

Business

# Catalonia keeps European stocks down

LONDON: World shares ground out a fresh record high yesterday, making it almost 50 for the year, although Europe traded cautiously as markets waited to see whether Spain's Catalonia region would push for independence later in the day. Japan and South Korea returned from extended breaks to give Asia a lift as Wall Street looked set to open higher, but the Catalan uncertainty meant the euro zone's main bourses and Spanish bond markets spent the day in the red.

Catalonia's secessionist leader Carles Puigdemont is due to address the region's parliament in Barcelona around 1600 GMT and could ask the assembly to vote on a unilateral declaration of independence from Madrid. It is Spain's biggest political crisis since an attempted military coup in 1981 and Madrid's IBEX stocks index was 1 percent lower in early afternoon trade. It is now down almost 9 percent since May, though a sharp rise in the euro has also taken a toll.

"We have not witnessed any relevant statement or signal by the separatists that would hint at a change of strategy ahead of today's discussion in the Catalan parliament," economists at Barclays wrote. "Consequently, at this point, it seems likely that Catalan President Carles Puigdemont

remains on track to announce a unilateral declaration of independence as early as today."

The euro remained resilient. It hopped to a one-week high of almost \$1.18 as data showed German exports surged in August. Traders were also still upbeat after one of the European Central Bank's German policymakers called for an end to its stimulus. There was also help from a weaker dollar which was down for a third straight day. The dollar index, which tracks the greenback against six major rivals, dropped 0.3 percent to 93.366 and away from Friday's almost 3-month peak. It gave the Turkish lira a breather after it had been sent sprawling to a nine-month low on Monday after the United States and Turkey scaled back visa services. Mexico's peso hovered at its weakest in more than four months too, ahead of the latest round of talks over the North American Free Trade Agreement (NAFTA) on Wednesday.

"Mexican asset prices have been very well supported this year so we think there needs to be a little bit of caution," said UBP's EM macro and FX strategist Koon Chow.

"There is not much of a cushion for bad news now and NAFTA talks are unlikely to bring any good news."

### Korea path

Futures markets pointed to Wall Street breaking a two-day run of falls with the third quarter earnings season now gathering steam. Bond markets, meanwhile, were waiting to see if 10-year Treasuries would get above 2.4 percent ahead of another Fed rate hike that is now seen as almost nailed on for December. Minneapolis Federal Reserve President Neil Kashkari and his Dallas counterpart, Robert Kaplan, are due to make speeches later ahead of the minutes from the Fed's September meeting, which will be published today.

Overnight, MSCI's broadest index of Asia-Pacific shares outside Japan had climbed 0.6 percent, boosted by a 1.6 percent jump in Korea as shares of firms such as Samsung which have been closed for the past week, caught up with some of the global rally. Japan's Nikkei brushed off a weak start to finish 0.6 percent higher too, though China stocks dipped as investors cashed in some of the gains that took them to a 21-month high in the previous session.

China's Statistics Bureau yesterday said the country would have no problem meeting its economic growth target of around 6.5 percent this year, and might even beat it. Such an

outcome had been widely expected after a robust start to the year. The offshore Chinese yuan rate surged to its strongest level in more than two weeks. The central bank had also set a firmer-than-expected official rate, suggesting authorities are keen to keep the currency in check ahead of next week's key national leadership meeting.

The stocks gains came in spite of tensions on the Korean peninsula. Russian Foreign Minister Sergei Lavrov told US Secretary of State Rex Tillerson in a phone call on Monday that any further escalation of the situation was unacceptable.

China had also called for restraint. US President Donald Trump warned over the weekend that "only one thing will work" in dealing with Pyongyang, hinting that military action was on his mind. In commodities, Brent oil prices pushed back above \$56 a barrel after top producer Saudi Arabia signalled it would trim its exports and as OPEC flagged ongoing efforts to try to restore the longer-term "balance" of the market. Brent jumped 50 cents to \$56.31 a barrel, while a 54 cents rise took US crude back to \$50 a barrel. "The kingdom expects all other participants in the (agreement) to follow suit and to maintain the high levels of overall conformity," a Saudi oil Ministry spokesman said.—Reuters

## Defiance in Britain over new £1 coin as deadline looms



LONDON: British one pound sterling coins are arranged for a photograph in central London.—AFP

LONDON: Britain's old one-pound coin is being phased out completely on Sunday but businesses complain they have been given too little time to switch to the new one and many are planning to defy the deadline.

Around 1.2 billion old round coins have been withdrawn from circulation but about 500 million are remaining with less than a week to go. "The changeover period has been fairly short," said Mike Cherry, National Chairman of the Federation of Small Businesses.

"It would help if small firms knew they were allowed a short transition period to collect the old coins if they wish to, and are willing to bank them." Poundland, a chain of shops where almost all items cost £1, extended the period during which its customers would still be able to pay with the old coin until October 31. The country's main banks, Barclays, Natwest, Lloyds and Santander and the Post Office have also announced that they will continue to accept the round coin after October 15.

### 'A sense of value'

The Royal Mint, the official agency that makes the British currency, created the new coin in an attempt to combat fraud, with 3 percent of the old coins—or £45 million—deemed to be counterfeit. The outgoing round coin, of which two billion were minted, first appeared in 1983 in an attempt to cut costs by replacing the one-pound note.

The new coin, of which 1.5 billion copies have been made, is "the safest in the world," said Kevin Clancy, director of the Royal Mint Museum. Security features on the new coin include 12 sides, a bi-metallic composition, a hologram and tiny lettering called "microtext" around part of the design.

Two different colored metal alloys, based on nickel and copper, also make it

easier to distinguish between fakes and genuine coins. The new piece, at 2.8 millimetres thick, will be thinner than its 3.15 mm predecessor, but will remain the thickest British coin in circulation.

"The idea of having a thicker coin, back in 1983, when the round one pound coin was introduced, was to give it a sense of value," said Clancy. "With the new one pound coin, we continued with that approach". The coin will also have a new design on its "tail" side, created by 15-year-old David Pearce, who won a competition organized by the Treasury. His drawing depicts a rose, a leek, a thistle and a clover—the symbols of the four nations of the United Kingdom—surrounded by a royal crown.

On the opposite side is a new portrait of Elizabeth II, the fifth to decorate a British coin.

### Supermarket trolleys

The new coin, which was put into circulation on March 27, is supposed to fully replace the old one, which will no longer be legal tender, on October 15. The authorities have therefore intensified efforts to encourage people either to spend their old coins or change them at the bank.

But many institutions across the country may still accept payments with the old coin after the cut-off date, although they will no longer be able to use it when giving change to customers. The transition to the new currency could nevertheless cause some difficulties.

Supermarkets Tesco and Sainsbury's have not yet adapted their trolleys to take the new coin, according to the Daily Telegraph. Rail travellers are also expected to face problems, with automatic ticket machines of certain companies, including Southern, Great Northern and the Gatwick Express, not able to take the new coins.—AFP

## Poland's ruling party tightens grip on big state firms

WARSAW: When presidential aide Malgorzata Sadurska joined the board of Poland's biggest and oldest insurance company this summer, her lack of business experience was no obstacle. Her main qualification to help run state-owned Powszechny Zaklad Ubezpieczen (PZU) was something else—loyalty to the ruling Law and Justice (PiS) party.

What PZU needs is "a person who knows the PiS program and is a guarantee that it will be implemented," parliamentary deputy Marek Suski told radio RMF FM as the conservative PiS took to the airwaves to explain her appointment in June. Her task, he said, was "to implement the program of the government, which is to repair Poland."

Sadurska, 41, is one of hundreds of loyalists brought in to state companies by PiS to

tighten its grip on big business and help it implement its conservative, nationalist-minded policies since it returned to power in 2015 after an eight-year absence. The aim is not only to ensure loyalty in major companies and give PiS a say in their personnel, investment and policy decisions.

It has also enabled PiS to use such firms as vehicles to buy out foreign interests in the banking and energy sectors, with a US-owned news channel, TVN24, seen by some business leaders as a likely next target because it is critical of the government. Opponents fear public procurement and financing rules are being blurred, giving PiS access to large advertising budgets which can be used to fund publicity campaigns or events that promote the party's agenda.

This, they fear, will deepen the concerns of Poland's European Union partners about what they see as an assault on the rule of law and democracy since PiS set its sights on asserting its power over the economy, the judiciary and the media. Aleksander Laszek, chief economist at the Civil Development Forum (FOR), a Warsaw-based economic policy think tank known for its liberal view on the economy, said the PiS moves to assert control of big business were "exceptionally strong and brazen." —Reuters

Daily Kuwait Stock Exchange Report							Global								
Tuesday 10 October 2017															
Index	Change	Closing	Last Closing	Volume	Value (KWD)	Number of Trades	Security	High	Low	Volume	Value (KWD)	Trades	Last	Change	
Price Index	▼ -35.97	6,613.22	6,649.19			145,881,187	SOKOUC	51	49.6	148,310	74,033	56	51	▼ -0.2	
Weighted Index	▼ -4.61	432.60	437.21			28,054,396	KRE	64	60	3,580,165	222,677	73	62	▼ -1.6	
KXS 15	▼ -15.82	1,010.01	1,025.83			4,944	URC	96	95	290	28	2	95	▲ 0.5	
Trades							Trades								
Security	High	Low	Volume	Value (KWD)	Trades	Last	Change	Security	High	Low	Volume	Value (KWD)	Trades	Last	Change
IPG	365	365	1,000	365	1	365	▲ 14.0	SOKOUC	51	49.6	148,310	74,033	56	51	▼ -0.2
NAPESCO	800	757	5,004	3,848	7	757	▼ -43.0	KRE	64	60	3,580,165	222,677	73	62	▼ -1.6
ENERGYH	37.0	36.0	94,737	3,447	8	36.5	▲ 0.5	URC	96	95	290	28	2	95	▲ 0.5
GPI	34.0	33.5	2,879,309	97,026	86	33.8	▼ -0.4	NRE	135	130	825,260	108,391	25	134	▼ -2.0
ABAR	84	75	3,523	295	4	84	▲ 0.0	SRE	364	364	1,000	364	2	364	▼ -1.0
<b>Oil &amp; Gas</b>			<b>2,983,973</b>	<b>104,861</b>	<b>106</b>	<b>963.60</b>	<b>▼ -18.80</b>	TAM	0.0	0.0	0	0	0	402	▲ 0.0
KFOUC	0.0	0.0	0	0	0	290	▲ 0.0	AREEC	193	190	92,000	14,853	6	190	▲ 0.0
BPCC	675	670	363,400	256,883	15	670	▲ 0.0	MASSALEH	0.0	0.0	0	0	0	39.5	▲ 0.0
ALKOUT	610	610	2,184	1,332	1	610	▲ 0.0	ARABREC	37.5	36.1	910,608	30,653	35	37.2	▼ -0.2
ALQURAN	342	335	24,927	8,352	4	342	▲ 7.0	ERESCO	39.6	38.5	100,050	3,852	6	39.6	▲ 0.3
<b>Basic Materials</b>			<b>410,611</b>	<b>266,568</b>	<b>20</b>	<b>1312.44</b>	<b>▲ 9.50</b>	MABANEE	805	800	44,235	35,422	8	805	▲ 5.0
KCEM	0.0	0.0	0	0	0	445	▲ 0.0	INJAZZAT	87	87	1,000	87	1	87	▲ 6.0
CABLE	502	486	564,400	280,847	68	492	▼ -3.0	INVESTORS	22.8	22.0	6,333,894	540,045	79	22.1	▼ -0.7
SHIP	217	214	20,030	4,287	3	217	▲ 3.0	IRC	33.3	32.4	185,000	5,358	4	32.5	▼ 0.0
PCEM	1,000	1,000	22,812	22,812	1	1,000	▲ 0.0	ALTUARIA	97	92	1,570,945	148,441	39	96	▲ 0.0
PAPER	0.0	0.0	0	0	0	280	▲ 0.0	SANAM	35.1	35.1	8,500	298	1	35.1	▲ 0.0
MRC	110	103	31,100	3,241	8	109	▼ -3.0	AAYANRE	83	82	62,000	5,124	6	83	▲ 0.8
ADICO	270	264	118,260	31,471	7	265	▼ -1.0	ADAR	0.0	0.0	0	0	0	87	▲ 0.0
HCC	0.0	0.0	0	0	0	190	▲ 0.0	ALADARIA	38.0	36.1	4,100	148	2	38.0	▼ -0.5
NCBM	174	174	35,505	6,178	1	174	▲ 0.0	MAZAYA	115	114	1,437,369	164,326	23	115	▼ -1.0
EQUIPMENT	43.0	41.2	362,600	15,067	26	42.2	▼ -0.8	THEMAR	8.0	8.5	2,202	188	2	8.5	▲ 14.2
NCCI	0.0	0.0	0	0	0	90	▲ 0.0	TUJARA	0.0	0.0	0	0	0	60	▲ 0.0
GYPJUM	0.0	0.0	0	0	0	95	▲ 0.0	TAAAMEER	35.5	33.8	648,099	22,181	20	33.9	▼ -0.8
SALBOOKH	0.0	0.0	0	0	0	63	▲ 0.0	ARKAN	84	83	87,000	7,272	7	84	▼ -1.5
ADLY	680	625	922,185	776,619	97	642	▼ -41.0	ARGAN	0.0	0.0	0	0	0	164	▲ 0.0
EDU	307	307	10	3	1	307	▼ -3.0	ABYAR	25.8	23.2	20,864,101	503,871	398	24.1	▼ -1.9
CLEANING	0.0	0.0	0	0	0	82	▲ 0.0	MUNSHAAT	68	66	2,292,836	153,333	81	67	▼ -1.1
KGL	63	61	162,005	9,886	7	63	▲ 0.5	FIRSTDUBAI	47.6	47.6	10,000	476	1	47.6	▲ 0.6
KCPIC	155	150	30,000	4,575	3	155	▲ 5.0	KBT	49.4	48.7	248,250	12,176	13	49.4	▼ -0.1
HUMANSOFT	4,179	4,060	11,461	47,878	8	4,174	▼ -6.0	REAM	0.0	0.0	0	0	0	306	▲ 0.0
NAFAS	0.0	0.0	0	0	0	380	▲ 0.0	MENA	0.0	0.0	0	0	0	20.3	▲ 0.0
GFC	0.0	0.0	0	0	0	76	▲ 0.0	ALMUDJON	38.8	37.0	20,011	1,443	4	37.0	▲ 0.0
SHOOTING	26.1	25.4	176,590	4,503	13	26.1	▲ 0.1	MARAKEZ	37.7	30.8	42,700	1,362	12	37.7	▲ 0.1
COG	506	480	3,500	1,706	2	506	▼ -1.0	REMAL	0.0	0.0	0	0	0	69	▲ 0.0
MTCC	0.0	0.0	0	0	0	56	▲ 0.0	Mahaer	80	80	1	0	1	80	▲ 3.0
UPAC	0.0	0.0	0	0	0	615	▲ 0.0	<b>Real Estate</b>			<b>40,851,716</b>	<b>1,859,401</b>	<b>906</b>	<b>952.83</b>	<b>▲ 2.90</b>
ALAFCC	385	383	1,073,590	412,267	52	384	▲ 0.0	KINV	116	111	528,581	60,405	65	115	▲ 1.0
MUBARRAD	74	72	322,200	23,458	15	73	▼ -0.1	FACIL	186	186	230,000	42,780	6	186	▲ 0.0
LOGISTICS	95	94	878,369	47,734	40	94	▲ 0.1	IFA	38.0	37.0	142,005	5,378	10	37.8	▲ 0.1
SCEM	0.0	0.0	0	0	0	83	▲ 0.0	NNV	113	109	8,325,157	917,172	205	110	▼ -3.0
GCEM	84	84	1,000	84	1	84	▲ 1.4	KPROJ	355	355	68,100	24,176	5	355	▼ -5.0
QIC	82	81	100,120	8,117	4	82	▲ 1.0	COAST	45.6	44.5	2,242,807	101,076	90	44.8	▼ -0.8
FCEM	74	72	1,111,200	80,540	23	73	▼ -3.0	SECH	60	58	2,655,778	154,963	78	58	▼ -1.1
RKWC	81	81	75,000	6,075	3	81	▲ 0.0	ARZAN	34.5	33.0	64,683	2,169	9	34.5	▲ 0.4
SPEC	88	81	800	70	5	88	▲ 3.0	MARKAZ	110	104	27,000	2,844	4	104	▼ -6.0
<b>Industrials</b>			<b>6,022,697</b>	<b>1,787,418</b>	<b>388</b>	<b>1763.56</b>	<b>▼ -5.40</b>	KMEFIC	0.0	0.0	0	0	0	27.5	▲ 0.0
PAPCO	75	75	1	0	1	75	▼ -14.9	ALAMAN	55	53	430,710	23,190	6	55	▼ -1.5
CATL	265	265	5,000	1,325	1	265	▲ 0.0	ALOLA	47.0	46.2	308,336	14,321	15	46.4	▼ -0.5
DANAH	70	70	215,000												