

# WEAKER EURO, STRONGER GROWTH LIFT EUROPE SHARES

**LONDON:** European shares were on track for their best week since late April yesterday, gaining almost 1 percent on forecast-beating growth data, rising metals prices and a weakening euro. US stocks were also set to open some 0.2 percent higher, index futures suggested. Metals markets were buoyant, with the price of zinc, used to galvanize steel, hitting its highest in a decade on Chinese infrastructure demand and boosting mining company shares.

The pan-European STOXX 600 index rose 0.8 percent, led by basic resources companies and energy firms, building further on Monday's 1.1 percent rise as European equities recovered from their worst week this year triggered by a nuclear

standoff between the United States and North Korea. However, with tensions over the Korean peninsula waning, helping lift Asian shares in the past two days, investors have re-focused on fundamentals. Data yesterday showed the eurozone economy expanded by more than previously forecast in the second quarter, compared with the same period last year, while annual growth in Italy was at its fastest since 2011.

Stronger economic growth is part of the reason global active funds remain overwhelmingly positive on European equities, the biggest consensus overweight position according to Barclays' analysis of investor flows. "The market mindset is that Europe is recovering from a very deep, very long recession

that hit at its financial core," said Christopher Peel, chief investment officer at Tavistock Wealth.

The fall in the euro against the dollar would also be a boon to European companies, making their exports cheaper and potentially lifting earnings. BlackRock, the world's biggest asset manager, warned in a note earlier this week that a stronger euro could slow the pace of earnings growth, adding that the ratio of earnings estimates upgrades to downgrades in Europe had fallen to a one-year low.

### Performance

The euro is the best performing major currency versus the dollar this year - up 11.5 percent so far.

However, it took a hit yesterday after a Reuters report that European Central Bank chief Mario Draghi would not use next week's annual gathering of central bankers in Jackson Hole, Wyoming, to signal policy changes. The report, citing two sources familiar with the situation, dashed expectations that Draghi would begin to chart a course out of the ECB's massive stimulus program.

The euro fell as low as \$1.1691 and was last down 0.3 percent on the day at \$1.1703, some 2 percent below a 2 1/2-year peak of \$1.1911 touched earlier this month. The dollar rose 0.1 percent against a basket of currencies, holding most of Tuesday's gains chalked up on the biggest rise in US retail sales in seven months. The yen, which rose as tension over the Korean peninsula intensified last week, fell 0.1 percent to 110.78 per dollar. Sterling rose almost half a cent after data showed UK wages rising faster than expected in the three months to June before giving up most of those gains. It last traded flat on the day at \$1.2867.

The strong US retail sales data slightly boosted expectations that the Federal Reserve will raise interest rates for a third time this year. The Fed releases the minutes of its July policy meeting at 1800 GMT and they will be pored over for clues as to how the debate over the policy outlook is developing. The Fed kept interest rates unchanged last month and said it expected to start winding down "relatively soon" its massive holdings of bonds, bought in an effort to boost the economy.

"Most people are looking for a final hint that the Fed will start the balance sheet normalization process next month, and perhaps give us some clue about the next rate hike as well," said ING strategist Martin van Vliet. Britain's pound recovered from

its lowest levels against the euro in 10 months yesterday after data showed wages rising faster than expected in the three months to June, closing the gap to headline inflation.

Analysts had called for earnings to rise by as much as 1.8 percent and the 2.1 percent jump, along with a surprise drop in the number of unemployed in July, pushed sterling almost half a cent higher to trade at \$1.2896. That was still just 0.2 percent higher on the day. Against the euro, it gained 0.3 percent on the day to 90.88 pence, recovering from lows of 91.44 pence since last October's flash crash. Wage growth has tended to run well shy of price increases in recent years, deepening the pain for British households struggling with government budget cuts and undermining economic growth.

"This is undoubtedly good news for the man on the street, as it suggests that inflation pressures are starting to ease for consumers," said Jake Trask, FX research director with OFX in London. "However, it is important not to bet the house based on this number. There is no immediate need for the Bank of England to sanction tighter monetary policy...The pay gains are strong but the policy makers still need to be cautious."

### Monster zinc

Zinc rose 2.5 percent to as high as \$3,037 a ton, its highest since late 2007. Copper rose 1.3 percent to \$6,464 a ton. "There (was) a fair level of skepticism at the start of the year when China's infrastructure projects were announced but we're seeing much better-than-expected growth in fixed asset investment," said analyst Daniel Hynes of ANZ in Sydney. —Reuters

Daily Kuwait Stock Exchange Report				Global			
Wednesday 16 August 2017							
Index	Change	Closing	Last Closing	Volume	Value (KWD)	Number of Trades	
Price Index	▲ 10.45	6,854.12	6,843.66	88,961,845	19,432,815	3,480	
Weighted Index	▼ -0.35	424.18	424.53				
KSX 15	▼ -3.87	968.62	972.59				

  

Security	High	Low	Volume	Value (KD)	Trades	Last	Change
IPG	0.0	0.0	0	0	0	390	▲ 0.0
NAPESCO	897	852	9,569	8,154	4	897	▼ -2.0
ENERGYH	35.5	35.5	28,025	995	4	35.5	▲ 0.0
GPI	38.1	37.2	763,903	28,952	32	38.1	▲ 0.6
ABAR	0.0	0.0	0	0	0	75	▲ 0.0
<b>Oil &amp; Gas</b>			<b>801,487</b>	<b>38,190</b>	<b>40</b>	<b>1048.61</b>	<b>▼ -4.40</b>
KFOUC	290	285	178,140	51,103	22	288	▲ 8.0
BPCC	570	569	260,801	148,648	7	569	▼ -1.0
ALKOUT	0.0	0.0	0	0	0	600	▲ 0.0
ALQURAIN	348	341	17,591	6,001	11	341	▼ -1.0
<b>Basic Materials</b>			<b>456,532</b>	<b>205,750</b>	<b>40</b>	<b>1256.44</b>	<b>▲ 1.10</b>
KCEM	0.0	0.0	0	0	0	420	▲ 0.0
CABLE	490	483	101,000	49,170	18	488	▲ 6.0
SHIP	215	213	74,456	15,934	14	213	▼ -1.0
PCEM	990	970	7,155	6,950	3	980	▼ -5.0
PAPER	0.0	0.0	0	0	0	280	▲ 0.0
MRC	0.0	0.0	0	0	0	94	▲ 0.0
ADCO	267	264	38,661	10,272	4	267	▲ 7.0
HCC	0.0	0.0	0	0	0	208	▲ 0.0
NCSM	189	175	140,000	25,730	10	175	▲ 0.0
EQUIPMENT	48.0	45.2	362,150	17,868	16	47.5	▲ 1.7
NCCI	0.0	0.0	0	0	0	90	▲ 0.0
GYPSEM	0.0	0.0	0	0	0	95	▲ 0.0
SALBOOKH	0.0	0.0	0	0	0	80	▲ 0.0
AGLY	849	841	491,334	414,887	78	849	▲ 0.0
EDU	355	347	21,487	7,480	3	347	▼ -1.0
CLEANING	45.5	45.0	135,000	6,203	4	45.5	▲ 0.0
KSL	61	58	30,030	1,164	2	61	▲ 0.0
KMPC	145	145	10,000	1,450	2	145	▲ 0.0
HUMANISOFT	4,350	4,200	88,396	379,871	19	4,300	▲ 0.0
NAFAS	0.0	0.0	0	0	0	195	▲ 0.0
GFC	0.0	0.0	0	0	0	75	▲ 0.0
SHOOTING	27.5	26.7	673,120	18,109	27	27.5	▲ 0.5
CGC	0.0	0.0	0	0	0	568	▲ 0.0
MTCC	0.0	0.0	0	0	0	56	▲ 0.0
UPAG	0.0	0.0	0	0	0	770	▲ 0.0
ALAFCO	371	356	304,908	117,863	47	369	▼ -1.0
MUBARRAD	71	70	248,370	17,489	16	71	▼ -0.2
LOGISTICS	53	52	1,236,305	64,792	58	52	▼ -0.5
SCEM	0.0	0.0	0	0	0	77	▲ 0.0
GCEM	0.0	0.0	0	0	0	80	▲ 0.0
QIC	0.0	0.0	0	0	0	81	▲ 0.0
KCEM	78	76	186,827	14,256	33	78	▲ 1.9
RKWC	81	81	10,000	810	1	81	▼ -2.0
SPEC	94	92	70,300	6,475	4	94	▲ 0.0
<b>Industrials</b>			<b>4,237,209</b>	<b>1,176,354</b>	<b>357</b>	<b>1962.14</b>	<b>▼ -1.30</b>
PAPCO	0.0	0.0	0	0	0	90	▲ 0.0
CATL	250	240	116,084	28,623	12	250	▲ 10.0
DANAH	71	70	172,500	12,141	8	70	▼ -0.1
FOOD	2,000	2,000	500	1,000	1	2,000	▼ -38.0
<b>Consumer Goods</b>			<b>289,984</b>	<b>41,764</b>	<b>21</b>	<b>1010.38</b>	<b>▼ -8.20</b>
MHC	0.0	0.0	0	0	0	480	▲ 0.0
ATC	0.0	0.0	0	0	0	1,190	▲ 0.0
YIACO	0.0	0.0	0	0	0	175	▲ 0.0
<b>Health Care</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>▲ 0.00</b>
KCN	1,390	1,250	3	4	3	1,250	▼ -140
KHOT	0.0	0.0	0	0	0	250	▲ 0.0
SULTAN	0.0	0.0	0	0	0	87	▲ 0.0
CABLETV	34.9	34.9	1,006	35	1	34.9	▲ 2
EYAS	845	845	271	229	1	845	▼ -5
IFHR	0.0	0.0	0	0	0	275	▲ 0.0
OLUFUEL	127	123	170,950	21,332	32	126	▲ 0.0
MUNTAZAHAT	77	73	197,973	14,594	9	73	▼ -3
JAZERA	574	570	2,518	1,440	2	574	▼ -1
BOOR	124	123	27,958	3,441	13	123	▼ -1
FUTUREKID	0.0	0.0	0	0	0	116	▲ 0.0
ALRAI	127	126	150	19	2	127	▲ 1
Jiyad	53	49.0	45,109	2,214	5	53	▼ 0
Mazzan	870	790	1,628,485	1,311,284	115	815	▼ -42
<b>Consumer Services</b>			<b>2,074,483</b>	<b>1,354,592</b>	<b>183</b>	<b>1044.58</b>	<b>▼ -18.20</b>
ZAIN	505	495	11,219,818	5,612,701	462	505	▲ 9
OOREDOO	1,200	1,165	29,985	35,048	15	1,190	▲ 15
AAN	40.0	38.1	350,100	13,409	8	40.0	▲ 1
VIVA	803	801	38,133	30,587	38	802	▼ -1
<b>Telecommunications</b>			<b>11,638,836</b>	<b>5,691,804</b>	<b>523</b>	<b>616.91</b>	<b>▲ 6.00</b>
NBK	737	726	2,892,497	1,970,690	190	729	▼ -7
GBK	246	245	740,000	181,450	29	245	▼ -2
CBK	360	355	88,832	31,882	4	359	▲ 3
ABK	316	306	76,919	24,173	2	316	▼ -2
ALMUTAHED	419	416	106,930	44,693	7	416	▼ -2
KIB	245	245	65,110	20,852	9	245	▲ 0
BURG	372	370	106,449	39,509	7	370	▲ 0
KFN	574	566	3,656,040	2,085,299	222	569	▼ -1
BOUBYAN	438	427	1,113,935	485,034	105	431	▲ 5
AUB	218	216	5,279,026	1,144,483	122	217	▼ -1
ITHMR	30.4	30.7	2,181,450	84,852	95	30.8	▼ -1
WARBANK	268	265	1,275,027	330,624	123	266	▼ -1
<b>Banks</b>			<b>17,402,215</b>	<b>6,452,551</b>	<b>915</b>	<b>954.17</b>	<b>▼ -3.00</b>
KNS	0.0	0.0	0	0	0	250	▲ 0.0
GINS	790	720	11,000	8,040	3	790	▲ 70.0
AINS	0.0	0.0	0	0	0	448	▲ 0.0
WINS	0.0	0.0	0	0	0	96	▲ 0.0
KUWAITRE	0.0	0.0	0	0	0	187	▲ 0.0
FTI	81	81	1,000	81	1	81	▲ 1.0
WETHAQ	0.0	0.0	0	0	0	51	▲ 0.0
BKQWT	0.0	0.0	0	0	0	355	▲ 0.0
<b>Insurance</b>			<b>12,000</b>	<b>8,181</b>	<b>4</b>	<b>1121.86</b>	<b>▲ 23.90</b>

  

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SOKOUK	49.5	46.4	453,665	218,637	116	49.5	▲ 3.0
KRE	64	63	271,967	17,282	8	64	▲ 0.1
URC	0.0	0.0	0	0	0	88	▲ 0.0
NRE	122	120	574,331	69,600	21	121	▼ -1.0
SRE	368	365	20,500	7,484	4	365	▼ -3.0
TAM	400	360	55,500	20,550	6	400	▼ -8.0
AREEC	0.0	0.0	0	0	0	153	▲ 0.0
MASSALEH	41.0	40.1	905,000	36,367	16	40.9	▲ 0.8
ARABREC	34.9	34.3	485,100	16,677	17	34.8	▲ 0.7
ERESCO	39.9	39.8	250,000	9,951	5	39.8	▼ -0.4
MABANEE	788	780	224,161	175,208	29	785	▲ 1.0
INUZZAT	0.0	0.0	0	0	0	89	▲ 0.0
INVESTORS	24.0	24.0	153,892	3,693	7	24.0	▲ 0.2
IRC	32.9	32.9	3,000	99	1	32.9	▲ 1.0
ALTUARIA	89	87	5,767,319	508,264	101	88	▲ 0.0
SANAM	0.0	0.0	0	0	0	42.0	▲ 0.0
AAYANRE	81	81	122,500	9,923	3	81	▲ 0.0
AGAR	0.0	0.0	0	0	0	71	▲ 0.0
ALADARIA	0.0	0.0	0	0	0	39.7	▲ 0.0
MAZAYA	113	112	1,139,832	128,784	31	113	▼ -1.0
THEMAR	0.0	0.0	0	0	0	70	▲ 0.0
TUJARA	0.0	0.0</					