 1.203tn roubles in 2019.

Meanwhile sales dropped 17.4% to 6.321tn roubles.

Exports of Russian gas to Europe — Russia includes Turkey in the measure — were down 12.1% at 174.87bn cubic metres.

In financial terms that equates to a 27% fall to 1.811tn roubles ($24.2bn).

Gazprom supplies just over a third of the European Union's gas and derives from the bloc the bulk of its profits.

Its plans to lift sales to Europe faces uncertainty given the controversy surrounding the Nord Stream 2 pipeline between Russian and Germany.

Amazon

Amazon.com Inc, one of the biggest winners of the pandemic, posted record profits on Thursday and signalled that consumers would keep spending in a growing US economy and converts to online shopping are not likely to leave.

Since the start of the coronavirus outbreak, shoppers have relied increasingly on Amazon for delivery of home staples, and the company sees this trend continuing post-pandemic, particularly for groceries.

While brick-and-mortar stores closed, Amazon has now posted four consecutive record quarterly profits, attracted more than 200mn Prime loyalty subscribers, and recruited over 500,000 employees to keep up with surging demand.

Amazon said it expects operating income for the current quarter to be between $4.5bn and $8bn, which includes about $1.5bn in costs related to Covid-19.

Shares rose 4% in after-hours trade.

CEO Jeff Bezos touted the results of the company's cloud computing unit Amazon Web Services (AWS) in a press release, saying, "In just 15 years, AWS has become a $54bn annual sales run rate business competing against the world's largest technology companies, and its growth is accelerating."

The plaudits were a nod to Andy Jassy, AWS's long-time cloud chief who will succeed Bezos as Amazon's CEO this summer.

The company's first-quarter profit more than tripled to $8.1bn from a year ago, on sales of $108.5bn, ahead of analysts' estimates.

Amazon saw its stock price nearly double in the first part of 2020 as it benefited from the pandemic.

DJIA

Company Name	Lt Price	% Chg	Volume
Apple Inc	132.89	-0.44	7,579,220
Amgen Inc	238.68	1.69	269,011
American Express Co	153.04	-1.03	143,906
Boeing Co/The	233.50	-1.03	741,773
Caterpillar Inc	225.80	-0.73	173,243
Salesforce.Com Inc	232.15	-0.94	335,045
Cisco Systems Inc	50.69	-1.51	1,293,074
Chevron Corp	103.64	-3.05	989,762
Walt Disney Co/The	184.97	-0.19	606,393
Dow Inc	62.61	-2.26	344,655
Goldman Sachs Group Inc	348.30	-1.32	132,415
Home Depot Inc	323.36	-0.61	222,114
Honeywell International Inc	222.38	-0.68	106,373
Intl Business Machines Corp	141.24	-2.08	391,891
Intel Corp	57.79	-0.84	2,178,934
Johnson & Johnson	163.71	-0.30	394,945
Jpmorgan Chase & Co	153.39	-1.16	902,986
Coca-Cola Co/The	53.94	-0.59	800,219
Mcdonald's Corp	235.17	-0.02	211,824
3M Co	196.55	-1.26	192,568
Merck & Co. Inc.	74.46	1.06	1,674,460
Microsoft Corp	251.69	-0.32	3,498,524
Nike Inc -Cl B	132.81	-0.34	430,850
Procter & Gamble Co/The	133.27	0.57	461,617
Travelers Cos Inc/The	155.04	-0.42	77,690
Unitedhealth Group Inc	399.69	-0.46	160,369
Visa Inc-Class A Shares	233.75	-1.31	539,956
Verizon Communications Inc	57.50	0.31	1,258,807
Walgreens Boots Alliance Inc	53.13	0.75	429,295
Walmart Inc	139.50	-0.09	347,968

FTSE 100

Company Name	Lt Price	% Chg	Volume
Anglo American Plc	3,070.00	-2.28	3,168,505
Associated British Foods Plc	2,308.00	-0.52	764,231
Admiral Group Plc	3,129.00	-0.51	482,907
Ashtead Group Plc	4,651.00	-1.11	738,609
Antofagasta Plc	1,865.50	-1.92	1,638,432
Auto Trader Group Plc	570.20	0.07	2,183,434
Aviva Plc	400.30	0.25	6,358,986
Avast Plc	477.70	-0.52	2,957,065
Aveva Group Plc	3,480.00	-1.75	412,513
Astrazeneca Plc	7,715.00	4.28	3,257,946
Bae Systems Plc	506.20	1.67	6,602,123
Barclays Plc	175.50	-7.01	130,194,270
British American Tobacco Plc	2,682.00	2.13	4,929,142
Barratt Developments Plc	772.00	0.63	2,518,000
Bhp Group Plc	2,184.50	-1.09	3,664,000
Berkeley Group Holdings/The	4,627.00	0.15	303,569
British Land Co Plc	518.40	-0.04	2,248,034
B&M European Value Retail Sa	565.80	1.95	2,643,266
Bunzl Plc	2,327.00	0.74	809,102
Bp Plc	303.00	0.33	52,299,142
Burberry Group Plc	2,061.00	-0.39	795,597
Bt Group Plc	164.95	0.70	22,426,069
Coca-Cola Hbc Ag-Di	2,502.00	-0.95	347,354
Compass Group Plc	1,572.50	0.38	2,738,016
Croda International Plc	6,764.00	0.03	247,167
Crh Plc	3,427.00	-0.67	609,828
Dcc Plc	6,284.00	-1.90	413,757
Diageo Plc	3,251.00	-0.61	2,090,888
Evraz Plc	642.40	-1.35	2,084,240
Experian Plc	2,792.00	0.50	1,690,527
Ferguson Plc	9,132.00	-0.59	369,614
Flutter Entertainment Plc-Di	14,840.00	-3.23	436,824
Fresnillo Plc	823.60	-0.82	1,603,185
Glencore Plc	295.20	-1.60	23,574,206
Glaxosmithkline Plc	1,339.60	0.75	7,725,747
#N/A Invalid Security	0.00	0.00	-
Hikma Pharmaceuticals Plc	2,440.00	3.17	735,472
Hargreaves Lansdown Plc	1,719.50	3.12	1,118,776
Halma Plc	2,588.00	0.39	564,838
Hsbc Holdings Plc	452.80	-0.33	30,231,416
Homeserve Plc	1,094.00	0.00	641,989
Intl Consolidated Airline-Di	202.80	0.67	19,070,658
Intermediate Capital Group	2,186.00	2.87	873,462
Intercontinental Hotels Grou	5,152.00	-0.96	290,757
3I Group Plc	1,282.00	0.91	1,494,140
Imperial Brands Plc	1,507.50	2.55	2,403,872
Informa Plc	562.20	0.11	2,303,581
Intertek Group Plc	6,138.00	0.56	250,578
Jd Sports Fashion Plc	918.40	-0.80	1,168,325
Just Eat Takeaway	7,495.00	0.43	177,286
Johnson Matthey Plc	3,250.00	0.71	537,395
Kingfisher Plc	357.30	-0.50	5,390,261
Land Securities Group Plc	720.80	0.03	1,606,778
Legal & General Group Plc	272.40	0.15	11,816,743
Lloyds Banking Group Plc	45.44	-0.04	183,416,850
#N/A Invalid Security	0.00	0.00	-
Mondi Plc	1,965.00	-0.91	1,021,613
M&G Plc	217.30	2.55	11,725,629
Melrose Industries Plc	162.90	-0.43	7,623,277
Wm Morrison Supermarkets	173.85	0.35	8,645,799
National Grid Plc	910.60	2.09	5,828,847
Natwest Group Plc	196.60	-0.03	14,984,714
Next Plc	7,802.00	-0.71	530,178
Ocado Group Plc	2,097.00	-4.03	1,296,526
Phoenix Group Holdings Plc	711.40	-0.48	1,275,616
Pennon Group Plc	1,034.00	2.27	1,171,000
Polymetal International Plc	1,495.50	-1.61	1,803,854
Prudential Plc	1,534.50	0.59	3,311,775
Persimmon Plc	3,132.00	0.00	717,624
Pearson Plc	830.00	-0.65	1,439,901
Reckitt Benckiser Group Plc	0.00	0.00	-
Royal Dutch Shell Plc-A Shs	1,365.00	0.00	4,939,823
Royal Dutch Shell Plc-B Shs	1,299.00	-0.02	8,983,838
Relx Plc	1,879.50	0.29	2,600,263
Rio Tinto Plc	6,076.00	-1.30	2,324,166
Rightmove Plc	614.00	-0.07	1,900,276
Rolls-Royce Holdings Plc	104.62	2.55	33,728,164
Rsa Insurance Group Plc	682.40	0.00	2,659,885
Rentokil Initial Plc	500.40	-0.24	2,618,341
Sainsbury (J) Plc	237.70	0.98	6,046,787
Schroders Plc	3,608.00	0.92	228,832
Sage Group Plc/The	638.00	-0.44	1,919,333
Segro Plc	1,005.50	0.25	1,603,023
Smurfit Kappa Group Plc	3,714.00	4.21	717,045
Standard Life Aberdeen Plc	277.50	1.24	4,767,119
Ds Smith Plc	420.80	-0.75	2,587,108
Smiths Group Plc	1,625.50	-0.28	1,450,127
Scottish Mortgage Inv Tr Plc	1,259.00	-1.41	2,065,092
Smith & Nephew Plc	1,570.50	0.16	3,410,299
Spirax-Sarco Engineering Plc	11,815.00	-0.84	135,477
Sse Plc	1,468.00	0.86	1,671,062
Standard Chartered Plc	519.60	-0.38	9,647,057
St James's Place Plc	1,361.50	1.23	1,319,639
Severn Trent Plc	2,477.00	2.40	785,730
Tesco Plc	221.00	0.50	17,262,764
Taylor Wimpey Plc	179.60	-0.22	20,946,807
Unilever Plc	4,231.50	0.44	3,049,950
United Utilities Group Plc	968.20	2.20	1,979,030
Vodafone Group Plc	136.80	0.97	57,185,367
Wpp Plc	975.60	-0.59	2,539,246
Whitbread Plc	3,244.00	-0.95	652,543
			-

TOKYO

Company Name	Lt Price	% Chg	Volume
Fast Retailing Co Ltd	89,710.00	-0.02	528,300
Ms&Ad Insurance Group Holdin	3,095.00	-1.37	1,425,400
Kubota Corp	2,570.00	-0.75	2,846,400
Seven & I Holdings Co Ltd	4,699.00	3.94	3,713,100
Takeda Pharmaceutical Co Ltd	3,635.00	0.58	5,882,900
Chugai Pharmaceutical Co Ltd	4,101.00	-1.01	1,595,300
Ana Holdings Inc	2,505.00	1.13	3,269,000
Mitsubishi Electric Corp	1,682.00	3.44	6,519,200
Sumitomo Mitsui Financial Gr	3,802.00	-0.78	5,057,100
Olympus Corp	2,247.50	-0.09	2,279,500
Shimano Inc	25,035.00	0.62	411,300
Honda Motor Co Ltd	3,232.00	-1.01	6,489,600
Bandai Namco Holdings Inc	8,026.00	-1.59	592,300
Hitachi Ltd	5,381.00	5.30	8,936,600
Toyota Motor Corp	8,127.00	-2.07	6,816,500
Kddi Corp	3,306.00	-0.81	4,551,600
Kyocera Corp	6,637.00	-1.99	1,499,000
Nissan Motor Co Ltd	547.70	-0.62	16,664,000
Softbank Corp	1,409.50	-1.02	9,573,900

WORLD INDICES

Indices	Lt Price	Change
Dow Jones Indus. Avg	33,853.34	-207.02
S&P 500 Index	4,186.35	-25.12
Nasdaq Composite Index	14,027.02	-55.53
S&P/Tsx Composite Index	19,160.03	-95.89
Mexico Bolsa Index	48,208.55	-689.24
Brazil Bovespa Stock Idx	119,573.20	-492.60
Ftse 100 Index	6,969.81	+8.33
Cac 40 Index	6,269.48	-33.09
Dax Index	15,135.91	-18.29
Ibex 35 Tr	8,815.00	-8.20
Nikkei 225	28,812.63	-241.34
Japan Topix	1,898.24	-10.82
Hang Seng Index	28,724.88	-578.38
All Ordinaries Indx	7,290.70	-55.33
Nzx All Index	2,083.26	+2.80
Bse Sensex 30 Index	48,782.36	-983.58
Nse S&P Cnx Nifty Index	14,631.10	-263.80
Straits Times Index	3,218.27	-3.31
Karachi All Share Index	30,017.98	-354.49
Jakarta Composite Index	5,995.62	-17.35

TOKYO

Company Name	Lt Price	% Chg	Volume
Japan Post Holdings Co Ltd	917.60	0.61	6,656,600
Canon Inc	2,603.00	0.39	3,628,200
Sumitomo Corp	1,488.00	-0.27	3,414,900
Mitsubishi Estate Co Ltd	1,795.50	-0.58	2,901,600
Shiseido Co Ltd	7,928.00	4.94	2,533,300
Mitsubishi Heavy Industries	3,247.00	-0.09	1,028,600
Sysmex Corp	10,925.00	-2.19	561,300
Shionogi & Co Ltd	5,747.00	-0.12	892,400
Terumo Corp	4,132.00	0.00	2,300,300
Tokyo Gas Co Ltd	2,213.00	-0.27	1,786,300
Tokyo Electron Ltd	48,320.00	-2.11	972,300
Panasonic Corp	1,289.00	-2.09	8,614,400
Nintendo Co Ltd	62,690.00	0.71	856,600
Eisai Co Ltd	7,129.00	-0.83	728,700
Unicharm Corp	4,244.00	-1.71	1,173,100
Shin-Etsu Chemical Co Ltd	18,450.00	-0.70	1,669,300
Smc Corp	63,450.00	-1.55	173,500
Mitsubishi Corp	3,020.00	1.10	4,203,700
Asahi Group Holdings Ltd	4,565.00	-1.30	2,020,700
Keyence Corp	52,520.00	4.00	1,311,600
Nidec Corp	12,655.00	-4.24	3,300,000
Japan Exchange Group Inc	2,561.50	-4.49	2,348,800
Nomura Holdings Inc	586.90	-0.84	29,798,900
Daiichi Sankyo Co Ltd	2,787.00	-0.99	5,520,200
Subaru Corp	2,027.50	-2.03	2,512,500
Sumitomo Realty & Developmen	3,639.00	0.00	833,400
Orix Corp	1,757.50	-0.45	3,437,600
Sumitomo Metal Mining Co Ltd	4,639.00	-1.99	1,502,800
Daiwa Securities Group Inc	582.10	2.05	11,547,200
Softbank Group Corp	9,885.00	-0.06	9,480,500
Mizuho Financial Group Inc	1,535.00	-1.19	7,500,800
Sony Group Corp	10,900.00	-7.71	12,417,400
Hoya Corp	12,435.00	-2.97	1,688,400
Z Holdings Corp	505.00	-7.17	54,481,100
Sumitomo Mitsui Trust Holdin	3,720.00	-1.46	1,690,200
Japan Tobacco Inc	2,044.00	-0.80	6,444,600
Sumitomo Electric Industries	1,626.00	0.28	2,621,100
Ajinomoto Co Inc	2,186.50	-0.23	1,479,800
Mitsui Fudosan Co Ltd	2,370.00	-0.77	2,038,500
Ono Pharmaceutical Co Ltd	2,751.00	1.08	1,472,900
Daikin Industries Ltd	21,930.00	-3.69	1,126,600
Astellas Pharma Inc	1,640.50	1.64	6,446,400
Bridgestone Corp	4,377.00	-1.90	1,874,700
Toray Industries Inc	679.20	-1.31	4,735,900
Eneos Holdings Inc	471.20	1.31	17,666,800
Nippon Steel Corp	1,907.00	1.84	5,423,800
Suzuki Motor Corp	4,147.00	-3.65	2,087,000
Nippon Telegraph & Telephone	2,755.00	-2.63	8,071,000
Daiwa House Industry Co Ltd	3,235.00	-1.28	1,608,400
Sompo Holdings Inc	4,060.00	-0.42	1,407,300
Komatsu Ltd	3,205.00	-0.43	3,747,000
West Japan Railway Co	6,032.00	1.82	1,155,400
Murata Manufacturing Co Ltd	8,703.00	-3.55	4,202,400
Kansai Electric Power Co Inc	1,082.00	-2.61	5,600,000
Denso Corp	7,059.00	-3.10	3,015,700
Dai-Ichi Life Holdings Inc	1,965.50	-0.23	4,051,700
Mitsui & Co Ltd	2,303.50	2.86	8,387,500
Kao Corp	7,007.00	0.39	1,556,500
Otsuka Holdings Co Ltd	4,201.00	-0.38	893,600
Sekisui House Ltd	2,209.00	-1.19	1,860,600
Oriental Land Co Ltd	15,475.00	-0.10	820,300
Tokio Marine Holdings Inc	5,230.00	-1.65	2,435,800
Secom Co Ltd	9,076.00	0.07	463,200
Aeon Co Ltd	2,982.50	-0.50	2,321,000
Itochu Corp	3,408.00	1.37	4,029,200
East Japan Railway Co	7,479.00	1.58	1,846,900
Fujifilm Holdings Corp	7,087.00	0.43	1,454,400
Chubu Electric Power Co Inc	1,320.50	1.54	3,155,700
Marubeni Corp	908.60	0.87	6,231,500
Mitsubishi Ufj Financial Gro	578.00	-0.98	50,189,700
Mitsubishi Chemical Holdings	813.50	0.72	4,250,900
Fanuc Corp	25,175.00	-2.91	913,600
Resona Holdings Inc	449.00	-0.58	14,444,700
Asahi Kasei Corp	1,151.50	-0.82	4,547,600
Kirin Holdings Co Ltd	2,050.50	-0.70	2,727,100
Fujitsu Ltd	17,405.00	7.50	1,822,500
M3 Inc	7,577.00	-2.61	2,990,200
Central Japan Railway Co	15,985.00	3.50	979,000
Nitori Holdings Co Ltd	19,610.00	-1.01	351,000
Recruit Holdings Co Ltd	4,939.00	-1.48	3,036,600

SENSEX

Company Name	Lt Price	% Chg	Volume
Adani Ports And Special Econ	730.05	-2.24	12,600,934
Asian Paints Ltd	2,536.40	-2.95	1,384,907
Axis Bank Ltd	714.90	-0.63	23,011,654
Bajaj Finance Ltd	5,451.90	-0.60	4,124,888
Bharti Airtel Ltd	536.75	-0.76	8,178,192
Bajaj Auto Ltd	3,833.75	-0.07	1,340,273
Bajaj Finserv Ltd	11,041.65	-1.21	835,355
Bharat Petroleum Corp Ltd	421.80	0.54	16,851,470
Britannia Industries Ltd	3,449.00	-0.57	436,187
Cipla Ltd	910.35	0.42	6,459,737
Coal India Ltd	133.05	3.90	27,396,950
Divi's Laboratories Ltd	4,062.35	3.87	2,499,026
Dr. Reddy's Laboratories	5,163.10	1.19	1,306,950
Eicher Motors Ltd	2,421.65	-1.67	646,257
Gail India Ltd	137.20	1.78	21,349,478
Grasim Industries Ltd	1,401.75	3.78	3,261,678
Hcl Technologies Ltd	898.95	-1.17	10,921,664
Housing Development Finance	2,420.10	-4.68	6,024,595
Hdfc Bank Limited	1,412.30	-4.09	17,616,451
Hdfc Life Insurance Co Ltd	665.10	-1.42	2,742,166
Hero Motocorp Ltd	2,819.15	-1.43	670,258
Hindalco Industries Ltd	364.40	-2.08	19,935,239
Hindustan Unilever Ltd	2,353.75	-2.24	4,010,778
Icici Bank Ltd	600.50	-3.37	23,653,258
Indusind Bank Ltd	934.95	-0.48	7,301,455
Infosys Ltd	1,354.35	-0.15	8,354,677
Indian Oil Corp Ltd	90.85	2.19	29,815,698
Itc Ltd	202.60	-0.83	16,495,657
Jsw Steel Ltd	717.85	-1.19	36,449,711
Kotak Mahindra Bank Ltd	1,748.80	-3.11	2,621,783
Larsen & Toubro Ltd	1,340.45	-1.34	1,968,093
Mahindra & Mahindra Ltd	752.55	-2.85	4,466,148
Maruti Suzuki India Ltd	6,455.65	-1.68	849,997
Nestle India Ltd	16,309.25	-1.17	97,783
Ntpc Ltd	102.45	-0.58	15,321,193
Oil & Natural Gas Corp Ltd	108.15	3.94	81,358,264
Power Grid Corp Of India Ltd	220.05	-0.05	9,504,624
Reliance Industries Ltd	1,994.50	-1.46	9,150,974
Sbi Life Insurance Co Ltd	928.70	0.05	1,326,833
State Bank Of India	353.50	-1.64	53,832,840
Shree Cement Ltd	27,910.50	-1.88	32,147
Sun Pharmaceutical Indus	654.45	1.54	10,874,266
Tata Steel Ltd	1,034.00	0.26	28,129,738
Tata Consultancy Svcs Ltd	3,035.65	-2.56	3,072,305
Tech Mahindra Ltd	960.40	-1.69	3,129,105
Titan Co Ltd	1,491.65	-1.01	3,691,399
Tata Motors Ltd	293.85	-2.67	36,121,668
Upl Ltd	606.90	-1.45	3,072,295
Ultratech Cement Ltd	6,278.95	-1.62	475,175
Wipro Ltd	492.75	0.59	29,115,571

The German share price index DAX graph is pictured at the Frankfurt Stock Exchange. The DAX 30 was down 0.1% at 15,135.91 yesterday.

Markets edge lower as eurozone dips into recession in 1st quarter

AFP
London

US markets were hit by a bout of profit-taking on Friday, while in Europe data confirming the eurozone is back in recession dampened sentiment.

Weaker-than-expected Chinese numbers also hit at sentiment, with Asia's main equity indices closing out the week lower.

Wall Street had powered to fresh highs Thursday on news that US growth had accelerated more than 6% in the first quarter and jobless claims continued to fall to new pandemic-era lows.

US indices have also been benefiting from outsized earnings this week from tech heavyweights Apple, Facebook and Google.

But a bit of profit-taking settled in on Friday.

"US markets opened sharply lower today largely as a result of some month end profit-taking after what has been a really solid April for US stocks, with the S&P500 up over 5%, and Nasdaq up over 7%," said Michael Hewson, chief market analyst at CMC Markets UK.

Investors are also starting to worry that the rally has run out of steam.

Earnings and growth news have been "so good that more people are finding it hard to believe it can last," said Briefing.com analyst Patrick O'Hare.

"That last thought is the essence of the 'peak growth' narrative that is emerging as a more forceful headwind for the bull market," he said.

"You can of course advance into a headwind, only it takes more effort and time to do so."

European stocks ended the day mostly lower following data showing that the eurozone economy fell into a second recession in less than a year in the first quarter, as slow vaccinations and pandemic lockdowns stopped a rebound.

Across Europe, London's FTSE 100 rose 0.1% to close at 6,969.81; Frankfurt's DAX 30 was down 0.1% at 15,135.91, while Paris' CAC 40 fell 0.5% at 6,269.48.

Germany was the major drag on growth in the January to March period, with exports unable to overcome a steep drop in demand by confined consumers, analysts said.

"The economic recovery was always likely to be uneven in nature, and this morning's growth figures highlighted exactly that," said IG analyst Josh Mahony, noting that Covid restrictions pushed Germany into a contraction while France grew modestly.

"However, the story of a lagging EU could soon start to shift, with the region expecting to ramp up their vaccinations to fully cover 70% of the population by mid-July," he added.

Adding to the selling pressure was a report showing slowing growth in China's factory activity owing to a global shortage of shipping containers, supply chain problems and rising freight rates.

Observers nevertheless remain upbeat about the outlook, as vast sums of government and central bank cash swirl around the world economy.

"All evidence still points to continued support from both fiscal and monetary policy against a backdrop of accelerating corporate earnings," Mark Haefele, at UBS Global Wealth Management, said.

"This reinforces our view that markets can advance further, with cyclical parts of the market — such as financials, energy, and value stocks — likely to benefit most from the global upswing."

Shares in Apple shed 0.3% after the EU formally accused Apple on Friday of unfairly squeezing out music streaming rivals through its App Store in one of the biggest-ever competition cases to hit the iPhone maker.

HONG KONG

Company Name	Lt Price	% Chg	Volume
Ck Hutchison Holdings Ltd	63.70	-1.32	5,235,402
Hang Lung Properties Ltd	21.20	-1.17	4,234,632
Ck Infrastructure Holdings L	47.60	-0.42	1,301,912
Hengan Intl Group Co Ltd	50.35	-0.69	2,089,010
Cspc Pharmaceutical Group Lt	9.62	-2.04	30,880,807
Hang Seng Bank Ltd	152.50	-0.72	1,134,538
China Resources Land Ltd	36.45	-1.35	5,206,927
Ck Asset Holdings Ltd	48.75	-0.61	6,929,730
Sino Biopharmaceutical	8.37	0.72	35,431,023
Henderson Land Development	34.55	-0.72	2,283,278
Aia Group Ltd	98.90	-4.44	26,629,105
Ind & Comm Bk Of China-H	5.06	-3.62	583,048,290
Sun Hung Kai Properties	117.30	-1.51	3,123,084
New World Development	41.10	-1.91	2,905,525
Geely Automobile Holdings Lt	20.15	-3.82	46,156,288
Xiaomi Corp-Class B	24.60	-2.19	70,539,718
Swire Pacific Ltd - Cl A	62.85	-1.95	5,872,165
Sands China Ltd	36.90	-3.40	9,187,048
Wharf Real Estate Investment	44.70	-2.08	3,198,000
Clp Holdings Ltd	76.65	-0.90	2,807,484
Country Garden Holdings Co	9.25	-0.86	18,473,049
Aac Technologies Holdings In	43.25	-1.70	4,005,216
Wuxi Biologics Cayman Inc	109.50	-2.06	14,733,506
Shenzhou International Group	170.80	-2.68	2,484,517
Ping An Insurance Group Co-H	84.95	-1.51	43,943,074
China Mengniu Dairy Co	41.60	-2.92	7,902,411
Sunny Optical Tech	189.40	-3.17	2,707,518
Boc Hong Kong Holdings Ltd	27.40	-0.90	12,071,276
China Life Insurance Co-H	15.82	-0.63	45,633,105
Citic Ltd	8.18	-0.12	25,282,353
Galaxy Entertainment Group L	68.40	-3.59	8,834,247
Wh Group Ltd	6.79	-2.58	30,662,342

HONG KONG

Company Name	Lt Price	% Chg	Volume
Hong Kong & China Gas	12.46	-0.48	15,053,992
Bank Of Communications Co-H	4.97	-2.36	35,078,906
China Petroleum & Chemical-H	3.87	-2.27	140,367,651
Hong Kong Exchanges & Clear	470.00	-2.08	4,189,807
Bank Of China Ltd-H	3.09	-1.90	305,170,861
Hsbc Holdings Plc	48.85	1.14	42,504,524
Power Assets Holdings Ltd	47.75	0.42	2,718,158
Mtr Corp	43.30	-1.14	4,439,647
Techtronic Industries Co Ltd	141.60	-3.21	3,721,098
China Overseas Land & Invest	19.66	-0.41	11,148,724
Tencent Holdings Ltd	623.00	-1.35	11,994,726
China Unicom Hong Kong Ltd	4.49	-0.44	23,070,000
Link Reit	73.45	0.20	4,083,460
Petrochina Co Ltd-H	2.83	2.54	357,305,546
Cnooc Ltd	8.24	0.00	45,154,381
China Construction Bank-H	6.15	-3.45	422,515,861
China Mobile Ltd	52.00	-0.76	20,785,891
Alibaba Group Holding Ltd	225.00	-2.77	18,390,472

GCC INDICES

Indices	Lt Price	Change
Doha Securities Market	10,911.40	-29.18
Kuwait Stocks Exchange	5,127.49	+22.69
Oman Stock Market	3,761.01	+26.13

Big Oil is boosting ETF returns, and ESG funds are no exception

Bloomberg
New York

The powerful rebound in oil prices has turned exchange-traded funds tracking fossil fuels into some of the best performing in the US this year. Strangely, the rally in crude has been pretty good for products aiming to safeguard the environment, too.

A quirk in the way many environmental, social and governance indexes are built means several ESG funds hold stakes in big oil producers such as Exxon Mobil Corp. and Chevron Corp.

Besides those two energy giants, the largest ETF in that category – the iShares ESG Aware MSCI USA ETF (ESGU) – has Hess Corp and Marathon Petroleum Corp among its stocks. The SPDR S&P 500 ESG ETF (EFIV) and FlexShares STOXX Global ESG Impact Index Fund (ESGG) also count Exxon and Chevron as holdings.

"This is probably one of the most ultimate ironies you could come up with," said Eric Balchunas, ETF analyst for Bloomberg Intelligence. "Some ESG ETFs are made to be very close to the benchmark – that way you don't deviate too far away from the S&P, but you definitely dilute your 'ESG-ness.'"

As previously stuck-at-home Americans ramp up gasoline usage and embark on plane trips, oil prices are finally recovering, with Exxon and Chevron each up more than 25% in 2021.

The rebound also has boosted funds such as the SPDR S&P Oil & Gas Exploration & Production ETF (XOP) and VanEck Vectors Oil Services ETF (OIH). They're once again attracting investors, with OIH's inflows already eclipsing its total 2020 intake, according to data compiled by Bloomberg. They have also outperformed the S&P 500 this year.

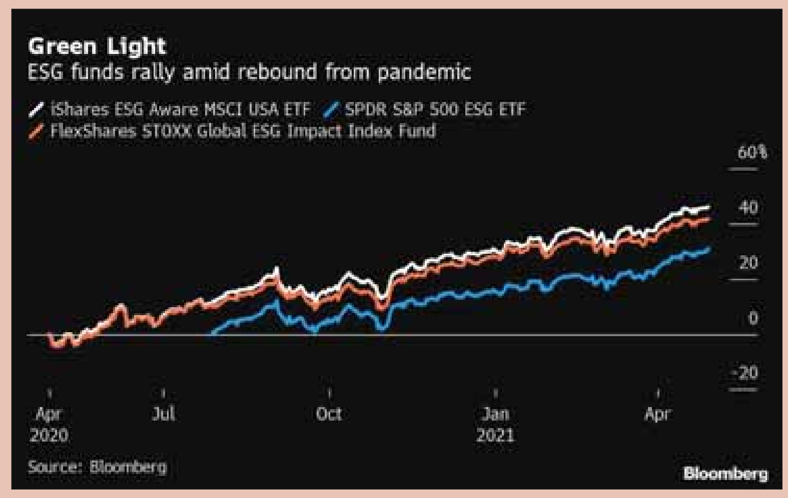
The reason oil companies are featured in ESG funds, alongside more traditionally green stocks like Tesla Inc and Enphase Energy Inc, comes down to the index methodology. The MSCI Inc gauge that ESGU tracks screens for firms involved in civilian firearms, controversial weapons, tobacco, thermal coal and oil sands. Exxon comprises nearly 0.6% of the fund, compared with SPDR S&P 500 ETF Trust (SPY)'s almost 0.7% stake.

A spokesperson for BlackRock Inc said that ESGU aims to include companies with positive ESG characteristics across all sectors. The firm added that it offers other funds that explicitly screen out fossil-fuel companies, and aims to provide clients with options. BlackRock also is using proxy voting to take action against companies it thinks aren't doing enough to manage climate-change risks.

Meanwhile, Sue Thompson, head of SPDR Americas Distribution at State Street Global Advisors, noted the importance of offering a range of green options.

"One size rarely fits all when it comes to ESG investing," she said. "Different clients have different needs and views around the best way to achieve investment goals."

As for the ESGG fund, the aim is to provide exposure to all sectors, so it can be used as a core equity holding, said Chris Huemmer, senior investment strategist at FlexShares.



Eurozone dips into 2nd recession in Q1, but sees recovery ahead

Reuters
Brussels

Pedestrians pass the entrance to the 'Test & Shop' Covid-19 test centre at the Mall of Berlin in Berlin on Friday. The first-quarter contraction was caused mainly by a 1.7% quarterly slump in the biggest economy Germany, as a pandemic lockdown since November hit private consumption.

The eurozone economy dipped into a second technical recession after a smaller than expected contraction in the first quarter, but is now firmly set for recovery as pandemic curbs are lifted amid accelerating vaccination campaigns, economists said.

The European Union's statistics office Eurostat said gross domestic product in the 19 countries sharing the euro contracted 0.6% quarter-on-quarter for a 1.8% year-on-year fall, putting the single currency area in a second technical recession in 12 months.

Economists polled by Reuters had expected a 0.8% quarterly and a 2.0% annual decline.

"Underlying resilience shows that the economy is set for its (somewhat late) start to the pandemic rebound, meaning that the picture of a lacklustre eurozone economy is set to change quickly," said Bert Colijn, eurozone economist at ING bank.

"Domestic demand is set for a strong rebound when economies reopen and the manufacturing recovery seems to only be limited by its own supply at the moment.

While late out of the starting blocks, the eurozone is set for its start to the pandemic rebound," he said.

The first-quarter contraction was caused mainly by a 1.7% quarterly slump in the biggest economy Germany, as a pandemic lockdown since November hit private consumption.

It was mitigated by 0.4% quarterly growth in second biggest France, as consumer spending and business investment held up despite coronavirus curbs.

The country only entered its third national lockdown at the end of March.

"The recession is a thing of the past. With progressive vaccinations and a seasonally slower spread of the coronavirus, infection figures should continue to fall in the coming weeks," said Christoph Weil, senior economist at Commerzbank.

"With the shops open, social life will resume and economic activity will pick up noticeably.

By summer, restaurants, hotels and other contact-intensive services should also be able to resume normal operations.

We expect the economy to return to its pre-crisis level by the end of this year," Weil said.

Eurostat also said eurozone consumer prices rose 0.6% month-on-month in April for a 1.6% year-on-year gain, as expected by economists polled by Reuters.

But rather than driven by stronger economic activity, the acceleration of price growth was driven by a 10.3% year-on-year surge in energy prices.

Without the volatile energy and unprocessed food components, or what the European Central Bank calls core inflation, prices rose 0.5% month-on-month for a 0.8% year-on-year rise, a deceleration from the 1.0% year-on-year rate the month before.

This core inflation drop is likely to reinforce calls by ECB doves to maintain the stimulus to the economy and hold off on tapering pandemic bond purchases with growth firmly takes hold.

"The ECB will be challenged significantly in terms of communication over the coming meetings. With inflation approaching 2%, once GDP growth jumps…it will become key for the ECB to get the message across that inflationary pressures look to be transitory for now," ING's Colijn said.

Eurostat also said that eurozone unemployment fell in March to 8.1% of the workforce, or to 13.166mn people, from a downwardly revised 8.2% in February or 13.375mn people, defying expectations of a rise to 8.3%.

EU hits Apple with music streaming charge in boost for Spotify

Reuters
Brussels

EU regulators accused Apple on Friday of distorting competition in the music streaming market, siding with Spotify in a case that could lead to a hefty fine and changes in the iPhone maker's lucrative business practices.

The preliminary findings are the first time Brussels has levelled anti-competitive charges against Apple, although the two sides have had bruising clashes in the past, most notably a multibillion-dollar tax dispute involving Ireland.

Apple, Spotify and other parties can now respond.

If the case is pursued, the EU could demand concessions and potentially impose a fine of up to 10% of Apple's global turnover — as much as $27bn, although it rarely levies the maximum penalty.

Apple found itself in the European Commission's crosshairs after Sweden-based Spotify complained two years ago that the US tech giant unfairly restricted rivals to its own music streaming service Apple Music on iPhones.

The EU competition enforcer, in its so-called statement of objections setting out the charge, said the issue related to Apple's restrictive rules for its App Store that force developers to use its own in-app payment system and prevent them from informing users of other purchasing options.

European Competition Commissioner Margrethe Vestager said there were clear signs Apple's App Store rules were affecting music streaming rivals' business development and affecting app developers more widely.

"They (app developers) depend on Apple App Store as a gatekeeper to access users of Apple's iPhones and iPads. This significant market power cannot go unchecked as the conditions of access to the Apple App Store are key for the success of app developers," she told a news conference.

Vestager said Apple should end restrictive practices and refrain from doing anything that would replicate them. She also said other authorities were looking into the issue.

"We have contact with other jurisdictions doing similar cases, that could be the Dutch, the Australians, the Americans," she said, adding she was also interested in the app gaming market, although it was early days.

Apple rebuffed the EU charge.

"Spotify has become the largest music subscription service in the world, and we're proud of the role we played in that," it said in a statement.

China factory activity edges down in April

AFP
Beijing


Sparks fly as a worker produces engineering equipment for export at a factory in Nantong in China's eastern Jiangsu province (file). The PMI came in at 51.1 this month — lower than in March but still above the 50-point mark separating growth from contraction, according to the National Bureau of Statistics.

Factory activity in China slowed in April as a global shortage of shipping containers hindered the movement of goods, official data showed Friday, but wider demand remained robust as the domestic economy rebounds from the coronavirus pandemic.

The Purchasing Managers' Index (PMI), a key gauge of manufacturing activity, came in at 51.1 this month — lower than in March but still above the 50-point mark separating growth from contraction, according to the National Bureau of Statistics.

But challenges remained, with some companies reporting problems "such as chip shortages, blockages in international logistics, a lack of containers, and rising freight rates", said NBS senior statistician Zhao Qinghe in a statement.

This has affected the delivery time of suppliers in high-tech manufacturing, particularly in the past three months, while the procurement cycle of raw materials has become longer, weighing on production.

World trade is being slowed by a shortage of containers because of skewed demand during the pandemic, which has seized up the highly coordinated flow of goods around the world.

The lack of containers has pushed the price of cargo up, with a knock-on for factory activity. But overall the picture is positive for China's manufacturers.

Import and export indexes expanded for two straight months, "reflecting the continued growth of manufacturing businesses involved in foreign trade", said Zhao.

The outlook for smaller businesses is better, with production and indicators for new orders going up, suggesting their "operations are improving". The overall trend is in line with analysts' expectations, with a recent Capital Economics report expecting manufacturing PMI to point to continued strength "on the back of still buoyant foreign demand".

Credit Suisse board member quits; new chairman vows to tackle risks

AFP
Zurich

Credit Suisse's new chairman pledged on Friday to tackle risk at the bank as a board member was pushed out following major losses linked to the collapses of two financial firms.

Switzerland's second largest bank has been under pressure from shareholder groups to clean up its act after being hit hard by bankruptcies at Archegos, a US hedge fund, and British financial firm Greensill.

"The current and potential risks of Credit Suisse need to be a matter of immediate and close scrutiny," Antonio Horta-Osorio, the former chief of British bank Lloyds, told the Swiss bank's annual shareholders meeting.

"I firmly believe that any banker should be at heart a risk manager," he said shortly after receiving 96.45% backing to replace long-time chairman Urs Rohner. Shockwaves rippled through global financial markets and institutions last month when then little-known Archegos sold at least $20bn in stocks as it sought to cover obligations to its lenders.

Losses at leading global banks have jumped past $10bn, with Credit Suisse accounting for around half of the damage.

Credit Suisse had also invested heavily in Greensill, a firm specialised in short-term corporate loans via a complex and opaque business model, and was forced to suspend four funds after the firm declared insolvency last month.

A tough period and hard discussions lay ahead of us," Horta-Osorio acknowledged.

Fears abound that the massive losses will take a heavy toll on Credit Suisse's reputation, which was just beginning to mend after a massive scandal over espionage against former employees pushed former chief Tidjane Thiam to resign early last year.

In an apparent bid to repair some of the damage, Credit Suisse announced earlier Friday that Andreas Gottschling, the head of the board's risk committee, would not seek re-election.

One of Switzerland's top shareholders associations, Actares, had opposed Gottschling's re-election to the risk committee, and had demanded that Credit Suisse change its corporate culture in the wake of the financial fiascos.

"The example of the Greensill case shows that Credit Suisse apparently hasn't learned to manage complex risks for such an important client," it said in a statement earlier this month.

Credit Suisse's investment banking chief Brian Chin and its head of risk compliance Lara Warner were also pushed out earlier this month.

Investors said Friday they wanted to believe that Horta-Osorio's arrival would spell the end of a troubled era.