Global Finance awarded NBK 'Best Private Banking Services' in Kuwait

Khalife: Award reflects the constant confidence the customers vest in NBK

KUWAIT: National Bank of Kuwait (NBK) has been awarded the "Best Private Banking Services for 2019" in Kuwait for the fifth consecutive year. Founded in 1987 and headquartered in New York City, Global Finance is one of the leading financial magazines with a mission to publish specialized economic reports and analysis. Its monthly circulation exceeds 50,000 in over 188 countries around the world.

Global Finance's editorial review board relies on input from industry analysts, corporate executives and technology experts, in addition to entry submissions provided by nominated banks as well as a series of independent research based on measurable indicators and criteria for assessing banks' performance.

The nominated banks for this year were assessed for their private banking services extended over the period from July 2017 until June 2018. "Awarding NBK the title of "Best Private Banking Services" in Kuwait for the fifth consecutive year reflects the constant confidence the customers vest in NBK and their appreciation of the superb quality of its services and products, as well as its ability to rise above all challenges," said Malek Khalife, Deputy CEO - Head of Global Private Banking.

He added: "The excellent, strong and durable relationships NBK has always maintained with its high net-worth customers enabled the bank to assume a unique and leading position in the field of wealth management and private banking on both local and regional markets. NBK also succeeded in maintaining the highest service quality standards while consistently endeavoring to provide the most innovative spectrum of investment and wealth management products and solutions to satisfy the increasingly changing needs of customers."

"Thanks to its largest local and international network strategically located in the major world financial centers, NBK has always maintained a dominant and advanced position to provide the best banking and investment solutions that covers a wide range of international markets, taking into consideration the specific profile of each and every customer," noted Khalife.

"I would like to take this opportunity to express my sincere thanks and gratitude to both the trust of NBK clients as well as the invaluable efforts of the Private Banking team at NBK that enabled the bank to win such a prestigious title for the fifth consecutive year," said Khalife

Global Finance "Best Private Banking Services Award" recognizes private banks that provide excellent services and products to meet high net worth investors' individual needs through providing tailored products and services to help them maintain and grow their wealth.

Ethiopia, Djibouti reach deal on natural gas pipeline

ADDIS ABABA: Landlocked Ethiopia yesterday said it had concluded a deal with Djibouti to build a 765-km (475-mile) pipeline to transport its natural gas to ports in the neighboring Horn of Africa nation.

Ethiopia's mining ministry said the pipeline will be built by Chinese firm Poly-GCL and transport gas from fields in the eastern Ethiopian Somali region to Djibouti to be exported from there.

There was no mention of cost, nor of when the project will come on stream. All but 65 km of the pipeline will be located in Ethiopia, whose government has previously announced plans to generate $1 billion annually from extraction of natural gas and crude oil deposits. Ethiopia, Africa's second most populous country with around 100 million people, relies heavily on Djibouti's ports for exports and imports.

The country additionally hopes that a recent rapprochement with its former province of now independent Eritrea will afford it an additional access to the sea. —AFP

Samsung to launch US retail stores in smartphone push

SAN FRANCISCO: Samsung announced Friday it will open three US retail stores to promote its Galaxy line of smartphones as the South Korean giant sets to launch an updated flagship handset.

The move ramps up Samsung's efforts to compete on the home turf of Apple, which has hundreds of retail outlets in the US and around the world.

Samsung said in a statement it made the move after feedback from customers.

"They told us that they love having the ability to walk into a store and experience how the latest technology from Samsung works together to create a unique, immersive experience," the company said in a statement. "Galaxy fans, in particular, mentioned that they were looking for a space to call their own, a place where they can get a feel for Samsung products first-hand."

The new stores will be at the Americana at Brand mall in Los Angeles; Roosevelt Field in Garden City, New York; and The Galleria in Houston, Texas.

Samsung is holding a product launch Wednesday in San Francisco amid speculation it may launch a folding smartphone, which would make it the first of the major handset makers in the segment.

Samsung has previously opened pop-up stores in the US and has a center showcasing its technology in New York City. "Our new Samsung Experience Stores are spaces to experience and see Samsung technology brought to life, to empower people to do what they never thought was possible before," said YH Eom, president of Samsung Electronics America.

"We want to build a 'playground' for Samsung fans-a place to learn about and try out all of the amazing new products we have to offer."

Samsung remained the number one global handset maker with a 20.8 percent share in 2018 despite an eight percent sales slump for the year, according to research firm IDC-which said last year showed the worst overall decline in sales for the smartphone sector. — AFP

Global stocks surge on hopeful signs from US-China trade talks

NEW YORK: European and US stock markets leapt on Friday as positive signs emerged from US-China trade talks aimed at averting an escalation of a tariff war between the world's top two economies.

US President Donald Trump said the negotiations in Beijing were going "extremely well" and his Chinese counterpart Xi Jinping announced the talks would continue in Washington next week.

Trump also said there was a "possibility" he would extend a March 1 deadline for a sharp rise in tariffs on $200 billion Chinese goods to go into effect. The Dow Jones Industrial Average index finished the day up 1.7 percent to 25,883.25 to close its eighth straight week of gains.

"There is a lot of optimism that a deal will be done," said Bill Lynch on Hinsdale Associates. "I'll believe it when I see it but it seems that a deal is fairly close."

Investors also greeted Trump's decision to sign a spending bill that averts another government shutdown. Meanwhile, Trump's decision to declare a national emergency to fund a wall along the Mexican border, which is expected to face legal challenges, is a "side issue," Lynch said.

European markets also "went gaga" for the news of further trade talks, as Frankfurt's DAX 30 closed up 1.9 percent and the Paris CAC 40 followed suit with a 1.8 rise on the day.

Madrid's IBEX 35 index rose 2.0 percent after Spanish Prime Minister Pedro Sanchez called an early general election, following the rejection of his draft budget in parliament over the Catalan secession crisis. London's index also rose after stronger than expected British retail sales were reported for January, as consumers seemed to shrug off Brexit blues.

Oil prices continued to push higher on evidence members of the Organization of the Petroleum Exporting Countries are implementing production cuts. Brent oil futures finished at $66.25 a barrel, up 2.6 percent for the day and 6.7 percent for the week.

After a brutal end of 2018, US stocks have been on a tear since late December on expectations of a US-China trade deal and relief at the Federal Reserve's shift to a more dovish posture.

These views have allowed the market to overlook signs of weakness, such as Federal Reserve data on Friday that showed a big drop in US manufacturing for January. —Reuters

NEW YORK: A trader works ahead of the closing bell on the floor of the New York Stock Exchange (NYSE) on Friday in New York City. — AFP

Portugal's economy: An express train at risk of derailing

LISBON: The passengers on a night train chugging along Portugal's northern coast last month got the fright of their lives when the 40-year-old locomotive's diesel engine literally fell off. Luckily, the train didn't derail and Portugal Railways ordered taxis to take the 15 passengers home. But the incident was a shocking reminder of Portugal's chronic underinvestment in public services and the hidden frailty of its economic rebound.

The Portuguese economy, bailed out by the European Union eight years ago, is booming.

It is enjoying its highest economic growth in nearly two decades, fuelled by record tourism, an upswing in the housing market, a growing tech sector and strong exports. Private investment has returned to 2009 levels, helped by foreign investors including Chinese companies.

But for every glitzy new hotel and fancy restaurant in Lisbon there is a creaking bit of infrastructure or aging locomotive, including the one that fell apart in late February. It had been rented from neighboring Spain as a stopgap measure. Some economists fear a lack of public investment is starting to undermine the economy, or worse, could be storing up trouble should another recession come.

And with total debt close to 120 percent of gross domestic product, one of Europe's highest, the ruling Socialists have limited room to finance a big investment drive without putting almost a decade of budget repair at risk. The budget deficit, once 11 percent of GDP during Portugal's 2010-14 debt crisis, has been almost eliminated under the Socialists. But that has come largely at the expense of public investment, according to Ricardo Arroja, visiting economics professor at the University of Minho.

Arroja said the government was not taking a long-term view. "Since the start of the legislature, this has been navigation by sight," he added. In 2018 public investment reached 4.14 billion euros ($4.7 billion), but in a sign of how this item of spending has been used to balance the books in recent years, it was cut from an initial budgeted amount of 4.53 billion euros.

Public investment represented 2.1 percent of GDP in 2018, up from 1.5 percent in 2016 but still less than half of the 5.4 percent registered in 1960, according to Pedro Brinca, professor of economics at Nova School of Business & Economics. However the government says it has had little choice but to prioritise cutting the deficit, to gain credibility among investors and help the economy recover.

'Burden for future'

A recent report by the International Monetary Fund found Portugal actually had net public investment of about negative 1.2 percent of GDP in 2016, putting it at the bottom of a list of 26 rich countries, including Greece, Italy and Spain. That means it is not spending enough to offset the depreciation of state assets.

"We are consuming capital, that is we don't have sufficient investment to replace capital (stock)," Luis Moraes Sarmento, deputy director of the statistics department at the central bank, said at a recent conference. "These two things mean that we are leaving behind a burden to future generations that is extremely high. We are confusing the good times with having no problems on the horizon." Brinca said Portugal's declining capital stock "could have especially serious effects for economic growth". — Reuters

Factories to test economy's 'delicate equilibrium': BoE head

LONDON: The world economy is caught in a "delicate equilibrium" between stabilization and a further downturn, according to Bank of England Governor Mark Carney, and that balance could look even shakier over the next few days.

Early measures of factory activity from Asia, Europe and the United States - which typically give signals of momentum in the overall economy - will be scrutinized by investors, many of whom fear that the sudden weakness of late 2018 is intensifying. Trade tensions have weighed heavily on factories around the world, something that is likely to be high on the minds of negotiators from the United States and China when they resume their talks to avert an escalation of their tariff war. Things looked very different a year ago. The world economy seemed to have finally kicked into a higher gear, nearly a decade after the financial crisis of 2007-08, with all regions joining in the upswing.

But a combination of US President Donald Trump's aggressive stance on trade and worries about the impact of central banks raising interest rates - the US Federal Reserve increased borrowing costs four times in 2018 - has raised fears that the world could be heading back into recession.

Carney, in a speech on Feb 12, said he believed growth was likely to stabilize at its new slower pace, helped by central banks scaling back their plans for removing the massive levels of stimulus they have held in place for a decade. "But this is a judgment, not a guarantee. The world is in a delicate equilibrium," Carney warned.

The most recent signs from the world economy have not been promising. US retail sales for December were far weaker than expected and Germany avoided a recession by the narrowest of margins.

Britain - weighed down by the uncertainty about Brexit as well as the global weakness - is heading for its slowest year of growth since 2009, according to the BoE, while China's economic growth last year was the weakest in 28 years. In the next few days, a string of surveys of manufacturing will give a fresher sense of whether the slowdown of last year is dissipating or getting worse.

Purchasing manager indexes (PMIs) for the eurozone, the United States and Japan are due on Feb. 21 and there will be other measures of factory output in the form of US durable goods data and industrial orders in Japan and Italy. Chris Williamson, chief business economist at IHS Markit which publishes the PMIs, said that in late 2017 only one country's factory sector - Colombia's - was shrinking. Now 11 of the 30 countries he covers are contracting, including those in China and Germany, from where problems are rippling out into Asia and eastern Europe respectively.

"A lot of the anecdotal evidence that we get is blaming trade wars and tariff worries, and the gloom it is casting over the prospects for the year ahead," Williamson said.

Markit's global export index had been in decline for five months, highlighting how the slowdown was led by weaker trade, although a slight pick-up in optimism among manufacturers around the world in January offered a hint of hope. Much of that optimism hinges on the chance of the United States and China finding a way to de-escalate their trade war. Chinese President Xi Jinping said on Friday that talks with the United States would continue in the coming days and he hoped the two sides will be able to reach a deal.

But many investors want to see more definitive signs that the clouds hanging over the economy really are lifting. Toby Vaughan, chief investment officer with Brown Shipley, a British private bank and wealth management firm, said his team scaled back on equity holdings in October and have not yet raised their exposure back up.

"The reality is, none of those factors have really changed. There are some encouraging signs, but it's headlines and rhetoric with regard to US-China for example," he said.

While Washington and Beijing are sounding positive about their trade stand-off, officials in Europe are worried that the Trump administration is preparing to hit European automobile exports with tariffs, citing national security grounds. "Such a development would likely be taken negatively by markets as it would risk a direct response of tariffs from the EU and a step up in tensions," economists at ING said in a note to clients. "Businesses and consumers will face higher prices in such a scenario along with the likely disruption to supply chains - and all of this could see a repeat of the steep equity market falls which were seen in late 2018." — Reuters