

GULF STOCKS SOFT, SAUDI EDGES DOWN

DUBAI: Gulf stock markets were soft early yesterday after oil prices and global bourses pulled back, while Saudi Arabia edged down despite the Saudi regulator's announcement that it would ease restrictions on foreign investment sooner than expected. The Saudi index fell 0.3 percent in the first 75 minutes of trade with most banks and many second-tier stocks weak, though Arabian Pipes, a supplier to oil giant Saudi Aramco, jumped 4.9 percent in unusually heavy trade. The Capital Market Authority said late on Wednesday that it would relax curbs on foreign institutional investors on Sept. 4, sooner than the mid-2017 deadline previously indicated.

Among the reforms are a much lower minimum assets-under-management requirement for foreign institutions, and an easing of restrictions on foreign ownership of individual shares. But while fund managers say the changes are good news, they believe there may not be any sudden increase of foreign fund inflows into Saudi Arabia, given the economic slowdown there. Over the long term, the reforms are expected to help persuade international index compiler MSCI to add Saudi Arabia to its emerging markets index, would attract billions of dollars of fresh foreign money to the kingdom.

But EFG Hermes said in a note yesterday that

it still thought May 2019 was the earliest inclusion date for Saudi Arabia in the MSCI index and that it was too early for investors to position themselves for foreign fund inflows. EFG remains underweight on Saudi equities "given the continued domestic liquidity crunch, weak economic and earnings growth outlook, and continuing uncertainty about the sustainability of earnings until the subsidy removal timeline becomes clearer," the investment bank said.

No Saudi stocks are currently close to hitting their old, pre-reform ceilings for foreign institutional ownership, although petrochemical company Alujain has an unusually high percentage of 4.1 percent. Its shares jumped 4.8 percent

yesterday morning. Elsewhere, Abu Dhabi's index dropped 0.9 percent as Waha Capital sank 2.5 percent after it reported a 22 percent year-on-year drop in second-quarter net profit because of lower income from financial investments and higher costs. Dubai's index edged down 0.1 percent as construction firm Arabtec, which is expected to announce second-quarter earnings on Sunday, dropped 1.3 percent and was the most heavily traded stock. Qatar fell 0.4 percent as Dlala Brokerage, the most heavily traded stock, lost 1.0 percent. It reported an 808,000 riyal (\$222,000) profit for the second quarter, swinging from a 23.4 million riyal loss a year ago. — Reuters

WORLD STOCKS DIVERGE ON OIL MARKET FOCUS

LONDON: European and Asian stock markets traded mixed yesterday as investors tracked falling oil prices. Tokyo was shut owing to a public holiday in Japan, while Shanghai closed lower and Hong Kong rose. In Europe, London fell as eurozone indices headed higher. Around 0945 GMT, London's benchmark FTSE 100 index was down 0.3 percent. Frankfurt's DAX 30 gained 0.6 percent and the Paris CAC 40 climbed 0.7 percent, compared with the close on Wednesday. "The FTSE 100 underperformed equity benchmarks in Germany and France as post-Brexit concerns highlighted risks for the domestic economy," said Jasper Lawler, analyst at traders CMC Markets.

Citing a weaker outlook for the world economy following Britain's vote to leave the European Union, the International Energy Agency yesterday cut its oil demand growth forecast for 2017. That weighed on oil prices with benchmark contracts falling in London and New York. But the IEA added that oil oversupply, which has been weighing on the crude price in recent months, will disappear in the latter part of 2016. In foreign exchange meanwhile, dollar gains were capped as traders await clearer signals on the timing of a possible US interest rate hike, with expectations that the Fed will move cautiously.

Investors were awaiting also the release of more Chinese economic data-including industrial output and retail sales-due this week. Figures released Tuesday showed China's producer prices fell in July at their slowest rate in nearly two years, fuelling hopes the end of a painful slowdown could be in sight for the world's second largest economy. Shanghai's main stocks index fell 0.5 percent yesterday, dragged down by falls to share prices in small companies. Elsewhere, South Korea opted to keep its key interest rate unchanged at 1.25 percent-but the central bank governor held out the prospect of another reduction.—AFP



MONTREAL: Thousands participate in a festive march through downtown Montreal for the opening of the World Social Forum (WSF) on August 9, 2016. Far from southern Brazil where the first WSF was founded in 2001, the 12th edition of the anti-globalization conference is held for the first time in a G7 nation to try to bridge a north-south divide. — AFP

WORLD SOCIAL FORUM REBOOTS IN MONTREAL

MONTREAL: Fifteen years after the World Social Forum (WSF) began with a huge gathering in Porto Alegre, Brazil, organizers are hoping to breathe new life into the anti-globalization movement. But critics say the latest edition being held in Montreal is a pale copy of the original, with attendance hitting an all-time low. A mere 15,000 committed anti-globalization activists have registered for this year's event, which runs until Sunday, compared to 100,000 at its height.

"When I talk with Montrealers, no one is aware of this forum and so few people know about the WSF in general, whereas everyone knows Davos," said Henry Mintzberg, a professor at McGill University in Montreal, contrasting the WSF with its nemesis, the World Economic Forum held each year in the posh Swiss Alps resort. "It's less in tune with the times, we hear less about it than before," sociologist Andre Drainville told AFP.

This first edition of the WSF in a Group of Seven nation (Canada) is also now competing with several upstart social move-

ments that have been more agile and focused. "In 2011, (Spain's) Indignados movement or Occupy Wall Street in the US did not look to the social forum. Instead they took to the streets," said WSF organizer Raphael Canet.

Division in the ranks

The WSF's struggle for relevance is also linked to a lack of cohesion among its supporters, according to experts. "At the World Economic Forum in Davos, business leaders approach problems together" despite their competitive tendencies, said Mintzberg. Conversely, a spirit of cooperation at the WSF all too often has given way to sectarianism. "People who are left of me are extremists and people on my right are just opportunistic," said Mintzberg.

There are "constant tensions between those who have a political agenda and those who see the WSF as a social movement," said Drainville, a professor at Laval University in Quebec City. WSF co-founder Chico Whitaker of Brazil acknowledges that

the organization has much less visibility, largely because it is no longer juxtaposed with the World Economic Forum (early WSFs took place the same week as the WEF). "We would have to return to the same dates as Davos in order to be seen as a serious alternative" to globalization, he said. Organizers of the Montreal event reject any suggestion that the movement is waning, noting they welcomed several new social movements at its last two meetings in Tunis in 2013 and 2015. "We went to Tunisia because there was something afoot there, and we came to Montreal to build on that momentum," said Canet. "The path to renewal is through Montreal with its dynamic youth who are greatly involved in the forum," said WSF organizer Carminda Mac Lorin. According to Drainville, the Forum still has a future as the standard bearer of a movement against globalization. "The Forum punctuates the story, it is one event that is part of a larger movement and it is the movement that gives importance to the WSF," Drainville said. — AFP



NEW YORK: In this Tuesday, Sept 8, 2015, file photo, a Wall Street sign is framed by an American flag hanging on the facade of the New York Stock Exchange. — AP