

## Business

# Boursa Kuwait wins the 'Most Improved Company' award

## 2018 Banker Middle East Industry Awards

**KUWAIT:** Building on an already impressive start to 2018, Boursa Kuwait won the 'Most Improved Company' award at the 2018 Banker Middle East Industry Awards, held at a gala dinner in the Ritz Carlton DIFC in Dubai on May 3. The award was received by Nasser Al-Sanousi, Director of Marketing at the company.

Boursa Kuwait CEO Khaled Abdulrazzaq Al-Khaled commented on the award, saying, "Boursa Kuwait is honored to receive this award. We would like to thank Banker Middle East and CPI Financial and their readers for their recognition of our efforts in building a better, more transparent stock exchange."

"Our goal of operating an efficient capital market platform that services all relevant asset classes saw amazing progress with the introduction of phase two of our Market Development Plan. As we continue on

our mission to develop a liquid, reliable and sound capital market providing issuers with efficient access to capital and investors with diverse return opportunities, and continue on our journey of evolving into a leading regional exchange, I have no doubt that the future holds great things for us at the company as well as for the economy of Kuwait."

The Banker Middle East Industry Awards were first held in 1999 and have become acknowledged as the most important recognition of financial excellence in the Middle East. Every year through a combination of reader votes and in-depth analysis of financial statements Banker Middle East assesses all financial institutions in the region and celebrates the best and brightest of the banking sector in the region. Each winner has outperformed their peers across a variety of the most important key performance indicators to witness unrivaled growth and success in the last year.



Nasser Al-Sanousi, Director of Marketing at Boursa Kuwait receives the award.

## Al-Tijari announces winners of Al-Najma new prize program

**KUWAIT:** Commercial Bank of Kuwait announced the winners of the weekly and monthly draws as follows: Monthly draw prize KD 20,000 - Minor Hussain Ali Jassim Ali, Weekly draw prize KD 5000 - Saifee Bohra Khozema Bohra.

The draw was conducted in the presence of Ministry of Commerce and Industry representative Abdulaziz Ashkanani. Al-Najma Account was recently revamped by adding several benefits to the prize program through which now the account provides its customers the chance to win the biggest annual cash prize offered by a bank in Kuwait and over the globe as much as KD 1 million and half (KD 1,500,000) so that customers' dreams can easily turn to reality. The bank stated that the account prizes this year is featured by the highest cash prize and diversity of prizes throughout the year clarifying that Al-Najma Account will offer weekly prize of KD 5,000 & monthly prize of KD 20,000 and a semi-annual prize of KD 500,000 for which the draw will be held on 1st July 2018 in addition to the grand prize (the biggest prize in the world) of KD 1,500,000 for which the draw will be held in January 2019. Al-Najma Account can be opened by depositing KD 100, and customer should maintain a minimum amount of KD 500 to be eligible to enter all draws on Al-Najma Account prizes. As for the chances of winning, the more balance a customer maintains in Al-Najma Account, the more chances the account holder will get to win, where each KD 25 will give the customer one chance to win, the account also offers additional benefits like the ATM card, a credit card against customer's account and all CBK banking services that customer can enjoy.

Now CBK existing customers can open Al-Najma Account through Al-Tijari Online and enter all draws without visiting the Bank branch. However, CBK non-customers can submit account opening application via the Bank's website where the Bank's Sales Unit will call them to arrange visit to the customers to complete the account opening formalities.

## Air France's future in the balance, warns economy minister

**PARIS:** France's economy minister yesterday warned that the survival of strike-hit Air France was in the balance following the departure of the company's chief executive over a pay dispute.

Unionized staff are set to walk out for the 14th day today as they press for a 5.1-percent salary increase this year as the company recovers from years of losses and restructuring.

Jean-Marc Janaillac, boss of parent company Air France-KLM, resigned on Friday after staff rejected a final pay offer from him which would have raised wages by seven percent over four years.

"I call on everyone to be responsible: crew, ground staff, and pilots who are asking for unjustified pay hikes," Economy Minister Bruno Le Maire told the BFM news channel yesterday. "Be responsible. The survival of Air France is in the balance," he added. He warned that the state, which owns 14.3 percent of the group, would not serve as a backstop. "Air France will disappear if it does not make the

## Gulf Insurance Group announces KD 3.3m net profit for Q1 2018

**KUWAIT:** Gulf Insurance Group (gig) announced a net profit of KD 3.3 million (\$11.1 million), or 18.63 fils per share, for the financial period ended March 31, 2018 compared with KD 2.6 million (\$8.7 million) for the same period last year with an increase of KD 0.7 million (\$2.4 million) or 28.5 percent. This increase is due to the increase in the group's net underwriting results and increase of the share of results from its subsidiaries.

Shareholder equity reached KD 79.6 million (\$265.6 million) as at March 31, 2018. Book value per share reached fils 445 as at March 31, 2018.

## US companies weigh price hikes as material costs rise

**NEW YORK:** Higher costs for oil, industrial metals and other materials have emerged as a headwind during US earnings season, amplifying inflation worries at the same time the labor market is tightening. Companies from across the US economy cited the drag from supply costs in conference calls, in some cases reporting lower first-quarter profits or cutting their outlook.

Arconic, a spin-off from Alcoa that focuses on aviation and auto clients, slashed its outlook due to a "steep increase" in aluminum prices, said chief financial officer Ken Giacobbe. Prices of the metal have risen further after US announcements of tariffs on imported aluminum and sanctions on Russian aluminum company Rusal. American Airlines Chief Executive Doug Parker rued that oil prices had risen "very quickly" and the company cut its forecast range for full-year profits.

Executives at Kraft Heinz also reported cost pressures for freight, packaging and oil, although the elevated prices have not affected forecasts, while Mondelez International, another food giant, also confirmed its profit outlook despite higher cocoa costs.

### 'Risk is building'

Worries about inflation have been a preoccupation of policymakers and money managers all

year because of the fear a sudden jump in prices would prompt the Federal Reserve to accelerate interest rate increases, potentially shocking the global economy. The Federal Reserve this week acknowledged that inflation had moved closer to its target of two percent. The statement, while not expressing alarm at pricing trends, kept the central bank on track to keep lifting interest rates this year.

Jim Corridore, an analyst at CFRA Research who covers industrial companies, said inflation was "not something we're overly concerned about." Companies managed to turn in solid profits due to higher overall sales and the lift from US tax cuts. "At this point it's not any more concerning than we expected it to be but it's certainly something you have to keep an eye on," Corridore added.

Briefing.com analyst Patrick O'Hare said "the risk of a pickup in inflation pressures is building," in part because of rising labor costs. On Friday, the US Labor Department reported that wages increased only modestly in April even as unemployment hit a 17-year low of 3.9 percent. Still economists believe wage inflation could soon pick up, perhaps by a lot.

"Ultimately, these companies that are calling out rising input costs have a choice: They can either eat those costs at the expense of their profit margins or they can choose to pass those costs onto their customers," O'Hare said. "If they pass them along, then their customers choose to pass them along to their customers and so on, and so you get more generalized price inflation."

Raw material price increases are trending well above expectations at the industrial conglomerate 3M, especially for oil-linked materials and transportation and logistics.

But the company expects those trends to be

assets and shareholders' equity. It also underlines our continuous efforts to provide the best insurance services to our clients across all markets we operate in, supported by our strategy for regional expansion and increasing our domestic and regional market share."

He added, "We thank our clients for these achievements, as well as the support of our shareholders, namely KIPCO - Kuwait Projects Company (Holding) - and Fairfax Middle East Ltd. I would also like to express my sincere appreciation to our dedicated employees for their efforts."



Khaled Al-Hasan

more than offset by strong demand across its markets, including in consumer goods and home care, allowing it to raise prices. "For the year, we're still expecting our stronger price growth to more than offset the raw materials," said chief financial officer Nicholas Gangestad.

### More inflation ahead?

But companies are also monitoring commodity prices to see if prices continue to rise. A report last month from the World Bank concluded that commodity prices were set to grow "more than expected" in 2018, pointing to increases across oil, metals and grains. In a May 1 investor note, Goldman Sachs also highlighted commodities as being in a "bull tilt" in part because of low inventories after a long period of under-investment. But the report also noted that many investors were "skeptical" of the outlook, in part out of fear of buying at the top of the commodity cycle.

Parker of American Airlines said the company's response would partly depend on what happened in the oil market, saying the carrier would lift ticket prices if it concludes high fuel prices are here to stay.

"As the cost of production goes up, the cost of the product generally follows," Parker said. If fuel prices stay high, "I would expect you would see higher fares to consumers over time." Ford has estimated that materials costs will be \$1.5 billion over last year's, which had already seen a jump. "It will be two years of pretty sharp increases," said Chief Financial Officer Bob Shanks, adding that the estimate did not include tariffs on metals announced by the Trump administration in March. Ford believes the risk of tariffs "has essentially already been priced in by the market," Shanks said. —AFP



necessary efforts to be competitive," he warned, ruling out any government intervention to purge the company's debts. Air France-KLM reported a net loss of 269 million euros (\$322 million) in the first quarter of the year.

Despite the strike, the company says it will be able to maintain 99 percent of long-haul flights today, 80 percent of medium-haul and 87 percent of short-haul. —AFP

## EXCHANGE RATES

BAHRAIN EXCHANGE COMPANY WLL			
CURRENCY	BUY	SELL	
British Pound	0.404068	0.411568	
Czech Korune	0.006199	0.015499	
Danish Krone	0.044544	0.049544	
Euro	0.356348	0.363848	
Georgian Lari	0.138280	0.138280	
Hungarian 0.001138	0.001328		
Norwegian Krone	0.033498	0.038698	
Romanian Leu	0.064623	0.081473	
Russian ruble	0.004785	0.004785	
Slovakia	0.008995	0.018995	
Swedish Krona	0.030317	0.035317	
Swiss Franc	0.296206	0.307206	
<b>Australasia</b>			
Australian Dollar	0.220198	0.232198	
New Zealand Dollar	0.206221	0.215721	
<b>America</b>			
Canadian Dollar	0.230049	0.239049	
US Dollars	0.298050	0.302450	
US Dollars Mint	0.298550	0.302450	
<b>Asia</b>			
Bangladesh Taka	0.003002	0.003784	
Chinese Yuan	0.046047	0.049547	
Hong Kong Dollar	0.036747	0.039497	
Indian Rupee	0.003930	0.004657	
Indonesian Rupiah	0.000017	0.000023	
Japanese Yen	0.002695	0.002875	
Korean Won	0.000270	0.000285	
Malaysian Ringgit	0.072901	0.078901	
Nepalese Rupee	0.002785	0.003125	
Pakistan Rupee	0.001988	0.002758	
Philippine Peso	0.005688	0.005956	
Singapore Dollar	0.221910	0.231910	
Sri Lankan Rupee	0.001615	0.002195	
Taiwan	0.010367	0.010547	
Thai Baht	0.009201	0.009751	
<b>Arab</b>			
Bahraini Dinar	0.794826	0.803326	
Egyptian Pound	0.014095	0.019183	
Iranian Ryal	0.000084	0.000085	
Iraqi Dinar	0.000203	0.000263	
Jordanian Dinar	0.421552	0.430552	
Kuwaiti Dinar	1.000000	1.000000	
Lebanese Pound	0.000155	0.000255	
Moroccan Dirhams	0.022258	0.048258	
Omani Riyal	0.778487	0.784167	
Qatar Riyal	0.078703	0.083643	
Saudi Riyal	0.079487	0.080787	
Syrian Pound	0.001280	0.001500	
Tunisian Dinar	0.118292	0.126292	
Turkish Lira	0.067014	0.077314	
UAE Dirhams	0.080839	0.082539	
Yemeni Riyal	0.000982	0.001062	