

News

In brief

US dollar steady vis-a-vis Kuwaiti dinar

KUWAIT: The US dollar stabilized vis-a-vis the Kuwaiti dinar yesterday trading at KD 0.302, a different story with the euro which down up to KD 0.339 as compared to Wednesday's rates, according to the Central Bank of Kuwait (CBK). The sterling pound went up to KD 0.462 but the Swiss franc was down to KD 0.310, as well as the Japanese yen, at KD 0.002.

OPEC oil price up to \$48.24 pb

VIENNA: The OPEC daily basket price went up Wednesday \$2.16 and stood at \$48.24 per barrel (pb) compared with \$46.08 pb the previous day, the cartel said here yesterday. The monthly average rate of the basket hit USD 44.83 pb in September and \$45.46 pb in August, while the yearly average amounted to \$86.29 pb, it added. The new OPEC Reference Basket of Crudes (ORB) is made up of the following: Saharan Blend (Algeria), Girassol (Angola), Oriente (Ecuador), Iran Heavy (Islamic Republic of Iran), Basra Light (Iraq), Kuwait Export (Kuwait), Es Sider (Libya), Bonny Light (Nigeria), Qatar Marine (Qatar), Arab Light (Saudi Arabia), Murban (UAE) and Meruy (Venezuela). During their annual meeting here in June, the OPEC oil ministers agreed to maintain their output ceiling of 30 million barrels per day. The OPEC expects high demand for oil and high supply on the part of non-OPEC member states in the second half of 2015.

Abu Dhabi's IPIC to make interest payments on \$3.5bn

DUBAI: Abu Dhabi's International Petroleum Investment Co (IPIC) said yesterday it would make interest payments due in October and November on two bonds worth \$1.75 billion each belonging to units of Malaysia's state fund 1MDB. IPIC also said that 1MDB and Malaysia's finance ministry had promised to indemnify both it and its majority-owned unit Aabar Investments for any non-performance relating to a binding agreement signed in June, without elaborating. Under that June deal, Abu Dhabi state-owned fund IPIC said it would provide a raft of support including assuming debt belonging to 1MDB and giving around \$1 billion in cash to help the Malaysian fund settle other debts. The interest payments which IPIC said yesterday it would be paying are on bonds belonging to 1MDB Energy Limited And 1MDB Energy (Langat) Limited.

Egyptian pound steady at dollar sale

CAIRO: Egypt's central bank kept the pound steady at a dollar sale yesterday, as it sold \$37.8 million at a cut-off price of 7.7301 pounds per US currency. Traders said the pound was weaker on the parallel market. The official cut-off price was unchanged from yesterday's dollar sale, but two traders said the dollar was changing hands at 8.15/17 to the dollar in the parallel market, weaker than Sunday's rate of 8.05. Egypt has sought to tame a once-thriving currency black market by imposing a cap on dollar-denominated bank deposits among other measures. In January the central bank allowed banks to exchange currency at up to 0.10 pound above or below the official rate, with currency exchange bureaux allowed to trade at 0.15 pound above or below the official rate.

Orascom Telecom, Act Financial seek to buy Beltone Financial

CAIRO: Orascom Telecom Media and Technology and investment bank Act Financial are seeking to acquire 100 percent of Egypt-based financial services company Beltone Financial, Orascom Telecom said in a statement yesterday. The value of the transaction is estimated at 650 million Egyptian pounds (\$83 million), with Orascom Telecom's share put at 87 percent and Act Financial's at 13 percent, the statement said. Orascom is looking to broaden its focus from solely telecom and technology to the financial services sector, the energy sector and the transport and logistics sector. Shares in Beltone Financial were up roughly 20 percent and Orascom Telecom was up 10 percent as of 0850 GMT. Orascom and Act Financial have two weeks to submit an official offer and due diligence will begin this Sunday, Beltone Financial said in a statement. The transaction is expected to be completed during the fourth quarter of 2015, Orascom Telecom said.—Reuters

MIDEAST COUNTRIES CALL FOR IMF HELP ON REFUGEE CRISIS

LIMA: Middle Eastern countries urged the International Monetary Fund yesterday to help them deal with the massive influx of refugees from conflicts in Syria and beyond, including with low-interest loans. "A number of our countries are facing heightened demands on domestic resources from the influx of refugees and internally displaced populations," said a statement from a dozen countries in the region at the IMF's annual meeting in Lima, Peru.

"We call on the Fund to provide financing to the affected countries on concessional terms to mitigate these costs and to encourage more timely and

adequate support from the international community."

The comments came in a prepared statement to be delivered today by the United Arab Emirates' representative at the IMF meeting on behalf of Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, the Maldives, Oman, Qatar, Syria and Yemen. Although much recent attention has focused on Europe's struggles to deal with the influx of uprooted Syrians, the war-torn country's neighbors have taken in the bulk of the more than four million people who have fled in the past four years, straining their capacity to cope with the new arrivals.

Many Middle Eastern countries are also struggling to deal with internally displaced people uprooted by conflict, including Iraq, Yemen and Libya. The statement calls for "greater flexibility" in loan conditions and for IMF program reviews to take into account the strains that conflicts have placed on countries in the region. IMF chief economist Maurice Obstfeld said Tuesday the Fund recognized the "immense" pressure on Middle Eastern countries, which he said the IMF was trying to alleviate by easing up on their fiscal targets. Several countries in the region received IMF loan assistance in the wake of the Arab Spring uprisings.—AFP

USD TO DROP FURTHER AS PROFIT RAISE POSTPONES

KUWAIT: The rate of the US dollar is expected to drop against the main currencies in time of weakening expectations on the raise of profit rates in the US before the end of 2015, according to a financial analyst. The US dollar is facing challenges including selling pressure in accordance with reports on weak job markets indicating that the US economy is suffering a slow growth rate, ThinkForex company member analyst Mohammad Al-Ansari told Kuwait News Agency (KUNA) yesterday.

The slow growth rate led investors to believe that the US Federal Reserve would not raise the profits rate until early 2016, said the analyst.

Meanwhile, he noted that the recent statistics in the US showed that the commercial deficit increased by \$48.33 billion last August, compared to \$41.81 billion in July. Experts were expecting a deficit of \$ 47.40 for August, he added.

In the same context, the Reserve Bank of Australia has kept the profit rate unchanged at 2.00 percent said Al-Ansari. Recent statistics on Australian commercial deficit showed that it had



reached \$3.095 billion in July, compared to \$2.550 in August, he said.

Al-Ansari noted that the recent US reports were very negative and resembles the weakness in international economy and the effects of the rise in the dollar on the US exports. As for the exchange rate of the US dollar against other main currencies, it dropped against the Japanese yen by 0.10 percent reaching \$120.33, while also dropping

against the euro by 0.53 percent reaching \$1.1247. Moreover, the US dollar dropped against the sterling by 0.40 percent reaching \$1.52, while also dropping against the Swiss franc by 0.51 percent reaching \$ 0.97. The Australian dollar, meanwhile, rose against the US dollar by 0.33 reaching AUD 0.71 and the New Zealand dollar rose against the US dollar by 0.08 percent reaching NZD 0.64.—KUNA



KABUL: Afghan laborers work at a brick factory on the outskirts of Kabul yesterday.—AFP