Stocks snap winning streak as oil slides

LONDON: World stocks dipped after a three-day run of gains and emerging markets were back under pressure yesterday, as a sharp drop in oil prices following lacklustre economic data sparked renewed nerves. Oil struggled to steady, having fallen as much as 7 percent on Monday, and the glum macro mood sweeping back though markets saw European shares follow Asia deep into the red.

Britain's FTSE 100, Germany's DAX and France's CAC 40 were down 1.4-1.7 percent as BP's biggest loss in 20 years and plans to cut thousands more jobs dovetailed with rating cuts by S&P for Shell and BHP Billiton to underscore commodity woes.

Banks were hit too, with Swiss bank UBS slumping as much 8 percent after signs its wealthy customers were pulling money out.

In the currency markets, waning risk appetite nudged Japan's yen and the euro up against the dollar. But the greenback was squeezing the main emerging markets, up as much as 1 percent against the rouble, the rand, Mexico's peso and Malaysia's ringgit.

The Australian dollar also slipped after the country's central bank held rates but left the door open to further easing after last week's surprise move by Japan into negative interest rates.

"I don't think the market has much of a clue on what to focus on," said John Hardy head of FX strategy. "It doesn't seem too convinced with the narrative of hooray for central bank liquidity again, and the oil price going down and whole reserve destruction theme is bad for risk appetite."

The lure of relative safety saw gains for benchmark US and European government bonds as Mario Draghi's reconfirmation on Monday that the ECB will 'review' its monetary policy next month gave yields an extra kick lower.

Concern over oil still dominated. Brent and US crude oil had tentatively steadied at $33.70 and $31.05 a barrel, having lost as much as 7 percent overnight.

The pressure remains after weak economic data from China, Europe and the United States, a US forecast for mild weather and doubts that big oil producing countries would agree to cut the global supply glut.

Oil production in Russia hit a post-Soviet high in January, reaching an average of 10.88 million barrels per day (bpd), data from its energy ministry showed. "(Prices) have just come back to reality a bit, although they are holding water above $30 a barrel," said Ben Le Brun, market analyst at Sydney's OptionsXpress, pointing to concern over rising oil supplies and weaker economic data.

AUSSIE BASHING

Overnight, MSCI's broadest index of Asia-Pacific shares outside Japan lost 1.2 percent. Falls almost everywhere except China, which saw a 2 percent bounce, drove the index lower.

Japan's Nikkei ended down 0.6 percent as investors locked in profits after two straight days of big gains following the Bank of Japan's decision to introduce negative interest rates late last week.

"In a bear market, investors would use any rebound to cut equity holdings, and that has been the trading pattern recently," said Zeng Yan, an analyst at Zhongtai Securities, referring mainly to Chinese markets. "There are no changes in fundamentals: yuan depreciation concerns are still there, the economy remains in bad shape, and market liquidity tends to be tight."

The Australian dollar was still down about 0.8 percent at $0.7052 in European trading, though it held above its recent seven-year trough of $0.6827. As expected, the Reserve Bank of Australia held interest rates steady at a record low of 2.0 percent. Although the bank was hopeful on growth prospects, it reiterated that there is scope for a further cut if needed.

Markets appeared little fazed by Iowa's primary elections for the US presidential nomination. Among Republicans, US Senator Ted Cruz beat billionaire Donald Trump and for the Democrats, former Secretary of State Hillary Clinton was in a virtual tie with rival Bernie Sanders. S&P 500 e-mini futures pointed to a 0.8 percent drop for Wall Street later, though that was mostly tracking oil prices and the falls in Europe and Asia.

Chinese shares ended higher yesterday, and the country's central bank guided the yuan to its highest daily fix in almost a month as Beijing sought to keep markets calm heading into the Lunar New Year holidays. The Shanghai Composite Index gained 2.3 percent, while the CSI300 index of the largest listed companies in Shanghai and Shenzhen rose 2.1 percent, but trading volumes were low again, as a turbulent January frightened off many investors.

The gains recouped Monday's losses, incurred after official surveys of China's manufacturing and services sectors sent ripples of selling through global markets, but barely made a dent in the indexes' losses so far this year, which now stand at 21-22 percent. "The data suggest continued uncertainties and headwinds to the outlook," wrote Shengzu Wang, an analyst at Barclays. "We have seen no sign of stabilisation since the start of 2016."

Wang was surprised China's central bank had not cut interest rates or banks' reserve requirements in January, and has instead relied on huge injections of funds to tide the banking system over the holiday period. The People's Bank of China (PBOC) may have been concerned that such cuts would only prompt capital flight and encourage more speculators to bet on yuan devaluation.

It has been fighting to keep the currency stable through a series of higher daily yuan fixes and a range of measures that essentially make it very expensive to short the currency.

On Tuesday, it set the yuan at 6.5510 per dollar, the highest fix since Jan. 6, when a sudden drop in the currency sparked worldwide concerns Beijing was seeking a competitive depreciation.

Still, many analysts suspect the currency will be allowed to drift lower over time both to help underpin exports and fight deflation risks at home. Some investors with deep pockets are laying money on it. Hedge funds have ramped up bets on a devaluation since the Bank of Japan cut interest rates below zero last week. Reuters data showed riskier bets that only pay out if the yuan weakens to levels well above 7 per dollar passed peaks hit around Beijing's one-off mini-devaluation last August.

"Since the Bank of Japan was so doveish last week, all of these countries are under a lot more pressure to devalue," said a dealer with one Asian bank in London. Such talk will only heighten the focus on the PBOC's reserves position, due to be reported sometime this week, for details on just how much intervention has been needed to shelter — Reuters

Daily Kuwait Stock Exchange Report

Global جلوبل

Tuesday 02 February 2016

Index	Change	Closing	Last Closing	High	Low
Price index	▲ 25.71	5,132.86	5,107.15	5,135.40	5,086.47
Weighted Index	▲ 1.99	353.69	351.70	353.69	349.65
KSX 15	▲ 5.11	832.71	827.60	832.94	822.87

Volume	123,742,001
Value (KWD)	13,017,301
Number of Trades	3,749

			Trades				
Security	High	Low	Volume	Value (KD)	Trades	Last	Change
MARIN	0.0	0.0	0	0	0	114	— 0.0
IKARUS	75	73	127,000	9,299	4	75	▼ -1.0
IPG	320	320	24,576	7,864	1	320	— 0.0
NAPESCO	0.0	0.0	0	0	0	600	— 0.0
ENERGYH	36.0	32.5	2,050	67	4	32.5	▼ -1.0
GPI	41.0	40.0	1,261,100	51,105	37	40.5	▼ -0.5
ABAR	116	116	77	9	1	116	▲ 6.0
Oil & Gas			**1,414,803**	**68,344**	**47**	**755.11**	▲ **1.85**
KFOUC	0.0	0.0	0	0	0	210	— 0.0
BPCC	450	445	353,000	158,185	11	450	▲ 5.0
ALKOUT	0.0	0.0	0	0	0	610	— 0.0
ALQURAIN	164	160	127,779	20,649	20	164	▲ 4.0
Basic Materials			**480,779**	**178,834**	**31**	**872.27**	▲ **10.96**
KCEM	0.0	0.0	0	0	0	380	— 0.0
REFRI	310	310	11,916	3,694	3	310	— 0.0
CABLE	345	325	159,833	54,002	21	340	▲ 10.0
SHIP	142	138	40,020	5,601	13	142	— 0.0
PCEM	1,020	980	5,050	4,951	4	1,020	— 0.0
PAPER	0.0	0.0	0	0	0	380	— 0.0
MRC	0.0	0.0	0	0	0	57	— 0.0
ACICO	270	270	16,000	4,320	4	270	▲ 5.0
GGMC	0.0	0.0	0	0	0	450	— 0.0
HCC	0.0	0.0	0	0	0	132	— 0.0
KPAK	0.0	0.0	0	0	0	340	— 0.0
KBMMC	0.0	0.0	0	0	0	250	— 0.0
NICBM	0.0	0.0	0	0	0	218	— 0.0
EQUIPMENT	53	52	398,000	20,894	16	53	— 0.0
NCCI	0.0	0.0	0	0	0	99	— 0.0
GYPSUM	0.0	0.0	0	0	0	102	— 0.0
SALBOOKH	71	69	125,650	8,780	13	69	▼ -1.0
AGLTY	440	425	897,380	388,224	51	440	▲ 10.0
EDU	0.0	0.0	0	0	0	206	— 0.0
CLEANING	37.5	36.0	761,387	27,523	18	36.0	▼ -0.5
CITYGROUP	410	400	1,240	498	2	400	▲ 15.0
KGL	38.0	37.0	126,000	4,725	8	37.0	▼ -1.5
KCPC	0.0	0.0	0	0	0	210	— 0.0
HUMANSOFT	0.0	0.0	0	0	0	880	— 0.0
NAFAIS	0.0	0.0	0	0	0	130	— 0.0
SAFWAN	0.0	0.0	0	0	0	310	— 0.0
GFC	0.0	0.0	0	0	0	28.5	— 0.0
MAYADEEN	19.5	18.0	2,244,807	42,186	46	19.5	— 0.0
CGC	0.0	0.0	0	0	0	790	— 0.0
MTCC	73	68	2,068,500	147,163	61	72	▲ 4.0
UPAC	0.0	0.0	0	0	0	600	— 0.0
ALAFCO	184	182	182,427	33,413	10	182	▼ -4.0
MUBARRAD	67	64	1,061,082	69,880	43	67	▲ 2.0
LOGISTICS	52	51	1,120,449	57,154	52	51	▼ -2.0
SCEM	0.0	0.0	0	0	0	83	— 0.0
GCEM	75	75	9,500	713	3	75	▲ 5.0
QCEM	0.0	0.0	0	0	0	70	— 0.0
FCEM	72	70	40,010	2,801	2	72	▲ 2.0
RKWC	95	95	500	48	1	95	▼ -5.0
SPEC	0.0	0.0	0	0	0	88	— 0.0
Industrials			**9,269,751**	**876,566**	**371**	**965.76**	▲ **3.64**
KSH	210	208	5,317	1,107	2	208	▼ -2.0
NSH	0.0	0.0	0	0	0	62	— 0.0
PAPCO	0.0	0.0	0	0	0	102	— 0.0
CATTL	128	128	1,000	128	1	128	▲ 2.0
DANAH	72	69	165,500	11,607	13	72	▲ 2.0
POULT	0.0	0.0	0	0	0	196	— 0.0
FOOD	1,920	1,860	44,560	84,606	6	1,920	▲ 60.0
Consumer Goods			**216,377**	**97,447**	**22**	**1030.92**	▲ **3.38**
MHC	0.0	0.0	0	0	0	200	— 0
ATC	0.0	0.0	0	0	0	920	— 0
YIACO	148	148	143	21	1	148	▲ 4
Health Care			**143**	**21**	**1**	**952.05**	▲ **2.87**
KCIN	0.0	0.0	0	0	0	980	— 0
KHOT	0.0	0.0	0	0	0	220	— 0
SULTAN	59	59	1,000	59	2	59	— 0
CABLETV	29.5	27.5	67,964	2,004	8	29.5	▲ 3
EYAS	0.0	0.0	0	0	0	335	— 0
IFAHR	0.0	0.0	0	0	0	194	— 0
OULAFUEL	110	106	95,578	10,394	22	110	▲ 4
MUNTAZAHAT	89	85	21,022	1,820	4	89	— 0
JAZEERA	790	770	29,253	23,025	4	790	— 0
SOOR	112	106	26,349	2,880	15	110	▲ 2
FUTUREKID	0.0	0.0	0	0	0	110	— 0
ALNAWADI	0.0	0.0	0	0	0	84	— 0
ALRAI	134	134	1,996	267	1	134	▲ 2
ZIMAH	91	88	35,020	3,102	5	91	▼ -1
UFIG	0.0	0.0	0	0	0	96	— 0
KOUTFOOD	580	560	77,579	43,768	5	580	▲ 20
Mezzan	1,040	1,020	34,377	35,493	8	1,020	▼ -40
Consumer Services			**390,138**	**122,811**	**74**	**938.16**	▲ **7.02**
ZAIN	375	360	8,336,903	3,053,433	255	370	▲ 15
OOREDOO	1,100	1,020	90,973	93,896	41	1,060	▼ -20
HITSTELEC	26.5	25.0	1,494,928	38,637	45	26.0	— 0
VIVA	930	900	167,153	152,643	162	920	▲ 20
Telecommunications			**10,089,957**	**3,338,609**	**503**	**571.65**	▲ **9.18**
NBK	710	700	1,313,198	928,800	64	710	— 0
GBK	212	208	2,039,798	426,842	50	210	▼ -2
CBK	520	520	6,000	3,120	1	520	— 0
ABK	0.0	0.0	0	0	0	355	— 0
ALMUTAHED	460	450	206,120	93,155	18	455	▲ 5
KIB	200	198	196,341	39,062	10	200	— 0
BURG	340	335	610,133	207,445	28	340	— 0
KFIN	495	490	4,645,922	2,294,652	216	495	▼ -5
BOUBYAN	395	390	538,079	212,416	41	395	▼ -5
AUB	206	202	397,246	80,854	17	206	▲ 2
ITHMR	32.5	32.0	3,800,095	122,427	55	32.5	— 0
WARBABANK	186	174	3,588,378	646,295	223	182	▲ 4
Banks			**17,341,310**	**5,055,069**	**723**	**817.80**	▲ **0.75**
KINS	0.0	0.0	0	0	0	310	— 0
GINS	0.0	0.0	0	0	0	750	— 0.0
AINS	0.0	0.0	0	0	0	435	— 0.0
WINS	104	100	15,330	1,593	5	104	▲ 4.0
KUWAITRE	0.0	0.0	0	0	0	200	— 0.0
FTI	0.0	0.0	0	0	0	52	— 0.0
WETHAQ	31.5	30.5	29,000	888	9	30.5	▲ 0.5
BKIKWT	0.0	0.0	0	0	0	355	— 0.0
Insurance			**44,330**	**2,481**	**14**	**1046.30**	▲ **6.20**

			Trades				
Security	High	Low	Volume	Value (KD)	Trades	Last	Change
SOKOUK	36.5	35.0	516963	18,435	20	36.0	— 0.0
KRE	46.0	45.0	855,884	39,192	22	45.5	— 0.0
URC	94	93	47,600	4,473	4	94	— 0.0
NRE	90	87	636,241	56,486	19	90	▲ 2.0
SRE	0.0	0.0	0	0	0	355	— 0.0
TAM	0.0	0.0	0	0	0	630	— 0.0
AREEC	0.0	0.0	0	0	0	136	— 0.0
MASSALEH	0.0	0.0	0	0	0	59	— 0.0
ARABREC	26.0	25.0	878,921	22,076	27	26.0	▲ 1.0
ERESCO	56	55	126,934	6,997	8	55	— 0.0
MABANEE	890	890	55,691	49,565	12	890	— 0.0
INJAZZAT	0.0	0.0	0	0	0	85	— 0.0
INVESTORS	21.0	19.5	14,771,380	298,308	139	19.5	▼ -1.0
IRC	25.5	24.0	715,167	17,799	25	24.5	— 0.0
ALTIJARIA	77	76	496,917	37,807	27	77	▲ 1.0
SANAM	0.0	0.0	0	0	0	43.5	— 0.0
AAYANRE	67	67	367,955	24,653	13	67	— 0.0
AQAR	0.0	0.0	0	0	0	75	— 0.0
ALAQARIA	20.0	19.0	3,000	59	2	20.0	▲ 1.0
MAZAYA	106	104	506,463	52,692	15	106	▲ 2.0
ADNC	25.0	23.5	5,806,260	140,486	89	24.5	▼ -0.5
THEMAR	0.0	0.0	0	0	0	75	— 0.0
TIJARA	39.5	39.5	20	1	1	39.5	— 0.0
TAAMEER	20.0	18.0	209,501	3,910	15	20.0	▼ -0.5
ARKAN	110	108	68,536	7,495	10	110	▲ 2.0
ARGAN	170	164	123,960	21,014	6	164	▲ 4.0
ABYAAR	25.5	25.0	511,480	12,910	17	25.0	— 0.0
MUNSHAAT	51	50	1,470,135	73,880	40	51	— 0.0
FIRSTDUBAI	38.0	37.0	487,100	18,199	22	37.0	▼ -0.5
KBT	37.5	35.5	4,973,709	182,425	174	37.5	▲ 1.0
REAM	0.0	0.0	0	0	0	148	— 0.0
MENA	19.5	19.5	49,000	956	2	19.5	— 0.0
ALMUDON	30.0	29.0	575,250	16,724	21	30.0	— 0.0
MARAKEZ	30.5	30.0	32,000	961	4	30.0	▲ 2.0
REMAL	32.0	30.5	19,200	594	5	32.0	▲ 0.5
MASHAER	0.0	0.0	0	0	0	106	— 0.0
Real Estate			**34,305,267**	**1,108,095**	**739**	**842.75**	▲ **3.35**
KINV	95	94	20,000	1,890	2	95	▲ 1.0
FACIL	162	160	191,981	30,840	14	162	▲ 2.0
IFA	25.5	24.0	1,717,050	42,277	52	25.5	▲ 0.5
NINV	73	68	3,364,182	238,689	87	72	▲ 3.0
KPROJ	550	520	876,743	470,845	20	550	▲ 20.0
COAST	27.5	24.0	3,157,404	83,157	79	27.0	▲ 1.5
SECH	30.0	28.5	4,148,995	120,426	89	29.5	▼ -0.5
SGC	92	92	50,050	4,605	3	92	▼ -5.0
ARZAN	32.5	32.0	126,100	4,046	8	32.5	— 0.0
MARKAZ	84	84	10,217	858	2	84	▼ -1.0
KMEFIC	0.0	0.0	0	0	0	26.0	— 0.0
ALAMAN	50	49.0	215,000	10,585	10	49.0	▼ -1.0
ALOLA	45.5	44.0	66,100	2,988	5	45.5	▲ 1.5
ALMAL	27.0	24.0	3,807,559	99,674	68	26.0	▲ 0.5
GIH	22.5	21.5	1,166,300	25,618	36	22.5	▲ 0.5
AAYAN	42.5	42.5	50	2	1	42.5	— 0.0
BAYANINV	33.5	32.0	2,546,516	83,314	40	33.0	▲ 0.5
OSOUL	0.0	0.0	0	0	0	30.0	— 0.0
KFIC	32.0	30.0	47,000	1,451	15	31.0	▼ -1.5
KAMCO	0.0	0.0	0	0	0	102	— 0.0
NIH	47.0	45.0	50,000	2,310	4	47.0	▲ 2.5
ISKAN	28.0	27.0	143,787	3,942	10	27.5	— 0.0
MADAR	0.0	0.0	0	0	0	20.5	— 0.0
ALDEERA	27.0	24.5	403,858	10,240	28	27.0	▲ 0.5
ALSALAM	31.0	29.5	1,086,007	32,427	23	31.0	▲ 0.5
EKTTITAB	26.0	25.5	477,266	12,175	29	26.0	— 0.0
ALMADINA	28.0	27.5	885,242	24,356	25	27.5	▼ -0.5
NOOR	0.0	0.0	0	0	0	49.0	— 0.0
TAMINV	0.0	0.0	0	0	0	415	— 0.0
EXCH	0.0	0.0	0	0	0	130	— 0.0
TAIBA	75	75	7,180	539	2	75	▲ 5.0
KSHC	22.5	21.0	1,422,808	31,803	48	22.5	▲ 0.5
STRATEGIA	0.0	0.0	0	0	0	34.0	— 0.0
ASIYA	38.0	35.5	473,315	17,281	26	36.5	▼ -0.5
GNAHC	24.5	22.5	5,059,085	121,435	99	24.0	▲ 0.5
AMWAL	23.0	22.0	172,000	3,790	24	22.0	▼ -1.0
ALIMTIAZ	78	77	2,481,600	191,538	45	77	▼ -1.0
MANAZEL	22.0	20.5	6,547,602	138,326	114	21.5	— 0.0
NIND	112	110	858,137	96,029	27	112	▲ 2.0
BIIHC	26.5	25.5	1,612,524	41,964	34	26.0	▼ -0.5
SENERGY	9.5	9.0	2,933,387	26,679	22	9.5	▲ 0.5
AGHC	71	71	270,500	19,206	19	71	— 0.0
KPPC	48.5	46.5	1,589,182	75,376	57	48.5	▲ 2.0
TAHSSILAT	0.0	0.0	0	0	0	36.0	— 0.0
JEERANH	64	64	150	10	1	64	— 0.0
EKHOLDING	0.0	0.0	0	0	0	156	— 0.0
GFH	46.0	44.5	2,057,304	93,250	37	46.0	▲ 0.5
INOVEST	0.0	0.0	0	0	0	51	— 0.0
Financial Services			**50,042,181**	**2,163,941**	**1,205**	**527.71**	▲ **3.84**
Investment Instruments			**0**	**0**	**0**	**1081.97**	— **0.00**
ASC	0.0	0.0	0	0	0	310	— 0.0
OSOS	0.0	0.0	0	0	0	79	— 0.0
FUTURE	0.0	0.0	0	0	0	100	— 0.0
HAYATCOMM	41.0	40.0	62,760	2,528	6	41.0	▲ 0.5
Technology			**62,760**	**2,528**	**6**	**806.25**	▲ **1.24**
BAREEQ	0.0	0.0	0	0	0	104	— 0.0
AFAQ	0.0	0.0	0	0	0	182	— 0.0
ALSHAMEL	0.0	0.0	0	0	0	460	— 0.0
SAFRE	0.0	0.0	0	0	0	16.5	— 0.0
AJWAN	24.5	24.0	71,600	1,723	9	24.5	— 0.0
MASAKEN	67	67	11,605	778	3	67	— 0.0
DALQAN	0.0	0.0	0	0	0	350	— 0.0
ALEID	0.0	0.0	0	0	0	95	— 0.0
MIDAN	0.0	0.0	0	0	0	1,220	— 0.0
FLEX	0.0	0.0	0	0	0	50	— 0.0
THURAYA	0.0	0.0	0	0	0	140	— 0.0
KCLINIC	0.0	0.0	0	0	0	27.0	— 0.0
AMAR	54	54	1,000	54	1	54	▼ -5.0
Parallel Market			**84,205**	**2,555**	**13**	**1240.01**	▼ **-12.18**

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Gold steadies near three-month high

LONDON: Gold steadied after touching a new three-month high yesterday, still supported as global growth concerns and a further drop in the oil price pushed investors towards safe-haven assets.

Weak Chinese manufacturing data on Monday underscored the challenges for the world economy and volatility in oil and other assets is supporting gold, typically a haven from market turmoil.

"In the near term gold is finding some support in the dovish tone from central banks last week, notably the Fed and the Bank of Japan," said Jens Pedersen, senior analyst at Danske Bank.

The Bank of Japan's decision last week to introduce negative interest rates helped lift the precious metal and it could see more gains as some central banks may be forced into easing monetary policy further this year to spur growth.

Spot gold touched $1,130.11 an ounce, its strongest since Nov. 3, and then pulled back slightly to trade down 0.4 percent at $1,124.31 by 1221 GMT. A break above $1,136 could lift gold towards $1,157, a level reached in late October, ScotiaMocatta technical analysts said.

US gold for April delivery was off 0.2 percent at $1,126 an ounce. Gold is typically the asset of choice in times of uncertainty. It posted its best monthly jump in a year in January, and has gained 6 percent so far in 2016, after falling 10.4 percent last year. The Federal Reserve's statement after its policy meeting last week that it will closely monitor the global economy and financial markets lifted gold, as it underlined expectations that US policymakers may take it slow in raising interest rates this year. But the upside for gold has been limited however as the Fed still kept the door open for a rate hike in March. The opportunity cost of holding gold rises in a higher interest rate environment.

Federal Reserve Vice Chairman Stanley Fischer said on Monday the US economy could suffer if recent volatility in financial markets persists and signals a slowdown in the global economy.

"If the Fed had somehow closed the door on March due to the turmoil we could have seen gold shoot higher," Pedersen said. Reflecting growing confidence in gold, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose to 21.9 million ounces on Monday, the most since Nov 3. With interest rates close to zero, the "only option is to move either towards zero or negative rates as the Japanese and selected European countries are already doing in a desperate attempt to force banks to lend", INTL FCStone analyst Edward Meir wrote to clients.

"Whatever the case, this should be constructive for gold." Spot platinum fell 1 percent to $861.09 an ounce, palladium also slipped 0.5 percent to $497.95 and silver dropped 0.3 percent to $14.27. — Reuters

Nigeria seeks big loans from WB, other lenders

ABUJA: Nigeria is seeking loans from the World Bank, the African Development Bank (AfDB) and other lenders to help cover this year's massive budget deficit, the government and bank officials said.

The deficit is projected at 2.2 trillion naira ($11 billion, 10 billion euros) out of a total budget of 6.08 trillion naira, they said late Monday, confirming projections first given in President Muhammadu Buhari's December budget announcement.

The budget plan, which includes sharply increased spending to stimulate the economy, calls for 1.8 trillion naira to be covered by borrowing from multilateral organisations-which the government believes is the cheapest funding option.

The Financial Times said Nigeria was seeking $3.5 billion in total to fund the deficit, but the figure could not be officially verified. The fall in global oil prices since mid-2014 has slashed revenue for the

oil-dependent nation, which derives more than 90 percent of its foreign exchange earnings from crude sales. "We are in continuing dialogue with the federal government of Nigeria on the preparation of a Development Policy Operation (DPO)," David Theis, World Bank spokesman, said in a statement.

"The proposal... will be submitted to the World Bank's Board of Executive Directors for consideration later in the year," he said.

Theis said the World Bank was "strongly committed to supporting Nigeria" in achieving its development objectives and optimizing opportunities for its more than 170 million people. The AfDB said in a separate statement Nigeria had approached it for a budget support loan of $1 billion. It said a high-level AfDB delegation held talks with Nigerian officials last week in Abuja.

The "request for support is being considered by the bank and it is envisaged that an appraisal mission will be in Abuja soon to work with the authorities and major stakeholders on this operation." Nigeria's Finance Minister Kemi Adeosun said negotiations with both international lenders were ongoing, adding that the overall objective of the loan was to provide the lowest possible cost of funds to finance capital projects.

"As far as possible, our foreign borrowing will be tied to specific capital projects. A number of these projects are revenue-generating which will be used to fund the loan repayments," she said.

She said the export credit agencies like China Exim Bank were also being approached for funding, and Nigeria was also considering tapping into the eurobond market. — AFP