



SURABAYA: This picture taken on Jan 6, 2017 shows Indonesian workers hand-rolling clove cigarettes at the PT Wismlak Inti Makmur factory. — AFP

## GULF MARKETS RISE BUT SAUDI SLIDES

### MIDEAST STOCK MARKETS

**DUBAI:** Most Gulf stock markets rose yesterday on the back of firm oil prices and global equities, but profit-taking in sectors including petrochemicals pulled down Saudi Arabia.

Dubai's index rose 1.8 percent to 3,692 points in the heaviest trading volume in nearly a month, which more than doubled from Thursday's level. The index climbed above technical resistance at the mid-December peak of 3,659 points; a second straight close above that level would confirm a break, leaving the next chart barrier at the October 2015 peak of 3,740 points.

Seven of the 10 most heavily traded issues were low-priced stocks - below 1 dirham - which local retail investors tend to favour. Two of the 10 were insurance firms, with Dubai Islamic Insurance jumping 4.6 percent and Islamic Arab Insurance adding 3.4 percent. For the past couple of weeks, some traders have been speculating there may be mergers in the insurance industry following last year's news of a big Abu Dhabi banking merger.

Abu Dhabi's index climbed 0.7 percent with cement firms leading the gains. Gulf Cement jumped 12.9 percent in very thin trade. Qatar edged up 0.1 percent, supported by property firm United Development, up 0.9 percent. But Gulf Warehousing fell 1.2 percent despite recommending an annual cash dividend of 1.60 riyals per share, up slightly from 1.50 riyals in the previous year. It said net profit

climbed 11 percent last year.

Saudi Arabia's index fell 0.8 percent. A monthly Reuters poll of Middle East fund managers, conducted at the end of last month, found many believing Saudi stocks were fully valued after a strong rally in the past few months, and not intending to add to their portfolios in the next three months.

Petrochemical firm Saudi Kayan fell 1.1 percent and Nama Chemicals, which has lost about a third of its value this year after its accumulated losses reached over 75 percent of its capital, slid 8.1 percent.

However, builder Abdullah Abdul Mohsin al-Khodari and Sons rose 0.8 percent after saying it had secured a 69 million riyal (\$18.4 million) contract from the Ministry of Environment, Water and Agriculture. The amount is small but Khodari, like other Saudi construction companies, suffered from a severe cut-back in state contract awards last year and the new contract may indicate money is flowing again.

In Egypt, the index climbed 0.5 percent although exchange data showed non-Arab investors turning net sellers of stocks, by a tiny margin, for the first time since the Egyptian pound was floated on Nov 3. Qalaa Holdings rose 3.6 percent after saying on Thursday that it was in talks with interested parties to divest its stake in Rift Valley Railways, one of its major overseas assets. — Reuters

## SOLID CHRISTMAS FOR BRITISH SUPERMARKETS BEFORE 2017

**LONDON:** Britain's three quoted major supermarkets are expected to report this week that they enjoyed solid Christmas trading, though investor concern about a potential squeeze on consumer spending in 2017 means the focus is on their outlooks. Shares in market leader Tesco and Morrisons, the UK's fourth biggest grocer, soared 38 percent and 55 percent respectively in 2016, reflecting a recovery in trading. That coincided with a slowdown in sales growth at German discounters Aldi, which will update on Christmas on Jan 9, and Lidl as Britain's traditional supermarkets cut their prices, and continued problems at sector laggard Asda, the No. 3 player.

The share price of No. 2 Sainsbury's was held back by uncertainty over the merits of its £1.1 billion (\$1.36 billion) takeover of household goods retailer Argos. Robust growth in consumer spending has been one of the main factors sustaining Britain's economy since last June's vote to leave the European Union. However, retailers fear a reduction in spending as inflation begins to erode real earnings growth in 2017.

Sterling's devaluation since the Brexit vote - down 12 percent against other major currencies - has also driven up supermarkets' import costs, as have commodity price increases. They also face further cost pressures from the national minimum wage, business rates and utilities. There are also signs that Asda, the British arm of Wal-Mart, will make life tougher for rivals in 2017.

Analysts say a new management team is starting to make an impact, putting more staff on the shop floor and generally improving store standards. While underlying sales slumped 5.8 percent in its third quarter, they anticipate a significant improvement when it reports fourth quarter results next month. Analysts expect Tesco (on Jan 12) to report UK like-for-like sales growth of 1.25 to 2 percent for its third quarter to Nov 26 and growth of 0.6 to 1.5 percent for the six weeks to Jan 7, building on four straight quarters of underlying growth.

Morrisons (on Jan 10) is expected to report underlying sales growth of 1.1 percent for the nine weeks to Jan. 1, according to an average of analysts' forecasts, a fifth consecutive quarter of growth. Sainsbury's (on Jan 11) could be perceived as the relative loser of the three, with analysts on average forecasting a like-for-

like sales fall of 0.8 percent for its third quarter to Jan 7, though it is still expected to report volume growth and underlying sales growth at Argos of 1.5 percent.

However, it is important to note that Sainsbury's, unlike Tesco and Morrisons, is not in turnaround mode and has not had to rebase its like-for-like sales performance. Updates due next week from a raft of other UK retailers, including Marks & Spencer, department stores John Lewis and Debenhams, Primark owner AB Foods and ASOS.L, will also shine a light on prospects for the sector.

Marks & Spencer will (on Jan 12) report on its third quarter to Dec 31. Analysts are on average forecasting like-for-like sales growth in its clothing and home division of 0.2 percent with underlying sales in its food business down 0.4 percent. Such an outcome in clothing would represent an improvement on the second quarter's 2.9 percent fall and provide some encouragement to investors that new boss Steve Rowe's turnaround plan has found some traction. Last week rival Next reported disappointing Christmas sales, cut its profit forecast and highlighted "exceptional" levels of uncertainty in the sector. — Reuters

## EGYPT NAMES NEW HEAD OF AGRICULTURE QUARANTINE

**CAIRO:** Egypt, the world's largest wheat buyer, has appointed a new head to its agriculture quarantine agency, the body that last year threw the massive wheat buying program into disarray when it tightened import regulations on a common wheat fungus.

The new head is Najla Mousa Balabel, the Agriculture Ministry said in a statement yesterday. Balabel replaces Ibrahim Imbasy, who had been appointed to head the agency in March.

The ministry did not give a reason for the change. Imbasy had replaced Saad Moussa, who insisted that imported wheat should contain zero levels of the

ergot fungus against more internationally acceptable standards of 0.05 percent.

This led to decreased supplier participation in government held tenders and a stand-off of nearly a year between the quarantine agency and Egypt's state buyer, the General Authority for Supply Commodities (GASC). After a resolution to the ergot problem was reached and the 0.05 percent standard was adopted, a decree was issued in November giving another government body, the General Organization for Export and Import Control (GOEIC), the bulk of the responsibility for inspecting wheat and other agricultural products at ports. — AFP

## EGYPT POUND STRENGTHENS AT BANKS AS DEMAND FROM IMPORTERS EASES

**CAIRO:** The Egyptian pound strengthened slightly at banks as demand for dollars by importers eased, bankers told Reuters yesterday. The dollar was being bought for around 18 pounds at most banks, down from around 19 last week. Banks were paying clients around 17.8 per dollar.

"The demand for dollar is less," said one banker. "Banks have reached a point where they don't need to keep raising prices to attract dollar inflows because there aren't as many dollar requests by clients for the time being," he said, adding that once demand picks up prices will start rising again.

Banks in Egypt had been raising the price to buy dollars from clients in order to attract inflows and cover requests from other clients seeking to buy dollars, but they say demand for dollars has eased over the past week.

Business activity in Egypt shrank for the 15th consecutive month in December, although at a slower pace than the previous month, as inflation caused purchase costs to rise at a near-

record pace and new orders to drop as the Egyptian pound weakened against the US dollar, a survey showed on Wednesday.

While banks are prioritizing imports of essential goods, private individuals are forced to buy dollars on the black market. Three traders on the black market said they were selling dollars at a range of 19.60-19.80 per dollar.

Egypt's central bank abandoned its currency peg of 8.8 pounds to the US dollar on Nov 3, hoping to unlock currency inflows and bring back foreign investors who were driven away after the 2011 uprising that ousted Hosni Mubarak.

Under the currency peg, dollar supplies were rationed by the central bank, forcing businesses to go to the black market for foreign currency. Bankers say it will take time for those dollars to be absorbed back into the banking system.

The currency peg drained foreign reserves, and analysts estimate the central bank is still around \$10-15 billion short of the stock it needs. — Reuters

## IRAN TAKES OWNERSHIP OF FIRST JET UNDER SANCTIONS DEAL

**PARIS/DUBAI:** Airbus said yesterday Iran's state airline IranAir had accepted its first new jet, marking a key step in opening up trade under a nuclear sanctions deal between Iran and major powers.

The Airbus A321 jetliner has been painted in IranAir livery and is expected to be delivered later this week. "The technical acceptance has been done with formal delivery still to be done," a spokesman for the European planemaker said.

Iranian regulators said the aircraft had been placed on the country's aircraft register, indicating IranAir had taken ownership of the aircraft: the first of around 200 Western aircraft ordered since sanctions were lifted.

"The registration has been done, and the delivery should be by the end of the week," Reza Jafarzadeh, a spokesman for Iran's Civil Aviation Organization, told Reuters by telephone.

The 189-seat jet was assembled in Hamburg, Germany. From there, it is expected to be transferred to Airbus headquarters in Toulouse, France, for a formal handover on Wednesday. IranAir Chairman Farhad Parvaresh told state news agency IRNA there would be an official ceremony to mark the arrival of the Airbus jetliner in Tehran later this week.

IranAir has ordered 100 passenger jets from Airbus and 80 from its U.S. rival Boeing under the nuclear deal, which called for the lifting of most international sanctions in exchange for curbs on Iran's nuclear activities.

Boeing also agreed last year to arrange the leasing of a further 29 aircraft. IranAir is also negotiating a final agreement with European turbo-prop maker ATR. The company, joint-owned by Airbus and Italy's Leonardo, has provisionally agreed to supply 20 of its 70-seat regional planes with options for a further 20. —Reuters

### News

in brief

#### US dollar stable against KD at 0.305

**KUWAIT:** The exchange rate of the US dollar remained stable against the Kuwaiti dinar at 0.305, while the euro went up to reach KD 0.322, said the Central Bank of Kuwait (CBK) yesterday. The CBK also said that the pound sterling was down to KD 0.375, while the Swiss franc remained unchanged at KD 0.300. The Japanese yen stood firm at KD 0.002.

#### Iranian oil firm NIOC names global chief

**DUBAI:** State-run National Iranian Oil Company (NIOC) has named Saeid Khoshrou as its new director of international affairs, the Iranian oil ministry's news website SHANA said yesterday. Ali Kardor, NIOC's managing director, said in a decree that reducing transportation and maintenance costs, and diversification of markets and customers would be among the main goals of the international department under Khoshrou, SHANA reported. Khoshrou has worked more than 20 years in Iran's oil industry and held posts at NIOC's international department, including marketing deputy.

#### Egypt's GASC postpones tender for raw sugar

**ABU DHABI:** Egypt's state-owned buyer, the General Authority for Supply Commodities (GASC), said yesterday it had postponed a tender for 50,000 tons of raw sugar. GASC did not give a new deadline for offers and did not give a reason for the postponement. GASC was seeking the raw sugar for arrival by Feb. 28.

## EXCHANGE RATES

### AL-MUZAINI EXCHANGE CO.

ASIAN COUNTRIES	
Japanese Yen	2.615
Indian Rupees	4.510
Pakistani Rupees	2.934
Sri Lankan Rupees	2.053
Nepali Rupees	2.823
Singapore Dollar	212.790
Hongkong Dollar	39.563
Bangladesh Taka	3.893
Philippine Peso	6.173
Thai Baht	8.601
Malaysian Ringgit	223.230

  

GCC COUNTRIES	
Saudi Riyal	81.881
Qatari Riyal	84.334
Yemen Riyal	797.427
Bahraini Dinar	815.330
UAE Dirham	83.599

  

ARAB COUNTRIES	
Egyptian Pound - Cash	21.250
Egyptian Pound - Transfer	16.073
Yemen Riyal/for 1000	1.232
Tunisian Dinar	133.590
Jordanian Dinar	432.400
Lebanese Lira/for 1000	2.046
Syrian Lira	2.188
Morocco Dirham	30.839

  

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	306.850
Euro	323.270
Sterling Pound	379.270
Canadian dollar	229.680
Turkish lira	87.300

Swiss Franc	302.020
Australian Dollar	222.200
US Dollar Buying	305.650

### GOLD

20 Gram	238.24
10 Gram	122.04
5 Gram	57.97

### DOLLARCO EXCHANGE CO. LTD

Rate for Transfer	Selling Rate
US Dollar	306.550
Canadian Dolla	230.500
Egyptian Pound	384.385
Sterling Pound	322.080
Euro	300.105
Swiss Frank	812.640
Bahrain Dinar	83.855
UAE Dirhams	85.080
Saudi Riyals	82.675
Jordanian Dinar	433.540
Egyptian Pound	16.830
Sri Lankan Rupees	2.060
Indian Rupees	4.530
Pakistani Rupees	2.924
Bangladesh Taka	3.887
Philippines Peso	6.143
Cyprus pound	168.345
Japanese Yen	3.600
Syrian Pound	2.435
Nepalese Rupees	3.825
Malaysian Ringgit	69.340

Chinese Yuan Renminbi	31.240
Thai Bhat	9.535
Turkish Lira	87.725

### BAHRAIN EXCHANGE COMPANY WLL

CURRENCY	BUY	SELL
British Pound	0.369279	0.379279
Czech Korune	0.003802	0.015802
Danish Krone	0.038891	0.043891
Euro	0.313975	0.322975
Norwegian Krone	0.031398	0.036598
Romanian Leu	0.070497	0.070497
Slovakia	0.009229	0.019229
Swedish Krona	0.029450	0.034450
Swiss Franc	0.292152	0.303152
Turkish Lira	0.082529	0.092829

  

Australasia	BUY	SELL
Australian Dollar	0.213906	0.225908
New Zealand Dollar	0.205822	0.215322

  

America	BUY	SELL
Canadian Dollar	0.222898	0.231898
Georgina Lari	0.138751	0.138751
US Dollars	0.303100	0.307500
US Dollars Mint	0.303600	0.307500

  

Asia	BUY	SELL
Bangladesh Taka	0.003578	0.004160
Chinese Yuan	0.042632	0.046132
Hong Kong Dollar	0.037520	0.040270
Indian Rupee	0.002789	0.005523

Indonesian Rupiah	0.000018	0.000024
Japanese Yen	0.002515	0.002695
Kenyan Shilling	0.002984	0.002984
Korean Won	0.000244	0.000259
Malaysian Ringgit	0.064568	0.070668
Nepalese Rupee	0.002944	0.003114
Pakistan Rupee	0.002620	0.002910
Philippine Peso	0.006083	0.006383
Sierra Leone	0.000053	0.000059
Singapore Dollar	0.206584	0.216584
South African Rand	0.016294	0.024794
Sri Lankan Rupee	0.001651	0.002231
Taiwan	0.009393	0.009573
Thai Baht	0.008228	0.008778

  

Arab	BUY	SELL
Bahraini Dinar	0.808282	0.816782
Egyptian Pound	0.013279	0.022532
Iranian Riyal	0.000085	0.000086
Iraqi Dinar	0.000181	0.000241
Jordanian Dinar	0.428238	0.47238
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000153	0.000253
Moroccan Dirhams	0.020263	0.044263
Nigerian Naira	0.000407	0.001042
Omani Riyal	0.791501	0.797181
Qatar Riyal	0.083569	0.085019
Saudi Riyal	0.080833	0.082133
Syrian Pound	0.001303	0.001523
Tunisian Dinar	0.128697	0.136697
Turkish Lira	0.082529	0.092829
UAE Dirhams	0.082215	0.083915
Yemeni Riyal	0.000999	0.001079