

# US FACTORY DATA SHOWING DECREASE IN GDP GROWTH

## FACTORY ORDERS FALL 1.7 PERCENT IN FEBRUARY

**WASHINGTON:** New orders for US factory goods fell in February and business spending on capital goods was much weaker than initially thought, the latest indications that economic growth slowed further in the first quarter.

The Commerce Department said yesterday new orders for manufactured goods declined 1.7 percent as demand fell broadly, reversing January's downwardly revised 1.2 percent increase. Orders have declined in 14 of the last 19 months. They were previously reported to have increased 1.6 percent in January.

The report added to weak consumer spending and trade data in suggesting economic growth moderated further at the turn of the year after slowing to a 1.4 percent annualized pace in the fourth quarter. Estimates for first-quarter gross domestic product growth are currently below a 1 percent rate.

Prices of US Treasuries were trading higher after the data, while US stocks were largely unchanged. The dollar was slightly weaker against a basket of currencies. Manufacturing, which accounts for about 12 percent of the economy, has been pressured by a strong dollar and weak global demand, which have undermined exports of factory goods, as well as efforts by businesses to reduce an inventory overhang.

### Investment cuts

The sector has also been slammed by investment cuts by energy firms as they adjust to reduced profits from cheap oil. But the worst of the factory slump appears to be over, with a survey last week showing manufacturing activity expanded in March for the first time in six months.

After gaining about 20 percent versus the currencies of the United States' main trading partners between June 2014 and December 2015, the greenback is flat on a trade-weighted basis so far this year. In addition, the slide in oil prices has slowed. In February, factory orders fell broadly, with orders for transportation equipment tumbling 6.2 percent. Orders for machinery dropped 3.4 percent and bookings for electrical equipment, appliances and components decreased 3.6 percent.

The Commerce Department also said orders for non-defense capital goods excluding aircraft - seen as a measure of business confidence and spending plans - fell by a steeper 2.5 percent in February instead of the 1.8 percent



**DUBUQUE, Iowa:** In this Wednesday, Feb 11, 2015, file photo, Rick Ring, left, and Corinne Schmitt-Bries attach a panel to a John Deere 1050K Crawler Dozer at John Deere Dubuque Works. —AP

drop reported last month.

Shipments of these so-called core capital goods, which are used to calculate business equipment spending in the GDP report, fell 1.7 percent in February and not 1.1 percent as previously reported. Inventories of factory goods dropped for an eighth straight month, suggesting factories were making progress in reducing the inventory glut. While that could support future manufacturing production, it suggests inventories will again be a drag on economic growth in the first quarter.

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Weak core capital goods shipments and declining factory inventories could prompt economists to trim their first-quarter GDP growth estimates. The inventories-to-shipments ratio was 1.37 in February, unchanged from the prior month. Unfilled orders at factories fell 0.3 percent in February, while shipments of manufactured goods, which have declined in 10 of the last 11 months, fell 0.7 percent. —Reuters

### News

in brief

#### Iran oil minister says they will keep up production

**DUBAI:** Iran will continue increasing its oil production and exports until it reaches the market position it enjoyed before the imposition of sanctions, Oil Minister Bijan Zanganeh was quoted by the semi-official Mehr news agency as saying. Zanganeh was speaking at the weekend ahead of an April 17 meeting of OPEC and non-OPEC oil producers in Doha to discuss a possible output freeze to prop up prices, and his comment appeared to further threaten the prospect of an effective agreement at the meeting. On Friday, Bloomberg quoted Saudi Arabia's deputy crown prince Mohammed bin Salman as saying Riyadh would agree to freeze crude oil production levels only if Iran and other major producers did so. A global glut has pulled down oil prices by as much as 70 percent since 2014. However, Zanganeh was also quoted by Mehr as saying that "the agreement between the world's top OPEC and non-OPEC exporters such as Saudi Arabia and Russia to freeze output at January levels is a positive step". On the possibility of his attending the Doha meeting, he said he would certainly attend the meeting "if he had time", Mehr reported. OPEC secondary sources put Iran's current output at 2.93 million barrels per day (bpd). It is working to regain market share, particularly in Europe, after the lifting of international sanctions in January. The sanctions had cut crude exports from a peak of 2.5 million bpd before 2011 to just over 1 million bpd in recent years.

#### Qatar central bank invites bids for 1.5 bn riyal T-bills

**DOHA/DUBAI:** The Qatar central bank has invited banks to bid in a 1.5 billion riyal (\$412 million) Treasury bill auction to be held yesterday, a central bank official said. "The auction is for 1.5 billion but it depends on liquidity in the market. If there is a demand for more than 1.5 billion, we might go up - we have to study the bids," said Adel Bakr, assistant director for public debt and banking affairs at the central bank. "This auction it's not a necessity, it's for the banks' sake. We issue this short instrument for liquidity purposes." Bakr did not provide more details on the auction. Banking sources said the bills would be sold in three-, six- and nine-month tranches, with results to be revealed today. The central bank has cancelled previous monthly T-bill auctions this year after banks bid at high rates following a tightening of liquidity due to low oil and gas prices.

#### UAE Exchange, Travelex majority shareholders secure \$890m loan

**ABU DHABI:** The majority shareholders of UAE Exchange and Travelex have closed a \$890 million loan that will be used to support the two foreign exchange companies' growth plans, according to a statement yesterday. The loan, which can be increased by an additional \$75 million at the request of the shareholders, will also be used to refinance an existing bridge facility that was used to acquire Travelex in 2015, the statement said. Centurion Investments, which is part of Abu Dhabi-based KBBO Group, and Indian-born billionaire Bavaguthu Raghuram Shetty, completed a deal to buy Travelex in January 2015 for 800 million pounds (\$1.14 billion). The pair are now the majority shareholders in UAE Exchange and Travelex. Nine banks including Goldman Sachs, Qatar National Bank and Doha Bank backed the loan, the statement said. The companies will continue to operate as two brands but will offer products through both platforms. Growth plans include increasing distribution channels and expanding into new markets, it added.

#### Russian energy minister meets Saudi counterpart

**NOVOKUZNETSK:** Russian Energy Minister Alexander Novak said yesterday that he may meet his Saudi Arabian counterpart before a planned oil producers' meeting in Doha on April 17. Saudi Arabia, the world's top oil exporter, will agree to freeze crude oil production levels only if Iran and other major producers do so, the kingdom's deputy crown prince said in an interview with Bloomberg last week. "If there is such an opportunity, surely we will talk to our colleagues," he said about a possible meeting with his Saudi Arabian colleague. Iran has said it will not join fellow OPEC and non-OPEC members in a plan to be discussed in Doha to freeze oil production to boost prices. Novak also said he hoped that a common position would prevail at the oil producers' meeting. "I hope that in this case a common position will prevail during the discussions and all sides will come to an agreement, ... especially given that Iran has confirmed its participation," he said. —Agencies

## INDIA'S BIOMETRIC DATABASE CROSSES BILLION MEMBERS

**NEW DELHI:** India's biometric database notched up one billion members yesterday, as the government sought to allay concerns about privacy breaches in the world's biggest such scheme. The database was set up seven years ago to streamline benefit payments to millions of poor people as well as to cut fraud and wastage. Under the scheme, called Aadhaar, almost 93 percent of India's adult population have now registered their fingerprints and iris signatures and been given a biometric ID, according to the government. IT minister Ravi Shankar Prasad hailed it as "an instrument of good governance" at a ceremony in New Delhi marking the crossing of the one-billion member mark.

Prasad said the initiative, inherited from the previous left-leaning Congress government, had enabled millions to receive cash benefits directly rather than dealing with middlemen. He said the government had saved 150 billion rupees (\$2.27 billion) on its gas subsidy scheme alone by paying cash directly to biometric card holders instead of providing cylinders at subsidised rates. He also said all adequate safeguards were in place to ensure the personal details of card holders could not be stolen or misused by authorities given access to the database. "We have taken all measures to ensure privacy. The data will not be shared with anyone except in cases of national security," Prasad said. His comments come after parliament passed legislation last month giving government agencies access to the database in the interests of national security.

It was passed using a loophole to circumvent the opposition in parliament, where the ruling Bharatiya Janata Party (BJP) lacks a majority in the upper house. The way it was passed, as well as the legislation itself, raised concerns about government agencies accessing private citizens' details. Internet experts have also raised fears about the safety of such a massive database, including hacking and theft of details. —AFP



**BEIJING:** A broken desk is seen at the top of an enclosed conveyor belt at an abandoned chemical factory on the outskirts of Beijing yesterday. China posted its slowest economic growth in a quarter century last year as it grappled with a tough transition away from dependence on heavy industries toward a consumer-driven growth. —AFP

## TURKISH INFLATION COOLS TO SEVEN-MONTH LOW

**ANKARA:** Turkish consumer prices fell in March as volatile food prices declined, taking annual inflation to a seven-month low and raising the chances the central bank will cut interest rates again even though core inflation remains high.

Consumer price inflation declined 0.04 percent month-on-month, the Turkish Statistics Institute said yesterday, contrasting with a Reuters poll prediction of a 0.5 percent rise. CPI was 7.46 percent year on year, the lowest since August, while core inflation, which excludes food prices, declined slightly but remained at over 9.5 percent year-on-year.

"The sharp decline in Turkish inflation in March ...

was driven by a drop in food inflation and masked the fact that core inflation remains extremely strong," said William Jackson of Capital Economics in a note. "Today's data make it more likely that the central bank will follow up its recent interest rate cut with another one this month."

The central bank cut the upper end of its interest rate "corridor" last month, adding to concerns about political pressure on monetary policy. President Tayyip Erdogan has repeatedly called for lower rates, equating high borrowing costs with "treason". But some economists see stubborn core inflation as evidence the central bank is long overdue for an interest rate increase. —Reuters

## EXCHANGE RATES

### AL-MUZAINI EXCHANGE CO.

CURRENCY	BUY	SELL
<b>ASIAN COUNTRIES</b>		
Japanese Yen	2.709	
Indian Rupees	4.599	
Pakistani Rupees	2.887	
Sri Lankan Rupees	2.082	
Nepali Rupees	2.846	
Singapore Dollar	225.750	
Hongkong Dollar	39.016	
Bangladesh Taka	3.857	
Philippine Peso	6.576	
Thai Baht	8.624	
<b>GCC COUNTRIES</b>		
Saudi Riyal	80.710	
Qatari Riyal	83.139	
Omani Riyal	786.123	
Bahraini Dinar	803.770	
UAE Dirham	82.403	
<b>ARAB COUNTRIES</b>		
Egyptian Pound - Cash	34.150	
Egyptian Pound - Transfer	34.456	
Yemen Riyal/for 1000	1.412	
Tunisian Dinar	151.630	
Jordanian Dinar	426.450	
Lebanese Lira/for 1000	2.017	
Syrian Lira	2.157	
Morocco Dirham	31.842	
<b>EUROPEAN &amp; AMERICAN COUNTRIES</b>		
US Dollar Transfer	302.500	
Euro	347.570	
Sterling Pound	433.630	
Canadian dollar	234.532	
Turkish lira	108.040	
Swiss Franc	319.430	
Australian Dollar	235.190	
US Dollar Buying	301.300	

	GOLD
20 Gram	247.540
10 Gram	126.690
5 Gram	64.190

### UAE EXCHANGE CENTRE WLL

CURRENCIES	TELEX TRANSFER PER 1000
Australian Dollar	201.91
Canadian Dollar	219.82
Swiss Franc	306.95
Euro	336.85
US Dollar	299.90
Sterling Pound	431.04
Japanese Yen	2.67
Bangladesh Taka	3.817
Indian Rupee	4.375
Sri Lankan Rupee	2.083
Nepali Rupee	2.732
Pakistani Rupee	2.860
UAE Dirhams	0.08161
Bahraini Dinar	0.7970
Egyptian Pound	0.03819
Jordanian Dinar	0.4265
Omani Riyal	0.7788
Qatari Riyal	0.08269
Saudi Riyal	0.07994

### DOLLARCO EXCHANGE CO. LTD

Rate for Transfer	Selling Rate
US Dollar	303.250
Canadian Dollar	230.325
Sterling Pound	429.535
Euro	339.765
Swiss Franc	297.075
Bahrain Dinar	802.260
UAE Dirhams	82.805
Qatari Riyals	84.020

Saudi Riyals	81.545
Jordanian Dinar	427.185
Egyptian Pound	34.053
Sri Lankan Rupees	2.063
Indian Rupees	4.538
Pakistani Rupees	2.891
Bangladesh Taka	3.857
Philippines Peso	6.540
Cyprus pound	577.595
Japanese Yen	3.675
Syrian Pound	2.375
Nepalese Rupees	3.835
Malaysian Ringgit	76.000
Chinese Yuan Renminbi	46.930
Thai Bhat	9.565
Turkish Lira	105.085

### BAHRAIN EXCHANGE COMPANY

CURRENCY	BUY	SELL
<b>Europe</b>		
British Pound	0.423280	0.432280
Czech Korune	0.004714	0.016714
Danish Krone	0.042139	0.047139
Euro	0.0338690	0.0346690
Norwegian Krone	0.032317	0.037517
Romanian Leu	0.076909	0.076909
Slovakia	0.009011	0.019011
Swedish Krona	0.033103	0.038103
Swiss Franc	0.308670	0.318870
Turkish Lira	0.101221	0.111521
<b>Australasia</b>		
Australian Dollar	0.222485	0.233985
New Zealand Dollar	0.201729	0.211229
<b>America</b>		
Canadian Dollar	0.226335	0.234835
US Dollars	0.298400	0.302900

US Dollars Mint	0.298900	0.302900
<b>Asia</b>		
Bangladesh Taka	0.003438	0.004012
Chinese Yuan	0.045291	0.048791
Hong Kong Dollar	0.036919	0.039669
Indian Rupee	0.004287	0.004677
Indonesian Rupiah	0.000018	0.000024
Japanese Yen	0.002629	0.002809
Kenyan Shilling	0.002976	0.002976
Korean Won	0.000253	0.000268
Malaysian Ringgit	0.074085	0.080085
Nepalese Rupee	0.002867	0.003037
Pakistan Rupee	0.002682	0.002962
Philippine Peso	0.006500	0.006780
Sierra Leone	0.000073	0.000079
Singapore Dollar	0.220522	0.226522
South African Rand	0.014542	0.023042
Sri Lankan Rupee	0.001695	0.002275
Taiwan	0.009242	0.009422
Thai Baht	0.008269	0.008819
<b>Arab</b>		
Bahraini Dinar	0.795818	0.803818
Egyptian Pound	0.030675	0.035793
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000191	0.000251
Jordanian Dinar	0.422651	0.430151
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000150	0.000250
Moroccan Dirhams	0.020627	0.044627
Nigerian Naira	0.001247	0.001882
Omani Riyal	0.779294	0.784974
Qatar Riyal	0.082378	0.083591
Syrian Pound	0.079780	0.080730
Tunisian Dinar	0.001282	0.001502
Turkish Lira	0.148393	0.156393
UAE Dirhams	0.101221	0.111521
Yemeni Riyal	0.081378	0.082527
	0.001367	0.001447