



DUBAI: Traders sit at the Dubai bourse as prices of shares are reflected on screens in red above them yesterday. Share prices in the energy-rich Gulf states nosedived following the sharp decline in oil prices and the expected rise in Iranian crude exports after the sanctions imposed on it were lifted under Tehran's historic nuclear deal with global powers. — AFP

News

in brief

US dollar stable against Kuwaiti dinar at 0.303

KUWAIT: The exchange rate of the US dollar against the Kuwaiti dinar yesterday was stable at KD 0.303, while the euro went up to KD 0.331 compared to the exchange rates for Thursday, said a statement by the Central Bank of Kuwait (CBK). According to the CBK, the exchange rate of the Sterling pound went down to KD 0.432 while the Swiss franc went up to KD 0.302. Exchange rate of the Japanese Yen remained the same at KD 0.002.

Egyptian pound steady at forex sale

CAIRO: Egypt's central bank kept the pound steady against the dollar at its official foreign currency auction yesterday, and the currency also held steady on the black market. Egypt, which depends on imported food and energy, is facing a dollar shortage and increasing pressure to devalue the pound. The central bank surprised markets when it strengthened the pound on Nov 11 by 20 piasters against the dollar and has bucked expectations by holding it steady ever since. The central bank sold \$39.1 million at a cut-off price of 7.7301 pounds to the dollar, unchanged from the previous auction.

Saudi's Almarai Q4 profit rises 13%

DUBAI: Saudi Arabia's Almarai, the Gulf's largest dairy company, reported a 13 percent increase in fourth-quarter net profit yesterday, in line with analyst estimates as sales grew faster than costs. Almarai made a profit of 483.7 million riyals (\$129.06 million) in the three months to Dec. 31, up from 428 million riyals in the year-earlier period, it said in a bourse statement. Five analysts polled by Reuters had forecast on average Almarai would make a quarterly profit of 480.2 million riyals. Almarai said its fourth-quarter sales were 3.58 billion riyals, versus 3.33 billion riyals in the same period of 2014. "(The) cost of sales increased at a lower rate due to improving in-put costs and better cost management," Almarai's statement said.

Qatari developer Barwa signs \$157.1m Islamic loan

DUBAI: Qatar's Barwa Real Estate has signed a \$157.1 million sharia-compliant five-year loan, the developer said yesterday. Barwa said it would use the money to refinance an existing Islamic financial liability but did not provide further details. The company on Thursday announced it had signed a \$444.3 million sharia-compliant loan with Islamic bank Masraf Al-Rayan.

UAE's RAKBANK to cut up to 250 jobs

ABU DHABI: National Bank of Ras Al-Khaimah (RAKBANK) will cut up to 250 jobs as part of a review of the lender's organizational structure, a spokeswoman for the Abu Dhabi-listed bank said yesterday. Banks in the United Arab Emirates have been adjusting staffing levels in recent weeks as they react to deteriorating market conditions and tighter liquidity caused by lower oil prices. "RAKBANK revisited the organization structure of select departments and made changes where necessary to improve synergy and efficiency across the bank. We are confident the new structure is better positioned for continued success," the bank said in a statement. The spokeswoman confirmed the number of job losses in response to questions from Reuters.

MULTINATIONALS READY TO JUMP INTO IRAN MARKET

BUSINESS EXECs FROM GERMANY, FRANCE, ITALY HEADING TO TEHRAN

PARIS: With global growth moribund, multinational firms have been waiting with bated breath for the lifting of international sanctions against Iran for access to a country in desperate need to modernize.

After nearly a decade of limited access to the outside world, many sectors of the Iranian economy need new equipment including the oil and gas industry, railways, and airlines. Plus there are 80 million Iranian consumers, many of them keen to buy cars and other goods. Access is expected to begin opening up, now that the International Atomic Energy Agency has issued a report concluding that Iran has fulfilled its obligations under a nuclear deal reached last year with world powers.

Since that deal was reached in July, delegations of officials and business executives from Germany, France and Italy have headed to Iran to prepare the ground to win back some of the market share lost to emerging nations like China and Turkey, or countries like Russia and Japan which kept friendly relations with Tehran.

Germany's BGA foreign trade federation believes that country will have a difficult time reclaiming its former status as Iran's largest trade partner as Chinese firms have swooped in dur-

ing sanctions. Deputy Foreign Minister Zhang Ming of China, the top buyer of Iranian crude, said during a recent visit Beijing intends to fully exploit the potential for cooperation with Tehran in the manufacturing sector and construction of infrastructure. US companies like Boeing and General Electric are also interested by the opportunities in Iran, but are handicapped by the fact Washington has not had diplomatic relations with Tehran for 35 years and will keep certain sanctions in place.

Meanwhile the Iranians are looking for foreign firms to help modernize the country's infrastructure, which has suffered from a lack of investment and technology as the economy was largely cut off from the outside world for the past decade. A resumption of trade should also help put the Iranian economy, which suffers from high unemployment and hyperinflation, back on its feet.

Oil sector still attractive

The slump of global oil prices to under \$30 per barrel—partially due to expectations of Iranian crude flooding back onto markets—is not good news for Tehran as it means less money flowing into government coffers. Nevertheless,

with the country holding the world's fourth-largest oil reserves and currently pumping a million barrels per day less than it did before sanctions, the Iranian energy sector is still attractive for foreign firms and Tehran is looking for \$25 billion in investment in the oil and gas sectors. "The infrastructure and energy sectors offer the best opportunities for our firms", Italy's economic development ministry said recently. Russia, which has maintained close relations with Iran, has a leg up on the competition and is willing to put money on the table to achieve its goal of boosting its annual trade turnover with Tehran from \$1.6 billion currently to \$10 billion. Russian President Vladimir Putin offered to open up a \$5 billion credit line to Iran during a visit to Tehran in November. Not only has Russia recently sold long-range S-300 surface-to-air missiles to Iran, but it has received orders to build two new reactors at the Bushehr nuclear power plant.

State-owned Russian Railways is after work electrifying Iranian rail lines. Russian gas giant Gazprom and the country's number two oil firm Lukoil are looking not only for production opportunities, but to stocking and transporting energy as well. Certain western oil companies,

like France's Total and Italy's Eni, are after joint venture contracts where their Iranian partner will retain majority control.

"We will be well placed to examine the opportunities in the gas, oil and petrochemicals and fuel distribution sectors, but all of that will be subject to good contractual conditions," said Total's chief executive Patrick Pouyanné recently.

'Promising market'

The automobile sector is also attractive as the rate of car ownership in Iran is just 100 per 1,000 people—six times less than in Europe—and consumers have had limited access to new vehicles under Western sanctions. France Renault has already negotiated a minority stake in Iranian auto manufacturer Pars Khodro, according to Iranian officials. "Iran is a very promising market," Renault chief executive Carlos Ghosn said on the sidelines of the Detroit auto show last week. "Today it's more than one million cars, it has the potential to go to 1.5 or 2 million." In the food and agriculture sector it may be harder going due to the "strong involvement of public firms and semi-public owners of farm land," according to a French agriculture ministry report. — AFP

US MANUFACTURING STALLS, CUTTING FUEL CONSUMPTION

LONDON: Excess inventories at every stage along the supply chain are weighing down business activity as well as depressing freight demand and diesel consumption in the United States.

Businesses have made little progress in reversing the unwanted buildup in inventories that occurred during the second half of 2014 and early 2015. Stocks of finished items, raw materials and work progress held by manufacturers, distributors and retailers were \$28 billion or 1.6 percent higher at the end of November than the same month a year earlier.

Sales were down \$37 billion or 2.8

percent, according to the US Census Bureau. The ratio of seasonally adjusted inventories to sales has risen from 1.32 in November 2014 to 1.38 in November 2015. Inventory ratios have risen at all stages of the supply chain from manufacturers through wholesalers to retailers, according to Census Bureau data.

Freight shipments have fallen for the first time in almost three years as businesses try to reverse overstocking, so far without success. Destocking, as well as poor export demand as a result of the strong dollar, is also weighing on manufacturing output. Even excluding the

troubled energy sector, US industrial production was up less than 1 percent in November and December compared with the same months a year earlier, according to the US Federal Reserve.

Growth in industrial production outside the energy sector has been slowing since the start of 2015 and is now running at some of the slowest rates since the recession. Sluggish freight and industrial output are weighing on demand for distillate fuel oil, where consumption growth has been weakening since the start of 2015 and became negative in October. — Reuters

BANKS LOSING SHARE IN FOREX BUSINESS

LONDON: Small and medium-sized British companies are increasingly looking outside banks for foreign exchange in search of better rates and services, a survey showed yesterday. Research company East & Partners' survey of more than 2,200 UK firms with annual revenues of up to 100 million pounds (\$143 million) showed roughly 10 percent use at least one of the dozens of brokerages specialising in payments in and out of foreign currencies.

It listed the top six brokers in the space by market share as Western Union, Monex, CMC, American Express, Alpari and UKForex. More than 8 percent of those that trade in the more sophisticated currency options market also use brokers instead of banks, the survey showed.

By offering companies currency at

much tighter "spreads" between buy and sell prices than the rates banks give each other and their biggest clients, the brokers have been instrumental in making forex trading as a whole more competitive.

The biggest brokers say they have grown strongly by watching over the currency needs of company managers too busy to notice that, say, the dollar has hit levels where they would like, or need, to buy or sell. That has made millions for a generation of forex entrepreneurs but has also begun to draw a response from banks. A number have tightened the spreads offered on ordinary corporate transfers and some, such as German lender Deutsche Bank, have invested in new client service centres in cheaper locations outside London to help address the challenge.

The survey showed Barclays, HSBC and Lloyds all still enjoy double-digit percentage shares of the spot trading market, at respectively 14.7 percent, 13.6 percent and 10.8 percent. Citi and Deutsche dominate on options with 11.9 and 11.1 percent respective shares.

"While high street banks continue to perform strongly, there are clear examples of other FX providers gaining market share, particularly in the Micro and SME segments," said Graham Buck, senior analyst at East & Partners.

"Newer market entrants that differentiate their offerings by service quality or value for money can capitalize on any complacency from their more established competitors and gain ground across market, mind and wallet share," he said. — Reuters

EXCHANGE RATES

AL-MUZAINI EXCHANGE CO.

ASIAN COUNTRIES	
Japanese Yen	2.601
Indian Rupees	4.507
Pakistani Rupees	2.901
Sri Lankan Rupees	2.122
Nepali Rupees	2.819
Singapore Dollar	212.870
Hongkong Dollar	39.064
Bangladesh Taka	3.878
Philippine Peso	6.381
Thai Baht	8.391

GCC COUNTRIES	
Saudi Riyal	81.217
Qatari Riyal	83.661
Omani Riyal	791.060
Bahraini Dinar	808.820
UAE Dirham	82.920

ARAB COUNTRIES	
Egyptian Pound - Cash	39.800
Egyptian Pound - Transfer	38.942
Yemen Riyal/for 1000	1.421
Tunisian Dinar	150.690
Jordanian Dinar	429.130
Lebanese Lira/for 1000	2.029
Syrian Lira	2.170
Morocco Dirham	31.061

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	304.400
Euro	435.450
Sterling Pound	437.270
Canadian dollar	210.800
Turkish lira	99.920
Swiss Franc	306.850
Australian Dollar	212.320
US Dollar Buying	303.200

GOLD	
20 Gram	226.690
10 Gram	116.040
5 Gram	58.700

UAE EXCHANGE CENTRE WLL

CURRENCIES	TELEX TRANSFER PER 1000
Australian Dollar	203.08
Canadian Dollar	218.17
Swiss Franc	310.48
Euro	335.10
US Dollar	304.45
Sterling Pound	444.75
Japanese Yen	2.63
Bangladesh Taka	3.881
Indian Rupee	4.560
Sri Lankan Rupee	2.118
Nepali Rupee	2.850
Pakistani Rupee	2.901
UAE Dirhams	0.08285
Bahraini Dinar	0.8091
Egyptian Pound	0.03879
Jordanian Dinar	0.4330
Omani Riyal	0.7906
Qatari Riyal	0.08394
Saudi Riyal	0.08115

DOLLARCO EXCHANGE CO. LTD

Rate for Transfer	Selling Rate
US Dollar	304.800
Canadian Dollar	216.885
Sterling Pound	443.575
Euro	334.510
Swiss Frank	304.295
Bahrain Dinar	806.370
UAE Dirhams	83.225
Qatari Riyals	84.445

Saudi Riyals	81.960
Jordanian Dinar	429.370
Egyptian Pound	38.814
Sri Lankan Rupees	2.123
Indian Rupees	4.563
Pakistani Rupees	2.902
Bangladesh Taka	3.877
Philippines Peso	6.470
Cyprus pound	580.550
Japanese Yen	3.595
Syrian Pound	2.380
Nepalese Rupees	3.850
Malaysian Ringgit	69.735
Chinese Yuan Renminbi	46.740
Thai Bhat	9.355
Turkish Lira	101.100

BAHRAIN EXCHANGE COMPANY

CURRENCY	BUY	SELL
Europe		
British Pound	0.435506	0.438506
Czech Korune	0.004358	0.016358
Danish Krone	0.040705	0.045705
Euro	0.327400	0.335400
Norwegian Krone	0.030724	0.035924
Romanian Leu	0.087320	0.087320
Slovakia	0.009099	0.019099
Swedish Krona	0.031628	0.036628
Swiss Franc	0.297700	0.307900
Turkish Lira	0.096113	0.106413
Australasia		
Australian Dollar	0.201249	0.212749
New Zealand Dollar	0.191101	0.200601
America		
Canadian Dollar	0.204376	0.212876
US Dollars	0.300300	0.304800

US Dollars Mint	0.300800	0.304800
Asia		
Bangladesh Taka	0.003524	0.004124
Chinese Yuan	0.044655	0.048155
Hong Kong Dollar	0.037174	0.039924
Indian Rupee	0.004225	0.004615
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002527	0.002707
Kenyan Shilling	0.003164	0.003164
Korean Won	0.000241	0.000256
Malaysian Ringgit	0.066139	0.072139
Nepalese Rupee	0.002886	0.003056
Pakistan Rupee	0.002640	0.002920
Philippine Peso	0.006345	0.006625
Sierra Leone	0.000067	0.000073
Singapore Dollar	2.08549	2.14549
South African Rand	0.012504	0.021004
Sri Lankan Rupee	0.001766	0.002346
Taiwan	0.008975	0.009155
Thai Baht	0.008081	0.008631

Arab		
Bahraini Dinar	0.800536	0.808536
Egyptian Pound	0.035165	0.039504
Iranian Riyal	0.000084	0.000086
Iraqi Dinar	0.000201	0.000261
Jordanian Dinar	0.425434	0.432843
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000153	0.000253
Moroccan Dirhams	0.021558	0.045558
Nigerian Naira	0.001259	0.001894
Omani Riyal	0.784229	0.789909
Qatar Riyal	0.082900	0.084113
Saudi Riyal	0.080287	0.081237
Syrian Pound	0.001290	0.001510
Tunisian Dinar	0.146471	0.154471
Turkish Lira	0.096113	0.106413
UAE Dirhams	0.081896	0.083045
Yemeni Riyal	0.001376	0.001456