

Business

NBK CAPITAL MONTHLY GLOBAL MARKETS REVIEW

Global equities rallied in September; emerging markets, UK stocks down

Kuwait upgraded to emerging market status by FTSE

KUWAIT: Global equities in September mostly closed in the green except for emerging markets and UK equities. The MSCI All Country Index was up 1.8 percent while the MSCI Emerging Market Index was down 0.6 percent. Emerging markets were negatively impacted by dollar repatriation fears brought on the announced US tax plan. US equities performed well this month with the S&P 500 up 1.9 percent and the Dow Jones up 2.1 percent. The US equity market initially witnessed some profit-taking before rebounding following the unveiling of the President Trump's pro-business tax plan. European equities also performed well, with the Stoxx Europe 600 closing the month up 3.8 percent despite the German election results placing a far-right party in the Bundestag. In the UK, Brexit talks between the UK and EU have been reported to be more constructive, increasing confidence that a deal will be achieved. Commodity performance was mixed in September with Gold down 3.2 percent and Brent up 9.9 percent, with the price of Brent crude reaching \$59 pb.

US Manufacturing and Services Purchasing Managers Index (PMI) on a preliminary basis remain above the 50 mark in September with the US Markit Manufacturing PMI at 53.0 and the US Markit Services PMI at 55.1. Initial jobless claims for September was reported at 272,000 compared to August's reading of 240,000. Durable Goods Orders improved in August by 1.7 percent compared to the drop of 6.8 percent in July. Retail Sales in August decreased by 0.2 percent month on month compared to July's revised figure of 0.3 percent. Existing Home Sales in August dropped further by

1.7 percent, month on month, compared to July's drop of 1.3 percent while New Home Sales dropped by 3.4 percent compared to the revised drop of 5.5 percent in July. Housing Starts decreased slightly month on month in July by 0.8 percent while Building Permits increased by 5.7 percent compared to the previous month's drop of 4.1 percent. Gross Domestic Product annualized for Q2 improved slightly at 3.1 percent.

The UK Markit Manufacturing PMI is expected to come in at 55.9 for September lower than August's reading of 56.9. The UK Markit Services PMI increased to 53.6 for September compared to 53.2 in August. The Consumer Price Index improved in August increasing by 0.6 percent month on month compared to the previous month's 0.1 percent drop. Retail Sales for August increased by 1.0 percent compared to July's revised reading of 0.6 percent. Consumer Confidence in September improved slightly to -9, yet remains below zero. Gross Domestic Product on a year on year basis for Q2 dropped to 1.5 percent.



Oman led GCC markets' gain; Kuwait flat

preliminary basis increased to 55.6 compared to August's reading of 54.7. The Unemployment Rate remained unchanged for September at 9.1 percent. Consumer Confidence in September continues to improve coming in at -1.2 compared to August's figure of -1.5. Retail Sales for August improved, on a month on month basis, by 0.3 percent compared to July's drop of 0.3 percent. European equities improved in September registering gains of 3.8 percent, as measured by the Stoxx Europe 600.

In August, Japan's imports and exports on a year on year basis grew 15.2 percent and 18.1 percent, respectively. The Nikkei Manufacturing PMI for September improved slightly at 52.9 versus July's reading of 52.6. Housing Starts in August decreased 2.0 percent year on year slightly improving from July's drop of 2.3 percent. Retail Trade in August grew by 1.7 percent slightly lower than the growth recorded in the previous month. Consumer Confidence in August remains below the 50 mark coming in at 43.3 while the Unemployment Rate remains unchanged at 2.8 percent. Gross Domestic Products was revised down to annualized rate of 2.5 percent for Q2 2017. Japanese equities registered gains of 3.6 percent in September, as measured by the Nikkei 225.

China's imports increased in August by 13.3 percent

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on a year on year basis while exports grew at 5.5 percent on a year on year basis. The resulting trade balance for August was a surplus of \$41.99b compared to July's surplus of \$46.7. The Consumer Price Index in August came in at 1.8 percent on a year on year basis. Retail Sales and Industrial Production, year on year, grew in August by 10.1 percent and 6.0 percent. The Caixin Manufacturing PMI for September dropped to 51.0 compared to August's reading of 51.6 however remains above the 50 mark. Chinese equities dropped 0.4 percent in September, as measured by the Shanghai Stock Exchange Composite Index. GCC equity markets were mixed this month. The MSCI GCC Index was down 0.8 percent in September, given regional markets were sold off in line with emerging markets.

GCC markets

The top performing equity market in the GCC was Oman gaining 1.7 percent, followed by Saudi Arabia with 0.3 percent and Kuwait relatively flat at 0.03 percent. At the end of the month Kuwait was upgraded by FTSE to emerging market status. Qatar's equity market was the worst performer dropping 5.6 percent, followed by Dubai at -2.0 percent, Abu Dhabi at -1.6 percent, and Bahrain at -1.5 percent. Egypt's equity market improved in September posting a gain of 3.5 percent, as measured by the EGX 30 Index.

Gulf Bank invites customers to visit their booth at The Avenues

KUWAIT: Gulf Bank's Kuwaiti Salary Account sales team invites current and potential customers to visit the bank's booth at The Avenues Mall from today (5 October to 7 October), to get to know more about the Kuwaiti Salary Account. The bank will also offer those who open a new Salary Account at The Avenues with instant prizes. Last month, Gulf Bank's roadshow included two of the most popular shopping centers in Kuwait, The Avenues Mall between 14 - 16 September and at The Gate Mall between 28 -30 September 2017.

The Kuwaiti salary account offer gives new customers the opportunity to either

receive a KD 100 cash gift upon transferring their salaries to Gulf Bank or an interest free loan. Customers must have a minimum salary of KD 500 and will be able to benefit from all the account's features following their first salary transfer to Gulf Bank. Customers can also enjoy a one year free of charge Visa or MasterCard credit card, as well as a chance to apply for loan up to KD 70,000, or a consumer loan up to KD 15,000.

Existing and new customers who transfer their salaries to Gulf Bank are automatically enrolled in the quarterly draws and have the chance to win valuable cash prizes, including three quarterly prizes of



KD 25,000, in addition to Kuwait's largest salary prize of KD 250,000 in the big draw. Two draws were conducted earlier this year while the third one for the prize of

25,000 will be held on 6 November 2017. The big draw for the largest prize of KD 250,000, is planned to take place on 8 February 2018.

NBK's website wins award for excellence

KUWAIT: National Bank of Kuwait's digital platforms received global recognition when the bank's website, NBK.com won the prestigious Web Marketing Association (WMA) 2017 WebAward for 'Bank Standard of Excellence'.

The new mobile-responsive website, fully redesigned and launched, was the only banking website in the Middle East to be recognized. The award-winning website provides customers with a full range of services and different functionality. Customers can express their interest in an account, a loan or a credit card via the website. They can also compare packages and credit cards to find the product best suited to their individual needs and also express interest to apply for a mortgage.

Designed and copy-written by Gamified Labs, the NBK.com website was judged on design, innovation, content, technology, interactivity, copywriting and ease of use. Gamified Labs received the WMA WebAward for its work



Hanadi Khazal

on the NBK.com website, which was developed in collaboration with stakeholders across the bank and NBK's leadership along with development partner, Tinext.

"NBK is delighted that Gamified Labs has been recognized for its outstanding work and innovative creativity on the NBK.com website," noted Hanadi Khazal, AGM Consumer banking, National Bank of Kuwait. "By working together, we've achieved a world-class mobile-responsive website redesigned according to the bank's objectives for building digital solutions that meet customers' current and future needs."

The Web Marketing Association was founded in 1997 to help set a high standard for Internet marketing and development of the best websites on the World Wide Web. The Web Marketing Association is the producer of the WebAward Competition. Now in its 20th year, the WebAward program is the longest running annual website award competition dedicated to naming the best websites in 96 industries while setting the standard of excellence for all website development. For more info



about the methodology used by the Web Marketing Association for the award, please visit www.webmarketingassociation.org/wma/. NBK provides world class innovative digital banking solutions that are safe and secure including online, mobile and one tap payment options.

Citi Foundation, International Rescue Committee partner to mentor refugee youth in entrepreneurship

LONDON: A new partnership launched yesterday between the Citi Foundation and the International Rescue Committee (IRC) will provide refugees, young people displaced within their own countries and vulnerable youth from the communities hosting them with support to help them generate a reliable income and contribute to their local economy.

Throughout the two-year project, Rescuing Futures, nearly 1,000 young people across three cities; Athens in Greece, Amman in Jordan and Yola in northeast Nigeria, will be supported to start their own businesses. David Miliband, President and CEO of the International Rescue Committee said: "The IRC's partnership with the Citi Foundation represents a best-in-class global public-

private partnership. "The IRC has unique expertise in working with conflict-affected populations and the urban-displaced to build economic resilience. Alongside the Citi Foundation's Pathways to Progress initiative, a commendable commitment to investing in the futures of young people, this project will have a life-changing impact on some of the most marginalized youth around the world."

The humanitarian landscape is changing; 60 percent of the world's refugees, and 80 percent of internally displaced people, now live in urban areas, and four-fifths live in developing countries that can least afford to host them. There are more young people in the world now than ever before - 1.2 billion - and they face huge challenges with employment.



(From Left) David Miliband and Jim Cowles

Jim Cowles, CEO of Citi Europe Middle East and Africa (EMEA) said: "Our Pathways to Progress initiative is our solution to securing positive futures for vulnerable young people. Working with the IRC will enable us to invest in some of EMEA's most vulnerable youth and put them on a sustainable economic path.

Given today's context, well-designed interventions like Rescuing Futures can address inequality of opportunity, and

positively impact community wellbeing and economic growth." The Citi Foundation is a longstanding supporter of the IRC, helping to fund their Research & Development and emergency work in recent years. This year saw the expansion of the Citi Foundation's Pathways to Progress initiative globally with a \$100million commitment to reach 500,000 young people with entrepreneurship and employability training before 2020.

Ivanka Trump's supply chains in China cloaked in secrecy

SHANGHAI: It is no secret that the bulk of Ivanka Trump's merchandise comes from China. But just which Chinese companies manufacture and export her handbags, shoes and clothes is more secret than ever, an Associated Press investigation has found. In the months since she took her White House role, public information about the companies importing Ivanka Trump goods to the US has become harder to find. Information that once routinely appeared in private trade tracking data has vanished, leaving the identities of companies involved in 90 percent of shipments unknown. Even less is known about her manufacturers. Trump's brand, which is still owned by the first daughter and presidential adviser, declined to disclose the information.

The deepening secrecy means it's unclear who Ivanka Trump's company is doing business with in China, even as she and her husband, Jared Kushner, have emerged as important conduits for top Chinese officials in Washington. The lack of disclosure makes it difficult to understand whether foreign governments could use business ties with her brand to try to influence the White House - and whether her company stands to profit from foreign government subsidies that can destroy American jobs. Such questions are especially pronounced in China, where state-owned and state-subsidized companies dominate large swaths of commercial activity.

Transparency

"There should be more transparency, but right now we do not have the legal mechanism to enforce transparency unless Congress requests information through a subpoena," said Richard Painter, who served as chief White House ethics lawyer for George W. Bush, and is part of a lawsuit against President Donald Trump for alleged constitutional violations. "I don't know how much money she's making on this and why it's worth it. I think it's putting our trade policy in a very awkward situation."

An AP review of the records that are available about Ivanka Trump's supply chain found two potential red flags. In one case, a province in eastern China announced the award of export subsidies to a company that shipped thousands of Ivanka Trump handbags between March 2016 and February of this year, Chinese public records show - a possible violation by China of global fair trade rules, trade experts said.

The AP also found that tons of Ivanka Trump clothing were exported from 2013 to 2015 by a company owned by the Chinese government, according to public records and trade data. It is unclear whether the brand is still working with that company, or other state-owned entities. Her brand has pledged to avoid business with state-owned companies now that she's a White House adviser, but contends that its supply chains are not its direct responsibility.

Ivanka Trump's brand doesn't actually make its products directly. Instead, it contracts with licensees who oversee production of her merchandise. In exchange, those licensees pay the brand royalties. The AP asked Ivanka Trump's brand for a list of its suppliers. The company declined to disclose them. The clothing, footwear and handbag licensees contacted by AP also declined to reveal source factories. Trump's Democratic opponents have previously faulted Ivanka Trump for outsourcing the production of her company's branded goods to Chinese factories with questionable working conditions. —AP