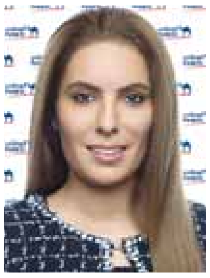
NBK launches foreign currency prepaid card

KUWAIT: National Bank of Kuwait (NBK) has recently launched NBK Foreign Currency Prepaid Card; as part of its ongoing efforts to facilitate customers' banking transactions while traveling abroad, enabling cardholders to pay using the hosting country's currency. This new innovative card is the safest and most convenient means of payment, as it delivers a more secure and convenient experience for NBK customers during their travel, and gives them peace of mind knowing that they have recharged their prepaid cards before leaving home, thus avoiding any exchange fluctuation.

NBK Foreign Currency Prepaid Card is available in seven currencies: US dollar, euro, pound sterling, UAE dirham, Egyptian pound, Indian rupee, and the Jordanian dinar. Customers can recharge their cards through NBK Online Banking, NBK's IVR, NBK Call Center, or any of NBK branches.



Hanadi Khazal

Commenting on the newly launched card, NBK Assistant General Manager-Consumer Banking Group, Hanadi Khazal said that this card is ideal for frequent travelers as it provides a full range of benefits to NBK customers and facilitates their purchase transactions outside Kuwait. The new card is an example of leveraging innovation to deliver on client needs, and builds on NBK's ongoing efforts to providing frequent travelers with the flexibility and security while paying for their purchases in any of the currencies provided by the card, be it for online shopping, point-of-sale, or ATM withdrawals.

Moreover, NBK Foreign Currency Prepaid Card offers a range of benefits including: Travel insurance of up to $100,000, exclusive offers and rewards from Visa, SMS Service, in addition to easy login to your account via NBK Online Banking, and other benefits that meet travelers' lifestyle and needs. In addition, customers can apply for the card with ease and convenience through NBK Online Banking or NBK Call Center, and the bank will deliver the card to them free of charge anywhere in Kuwait. NBK Credit Cards are widely accepted worldwide and are the safest, most convenient and rewarding way to pay, offering value added features, numerous discounts, and excellent rewards.

EIB asks French diesel inquiry to probe Renault's use of loans

PARIS: The European Investment Bank has asked French investigators to find out whether 800 million euros ($863 million) of EU-backed loans to Renault could have been used to develop test-cheating diesel engines, according to documents seen by Reuters.

The European Union lending arm wrote to judges leading a fraud investigation into preliminary findings that Renault diesel engines - like Volkswagen's - had been configured to manipulate nitrogen oxide (NOx) emissions tests. Renault, which has consistently denied breaking any laws or emissions rules, had no immediate comment yesterday. The Paris prosecutor's office did not respond to requests for comment.

Since 2009, the European Investment Bank (EIB) has granted more than 8 billion euros in preferential loans to back development of vehicles with lower carbon dioxide (CO_2) emissions by carmakers including VW, exposed in 2015 for using software "defeat devices" to dupe US regulatory tests. Technologies funded by the EIB have included diesel engines, because they emit less CO_2 than gasoline equivalents. More recently, however, diesels have been shown to produce many times the legal limit of toxic NOx in real driving.

"The EIB has granted Renault several loans to finance projects including research and development to reduce vehicle CO_2 emissions (amounting to more than 800 million euros)," the bank's chief fraud investigator told the French judges. The Jan. 30 letter also proposes a follow-up meeting "in order to establish whether our financing is implicated in your investigations and to offer you all possible assistance." It adds: "The EIB enforces a zero-tolerance policy towards fraud and corruption and strives to ensure that no illegal activity tarnishes its business." A spokeswoman for the Luxembourg-based bank declined to comment on the contact with French prosecutors. Two 400 million-euro loans granted to Renault in 2009 and 2013 have since been reimbursed, she said, and a third outstanding 180 million-euro facility did not cover any diesel development.

Market fallout

Renault shares fell 7.8 percent in three days to end last week at 78.65 euros after excerpts of a November report by France's DGCCRF consumer fraud watchdog appeared in newspapers, wiping 2 billion euros off the company's value. The stock has since recovered some ground to 80.68 euros, as of 1235 GMT. Based on the agency's findings, prosecutors opened an investigation in January into fraud allegations against Renault and its Chief Executive Carlos Ghosn. If found guilty, the group could be fined up to 10 percent of annual revenue, or 3.58 billion euros.

The DGCCRF report, also seen by Reuters, cites engine software parameters from Renault's own technical documentation that partially or entirely deactivate anti-pollution functions such as exhaust gas recirculation (EGR) and "lean NOx traps" (LNT) outside predictable regulatory test conditions. —Reuters

Splintering eurozone debt market down to Draghi

Markets anticipating policy change at ECB

LONDON: Big bond funds are becoming increasingly reluctant to lend to the eurozone's weakest members, looking past a crowded electoral calendar to an eventual winding down of the European Central Bank's ultra-loose monetary policy. In recent months, the funds have been hiking the premiums they demand to buy bonds from highly-indebted southern European states such as Portugal and Italy.

Many analysts have put much of that to fears that the anti-establishment wave behind Brexit and Donald Trump's US presidential election win could sweep anti-establishment parties to power in a series of European elections this year.

But the first of those votes in the Netherlands last week threw into sharp relief that for many investors there are more risks facing the bloc's weakest debt markets than just politics. There was little change in relative borrowing costs after Prime Minister Mark Rutte fended off a challenge from the far-right populist Geert Wilders in the Dutch election.

Top of the risks list is whether the European Central Bank will soon withdraw the life support that has kept many of the weaker economies functioning and compressed government bond yields. "The better the political outcome in all of these European elections, the more flexibility the ECB has to one day withdraw the stimulus," said Michael Krautzberger, the head of European fixed income at the world's biggest asset manager, BlackRock.

"I would expect that we have much more country differentiation in a scenario where the ECB finally withdraws from the market because that uniform factor falls away." At the start of April, the ECB will scale back the billions of euros its spends each month on a bond-buying scheme designed to prop up growth and inflation. That may be just the start. At its March meeting, ECB President Mario Draghi said its sense of urgency was over. Investors have begun to anticipate interest rate rises by the end of this year.

ROME: Demonstrators hold a banner reading: "Who sold his people is not welcomed. Tsipras out of the University" as they shout slogans against the planned visit of Greek Premier Alexis Tsipras at the Economy faculty in Rome on Thursday.—AP

'Drugs don't work'

Some analysts warn that if the ECB tries to wind down its program quickly, borrowing costs for so-called peripheral countries relative to Germany-known as the spread-could widen by as much as 1-2 percentage points. For the likes of Portugal that would put borrowing costs back towards levels seen as unsustainable for managing debts.

In a similar way that some emerging countries suffered in the backdraft of US hints it would scale back monetary easing in 2013, the bloc's weakest links may be punished by markets.

"The drugs don't work already and when you take steps towards pricing in less drugs - QE - then you price in spread widening," said Richard McGuire, head of rates strategy at Rabobank. Spain and Italy have been among the poorest performing bond markets in the euro area this year. The German/Italian 10-year yield gap this week rose above 200 basis points to its widest in three years. There was little change in these spreads last week's Dutch election. Investors say French bonds could win some respite if the eurosceptic Marine Le Pen is defeated in May's presidential vote.

But it is unclear whether the same is true for the debt of Italy and Portugal, where governments have struggled to implement structural reforms and shore up a fragile banking sector. "As the ECB gradually withdraws monetary stimulus this year and next, that will place a disproportionate challenge on the weaker countries to grow under the tighter monetary stance," said Andrew Bosomworth, head of portfolio management in Germany at PIMCO, one of the world's largest bond investors. "Hence we see valuations in peripheral countries as vulnerable, especially if they do not or cannot compensate for less monetary stimulus with stimulative fiscal policy or growth-enhancing structural reforms."

Election uncertainty in the eurozone has also been weighing down market inflation expectations in the bloc. Analysts say those expectations should snap back once the political hurdles are cleared, meeting the ECB's near 2 percent target and supporting the case for tighter policy. For the currency market, some argue the prospect of tighter policy is set to prove as least as important as politics over the next six months. Bets against the euro hit their lowest in nearly a year after this month's ECB's meeting and major banks have abandoned predictions for a fall to parity with the dollar. —Reuters