

AL MAKTOUM AIRPORT TO SEE PREP WORK NEXT YEAR FOR EMIRATES' MOVE

DUBAI: Dubai's Al Maktoum International Airport will begin the preparations next year for Emirates Airlines to move operations there in about a decade, an airport official said yesterday. "By next year, we will do a lot of preparations," Khalifa Zaffin, executive chairman of Dubai Aviation City Corporation, Dubai South told reporters when asked about construction at the new airport that would allow Emirates Airlines to move its hub. The passenger terminal at Al Maktoum International, Dubai South was launched in

October 2013. But only four airlines have started flights from the new airport, with most opting to stay at the busy Dubai International, clustering around Emirates and where existing traffic is. Emirates, the world's fourth largest airline by scheduled international passengers, meanwhile is facing capacity constraints at Dubai International despite runway upgrades last year to increase efficiency. President Tim Clark last year said Emirates would take up vacated space at Terminal 1 as the new Concourse D is launched. Dubai Airports offi-

cial said construction of the concourse has just finished and the testing phase will now be launched. Initially planned for summer 2015, Concourse D from Terminal 1 may be ready in the first quarter of 2016 and be able to handle operations of about a 100 airlines. "People want to be there (Dubai International) because they can make connections and everyone is there," Paul Griffiths, chief executive of Dubai Airports said on why airlines are reluctant to move to the new Al Maktoum International airport. "Now those capacity opportunities are becoming more

difficult to satisfy. So people will have to look at different airports." Emirates airlines in the coming years will take deliveries of the orders it has placed in 2013 for 150 Boeing 777x and topped up its A380 jumbo jets order of 90 with another 50. "Emirates obviously needs to maintain the integrity of its hub and it can't move until it's got sufficient capacity to move its entire hub," Griffiths said. "That will have to be in phase 2 (of Al Maktoum International), which we're projecting will be in the middle of the next decade." — Reuters

GULF SURGES ON STRONG OIL, BANK EARNINGS, EGYPT UP DUBAI INDEX RISES ABOVE TECHNICAL RESISTANCE

DUBAI: Major Middle East stock markets rose yesterday as a leap in oil prices boosted petrochemical and energy-related shares across the region. Egypt ended a three-day losing streak as emerging markets gained globally. Brent crude jumped 5.4 percent on Tuesday, closing above \$50 a barrel for the first time in a month, and rose further to \$52.90 during the Gulf day yesterday. The US Energy Information Administration predicted in a report that global oil demand would grow by the most in six years in 2016 while non-OPEC supply would stall. Overall, the report suggested a global supply glut might be easing. If oil prices have indeed bottomed out - which remains uncertain - that would be very good news for Gulf equities, since much of their weakness has been due not to the absolute level of oil prices but to fears that they could sink further. The Saudi stock index climbed 1.9 percent as daily trading volume expanded 58 percent, a positive technical sign. Top petrochemical maker Saudi Basic Industries, its earnings highly sensitive to oil, surged 4.1 percent. Three other petrochemical firms were among the 10 most heavily traded stocks, and all of them rose. Meanwhile, some banks beat forecasts as the third-quarter corporate earnings reporting season began. Alinma Bank, the most heavily traded stock, gained 1.8 percent after reporting a 13.3 percent rise in quarterly profit. Analysts had expected roughly flat earnings.

Banque Saudi Fransi rose 2.7 percent after posting a 10.2 percent rise in third-quarter net profit. Analysts had been expecting growth of around 5 percent, according to Thomson Reuters data. But Riyad Bank fell 0.7 percent after announcing a 16.5 percent fall in profit that it blamed on declining operating income. Analysts had predicted flat earnings. DUBAI, EGYPT Dubai's stock index rose 1.4 percent to 3,712 points as trading volume nearly doubled. It rose above technical resistance around 3,700 points, which capped it repeatedly in September. A second straight close above 3,700 would confirm a break and point the index up to around 3,900 points, the size of its recent range suggests. Real estate developer DAMAC surged 4.3 percent and was the market's second most heavily traded stock after the company said it was starting a month-long roadshow to showcase its portfolio and promote Dubai as investment destination. It will attend events and exhibitions in India, Britain and Kenya. Abu Dhabi climbed 0.8 percent as blue chip Aldar Properties gained 2.9 percent. Qatar rose 0.9 percent as drilling rig provider Gulf International Services jumped 4.8 percent and petrochemical producer Industries Qatar climbed 2.1 percent. Egypt's market, which had been soft this week because of poor purchasing managers' data and EFG Hermes' downgrade of the market to neutral, strengthened along with Asian stock markets. The

Cairo index added 1.6 percent. Qalaa Holdings surged 3.7 percent after it said it had received a preliminary offer from Qena Cement to buy stakes in its subsidiaries ASEC Minya and ASEC Ready Mix Concrete. WEDNESDAY'S HIGHLIGHTS SAUDI ARABIA The index surged 1.9 percent to 7,603 points. DUBAI The index rose 1.4 percent to 3,712 points. ABU DHABI The index climbed 0.8 percent to 4,589 points. QATAR The index rose 0.9 percent to 11,789 points. EGYPT The index climbed 1.6 percent to 7,355 points. KUWAIT The index edged up 0.1 percent to 5,739 points. OMAN The index rose 0.5 percent to 5,860 points. BAHRAIN The index edged down 0.3 percent to 1,269 points. — Reuters



PHNOM PENH: Cambodian garment workers shout slogans during a protest in front of a factory in Phnom Penh yesterday. Cambodian trade unionists and hundreds of garment workers marched to demand a pay rise for their monthly minimum wage. — AFP

UAW THREATENS STRIKE AT FIAT CHRYSLER US OPERATIONS

DETROIT: United Auto Workers members are planning to strike at Fiat Chrysler Automobiles NV US plants yesterday evening, the first work stoppage since 2007, threatening to bring manufacturing to a halt. A strike at its US operations could cost the automaker \$40 million a week in operating profit, said Sean McAlinden, chief economist with the Center for Automotive Research. Workers at several plants in Kokomo, Indiana, and at least one in Michigan received notices to be ready to strike but it was not clear whether all Fiat Chrysler plants would be involved. Kristin Dziczek, labor analyst with the Center for Automotive Research, said the last time the UAW took the company, then known as Chrysler, out on strike it was a "Hollywood strike," as in "just for show" in 2007. That strike, in the second week of October, lasted six hours. The strike weapon was not available to the UAW until this year for Fiat Chrysler or General Motors Co as part of the 2009 government-sponsored bankruptcies at those companies. The UAW must balance the need to make a forceful statement to Fiat Chrysler with concerns it could substantially hurt the company, the weakest of the Big Three, which would be bad for its own members and hopes of growth. Arthur Schwartz, a labor consultant and former negotiator with GM, said, "This is the union's play now. It is up to them what happens." Schwartz said UAW President Dennis Williams would not want a lengthy strike because of the pain it could inflict on his members and the harm to Fiat Chrysler. "Chrysler is not in great financial shape, no matter what the UAW members may think. The company is the weakest of the (Detroit Three) so a long strike would hurt them."

yesterday. The notice did not specify whether the union would call a strike at some or all of the 37 US Fiat Chrysler assembly, transmission and stamping plants and other operations where 40,000 UAW members work. Gary Spangler, a veteran worker at the Kokomo Transmission Plant in Indiana, said workers there have been told the call to strike on Fiat Chrysler is nationwide, not just the key Kokomo-area transmission plants and a casting plant that feeds them. "The last time, you blinked and the strike was over. This is going to be different," he said. "Marchionne plays hardball and that's fine. We're ready." Sergio Marchionne is the chief executive of Fiat Chrysler Automobiles NV, who publicly sparred with the former UAW president, Bob King, before reaching an agreement in 2011. This year, after negotiators for both sides reached a tentative agreement later spurned by the union's rank-and-file, Marchionne hugged current UAW President Dennis Williams in an unusual joint press conference. Normally, UAW contract events before the ratification vote feature "us versus them" tones rather than a united front. Schwartz said a prolonged strike would hurt the union's efforts to convince workers to join the UAW in the US South at foreign-owned automakers such as VW, Daimler AG and Nissan Motor Co. "The majority of the people here are really worried," said Lynne Hansen, a worker at the Kokomo plant who is divorced and pays for a child in college. "A lot of people live paycheck-to-paycheck. We all know this was looming, but it is hard to save for it. No one wants a strike. I voted 'yes' but I totally support the strike. We have to remain together on this. Solidarity." Labor analyst Dziczek said that in strikes of the past few decades, Detroit Three automakers have not used replacement workers, whom union members call "scabs." Dziczek and McAlinden both predicted that if a contract agreement is not reached by late yesterday night, a localized or US-wide strike of Fiat Chrysler operations would last at least a week or two. — Reuters

PLAYING HARDBALL

On Tuesday, the UAW union warned Fiat Chrysler that workers at its US operations are preparing to strike unless a new contract agreement is reached, the company said. The UAW notified Fiat Chrysler that the current four-year contract extension would expire at 11:59 pm

JPMORGAN BUYS MORE MORTGAGES FROM LENDERS AS MARKET SHRINKS

NEW YORK: JPMorgan Chase & Co, looking to stem falling revenue in its mortgage business as fewer Americans refinance, is increasingly buying loans from smaller lenders, a practice that competitors including Bank of America view as risky. In the first half of 2015, the bank bought 62 percent of the \$58 billion in home loans it added to its books, compared with 56 percent in 2014 and 37 percent in 2011. While other big banks buy mortgages from other lenders, known as correspondents, JPMorgan has racked up the biggest increase among its peers in the proportion of loans it buys from others, according to data from trade publication Inside Mortgage Finance. JPMorgan is fighting for business in what has been a shrinking market. According to the Mortgage Bankers Association, applications for US home loans have fallen by about 25 percent since mid-January, when a temporary drop in rates spurred a small wave of refinancing. Since May 2013, when mortgage rates first started jumping amid fears the Federal Reserve would hike rates, application volume has fallen by more than 50 percent. Fewer applications overall make it harder for JPMorgan to make as many

loans directly to consumers in its bank branches. Still, JPMorgan's willingness to buy loans from correspondent banks is a sign that banks are comfortable taking more risk in the mortgage market, nearly a decade after the housing bubble burst. "As they gain more confidence about the environment, they go right back to the correspondent channel for more volume," said banking analyst Charles Peabody of Portales Partners. To be sure, Bank of America Corp avoids the loans, because it doesn't want to be exposed to bad decisions made by smaller banks that do the actual lending. "There's more risk in being that far away from the customer," said D. Steve Boland, the Bank of America executive in charge of mortgage and auto lending. For example, a smaller lender could fail to verify a borrower's income properly, and just sell the loan on to a bigger bank. HIGH DEGREE OF CONFIDENCE To minimize that risk, JPMorgan, like other banks, specifies exactly what correspondent lenders have to do to vet loans, and forces the smaller lenders to buy back loans that turn out to have fallen short of those requirements. Greg Belles, correspondent lending head at

JPMorgan, wrote through a spokeswoman that the bank works with "experienced, well managed and high quality" lenders. Bank of America's concerns may stem from its experience with Countrywide Financial, which Bank of America bought in 2008, the largest correspondent lender in the US at the time. Countrywide failed

at least in part due to bad loans that it bought from correspondent banks and could not sell back to them. The Countrywide deal has been a huge millstone for Bank of America-the bank has paid some \$70 billion in settlements and legal penalties linked to the financial crisis, much of which came from its acquisition of the lender. — Reuters



ST PETERSBURG: A picture taken on September 22, 2015 shows engineers of Pikalevo Cement BASEL factory as they control at factory's production some 260 km outside St Petersburg. The mineral powder produced at an ageing Soviet-era refinery in Pikalyovo, one of Russia's hundreds of factory towns hit by a crippling economic crisis, has been a blessing, and at times a curse, for a town dependent on a single industry. — AFP

EXCHANGE RATES

AL-MUZAINI EXCHANGE CO.

Table of exchange rates for various currencies including Asian, GCC, Arab, and European & American countries.

GOLD

Table showing gold prices for 20 gram, 10 gram, and 5 gram units.

UAE EXCHANGE CENTRE WLL

Table of teletransfer rates per 1000 for various currencies including Australian, Canadian, Euro, US Dollar, etc.

DOLLARCO EXCHANGE CO. LTD

Table of selling rates for various currencies including US Dollar, Canadian Dollar, Sterling Pound, Euro, etc.

Table of exchange rates for Saudi Riyals, Jordanian Dinar, Egyptian Pound, Sri Lankan Rupees, Indian Rupees, etc.

BAHRAIN EXCHANGE COMPANY

Table of buy and sell rates for various currencies including British Pound, Czech Koruna, Danish Krone, Euro, etc.

Table of exchange rates for US Dollars Mint, Bangladesh Taka, Chinese Yuan, Hong Kong Dollar, Indian rupee, etc.

Table of exchange rates for Bahraini Dinar, Egyptian Pound, Iranian Riyal, Iraqi Dinar, Jordanian Dinar, Kuwaiti Dinar, etc.