ATHENS: Firefighters as reflected on a firefighter helmet during a protest outside parliament amid a contract dispute with the cash-strapped government, in Athens yesterday. —AP

EU officials call for swift bailout deal on Greece

ATHENS/VIENNA: European Union officials urged Greece and its lenders yesterday to conclude a bailout review quickly to avert fresh uncertainty hovering over the crisis-hit nation and warned that a stalemate could harm its nascent economic recovery. Inconclusive talks between Greece and its international creditors on economic reforms and debt relief have cast doubt over the future of Greece's 86 billion euro bailout program.

European Commissioner for Economic and Financial Affairs Pierre Moscovici said he was "hopeful" for a political agreement before a meeting of euro zone finance ministers next Monday.

"An agreement on the way forward for the Greek programme is absolutely necessary ... with (a) little effort from all stakeholders, (it) seems to me doable," Moscovici told reporters in Vienna.

Greece could be willing to compromise, he said, if it were given space to accommodate and protect those hit by the crisis. The Greek government has resisted the imposition of more austerity by the lenders, particularly on groups such as pensioners who have already seen 11 cuts to their income.

"It's clear that there is a need now to show the Greek people that there is a light at the end of the tunnel of austerity," Moscovici said.

In Brussels, the European Commission's vice president responsible for the euro Valdis Dombrovskis said there are costs in delaying agreement on Greece's bailout review, and a solution needs to be found swiftly. "There is a common understanding that time lost in reaching an agreement will have a cost for everyone," Dombrovskis told Greek news portal Euro2day yesterday.

Dombrovskis, however, said the situation in Greece could not be compared with to the situation in early 2015 when the country narrowly avoided default and toppling out of the eurozone.

Delays in the bailout review mean delays in financial aid. Greece has about 7.5 billion euros of debt falling due by July, which it is unable to pay without more loans from lenders. So far it has received some 31.7 billion from the latest bailout accord, its third since 2010. Disagreements over labour and energy market reforms lenders want Greece to adopt have been complicated by broader misgivings from the International Monetary Fund, which will not participate in the most recent bailout because of concerns Athens will never be able to extricate itself from debt.

European policymakers have said that the bailout program cannot continue without IMF input, although a German politician close to Chancellor Angela Merkel said yesterday IMF participation is no longer crucial.

The fundamentals of the Greek economy have been strengthened, Dombrovskis said, but that strong growth potential was contingent on reforms being implemented. "So policy makers are faced with this choice - work hard to reach an agreement that will build on progress made or slip back into uncertainty. I think the choice is obvious," he said.

Recent Greek economic data has shown how tenuous the recovery is, with inflation rising and economic growth contracting again. —Reuters

World stock market rally runs out steam

LONDON: Europe's main stock markets and the dollar pulled lower yesterday as investors cashed in recent gains and eyed upcoming US data. Global equities had risen Wednesday as investors reacted to fresh indications that the US Federal Reserve could decide to lift interest rates as early as March.

"Blue-chips were down in early trading," noted Russ Mould, investment director at stockbroker AJ Bell. "This afternoon, US jobless, building, housing and manufacturing data will be closely watched as traders assess the likelihood of a US rate hike in March." London was hampered also by a number of companies going ex-dividend, meaning that the stock no longer carries the right to the most recently declared shareholder payout.

"The FTSE 100 is trading modestly lower but most of these losses can be explained away by a number of big names going ex-dividend," noted IG analyst Chris Beauchamp. "BP, Shell, AstraZeneca and Imperial Brands are all trading without the benefit of the dividend, and with these heavyweights in the red it is going to be tough for the market to push higher.

"Given the steady rally we have seen over the past week or more, however, some weakness is to be welcomed, taking a little heat out of the market." Drugs firm AstraZeneca shed 3.7 percent and cigarette maker Imperial Brands sank 0.6 percent. Oil giant BP lost 1.6 percent and rival Royal Dutch Shell saw its 'A' shares dip 1.5 percent in value. Investors meanwhile brushed off another record Wall Street close and other upbeat US data.

New York's three main indexes built on their recent surge, racking up a fifth successive day of record closes, after figures showed US inflation hit a four-year high in January, fuelling bets on an interest rate hike soon.

Added to the picture, US President Donald Trump said he would release specifics on his new tax plan in the "not-too-distant future", adding it will be "good and simpler". His remarks came less than a week after he promised "phenomenal" reforms to the tax system, spurring a surge in global markets and the dollar. "The strong numbers highlight that the US economy is in fairly healthy shape," analyst Greg McKenna at trading group AxiTrader.

"The key is the data and president Trump's recommitment to the release of the tax plan everyone is waiting for." Fed chief Janet Yellen also reiterated her view to Congress that the world's top economy was on a strong growth track, a day after indicating borrowing costs could increase any time soon-leading to speculation of a move as soon as March.

Britain's FTSE 100 was down 0.5 percent at 7,268 while France's CAC 40 fell 0.4 percent to 4,903. Germany's DAX slipped 0.2 percent to 11,765. Futures augured a tepid start on Wall Street. Dow and S&P futures were down 0.2 percent.

Corporate earning

On Wednesday, reports of stronger retail sales and inflation showed that the US economy was stronger than expected. Consumer prices rose 2.5 percent in January from a year earlier, the highest rate since March 2012. The data give the Federal Reserve more encouragement to raise interest rates, and economists said the possibility is increasing that it may happen at the central bank's next meeting in March. While higher rates can weigh on growth, the confidence pushed US stock indexes to new highs.

Shares in consumer goods companies were under pressure after food and drinks giant Nestle said its earnings were weighed down last year by weak prices. Nestle shares were down over 2 percent in Switzerland after it missed its growth target and said it would have to step up its cost cutting program. —Agencies

TOKYO: People in masks wait to cross a street in front of an electronic stock indicator of a securities firm in Tokyo yesterday. —AP

Russia hopes to meet oil output cut deal by April

MOSCOW: Russia said yesterday it will fully comply with an oil output cut agreement with other oil producing countries by the end of April. Under the deal with OPEC and non-OPEC countries signed last year Russia pledged to reduce its crude output by 300,000 barrels per day as part of a concerted effort to combat a global oil glut.

"We can get to 300,000 barrels per day at great speed by the end of April," Energy Minister Alexander Novak told the Interfax news agency. "This will allow us in May to produce exactly 300,000 less per day than in October."

In December, the Organization of the Petroleum Exporting Countries agreed with 11 non-members, including Russia, to cut output in the first half of this year to push prices higher.

Russia, which has suffered badly from oil price declines, was pumping oil at a record-breaking level of over 11 million barrels per day at the end of last year. Novak said Russian production was currently down by more than 100,000 barrels per day and should be 150,000 barrels per day lower in March. Technical issues affecting Russia's production were stopping the country from going to the agreed level immediately, Novak said. The OPEC oil cartel, meanwhile, has implemented 92 percent of its agreed output cuts, Kuwait's oil minister said on Monday.

Non-OPEC producers had delivered on more than half of their pledged production reductions, said the minister, Essam Al-Marzouk, who chairs a committee tasked with monitoring the agreement. —AFP