

Business

CMA grants KAMCO and Global approval on draft merger contract

Combined entity to become one of the largest investment firms in the region

KUWAIT: KAMCO Investment Company ("KAMCO") and Global Investment House ("Global"), two leading companies in asset management, investment banking and brokerage, announced that they have received the Capital Markets Authority's (CMA) approval on the draft merger contract pertaining to the merger by amalgamation in which KAMCO will be the merging company and Global the merged company.

Once successfully concluded, the merger will well position the combined entity to become one of the largest investment companies in the region in terms of assets under management totaling approximately \$14 billion across various asset classes and jurisdictions, with investment banking credentials exceeding \$21 billion across equity and debt capital markets and mergers and acquisitions.

KAMCO and Global will accumulate two decades worth of track record, knowledge and expertise,

becoming a regional non-banking financial services powerhouse with one of the most diversified offerings spanning asset management, investment banking and brokerage. The merger is categorized as the largest of its kind in Kuwait's investment scene and will offer access to an array of best-in-class local, regional and international financial products and services.

Given that both companies are Kuwait-based, the merger is a natural progression to KAMCO's 70 percent acquisition of Global from NCH Ventures last September and is in line with its strategy to strengthen the expertise within its field and add to its overall market reach in the region. Since the acquisition, both companies have engaged in an extensive integration exercise involving soliciting feedback from various stakeholders including clients, shareholders and respective teams.

On this occasion, KAMCO and Global would like to

express their appreciation to the CMA and other regulatory authorities for their cooperation and support throughout this process to reach this critical stage, as they move closer towards concluding this transaction. They would also like to thank their shareholders and clients for the trust and support they have in both companies, as well as both KAMCO and Global's executive management and staff for their dedication and commitment throughout this process.

Moving forward, the draft merger contract approved by the CMA along with its attachments, which includes the fairness of opinion report submitted by the independent investment advisor and the Asset Valuation report prepared by the independent asset valuator will be available for shareholders of both companies to review. KAMCO and Global will then call for Extraordinary General Meetings to obtain their shareholders' approvals to complete the merger.



Additionally, average earnings reading showed an increase of 3.4 percent, higher than the 3.1 percent forecasted by the market.

Eurozone inflation higher
Eurozone inflation came in slightly higher than initially forecasted. The consumer price index rose 1.3 percent for the year to June, but both headline and underlying inflation rates remain below the improvement sought by the European Central Bank, rendering it unlikely to dampen expectations of monetary easing from the regulator.

China's growth slumps
China's economy grew at 6.2 percent y/y in the second quarter of 2019, marking its slowest pace since the early 1990's. The figure was in line with expectations and slower than the 6.4 percent reported for the first quarter. The softening understandably comes from the ongoing US-China trade spat, which has recently calmed after a meeting between the two countries' presidents. China's industrial output grew 6.3 percent in June from a year earlier, official data showed on Monday, picking up from May's 17-year low and handily beating market expectations. Analysts polled by Reuters had tipped a 5.2 percent rise, compared with 5.0 percent growth seen in May. June retail sales surged 9.8 percent from a year earlier, compared with the 8.3 percent. The stronger-than-expected economic data from China indicates that fiscal and monetary policy moves aimed at reviving spending in the world's second biggest economy are having some success.

Kuwaiti dinar
USD/KWD opened at 0.30360 yesterday morning.



NBK Money Markets Report

Fed chairman's speech triggers rate cut debate

KUWAIT: The Federal Reserve Chairman Jerome Powell delivered a speech in Paris that reinforced his stance on the US economy, stressing his remark to the US Congress testimony on July 10th. He reiterated that the central bank is "carefully monitoring" the downside risk to US economy growth prospect and "will act as appropriate to sustain the expansion". The Fed Chair also expressed the uncertainties regarding trade developments, with China, and global growth.

The remarks of Powell kept the interest rate cut probabilities supported, with 100 percent chance of a cut for the upcoming July meeting. The prospect for a 50 basis point cut is at 18.5 percent and 81.5 percent for a 25 basis point cut the next time FOMC members meet. Later on the same day, Chicago Fed President Charles Evans spoke to reporters and discussed the merits of cutting 50 basis points. "There is an argument that if I think that it takes 50 basis points before the end of the year to get inflation up, then something right away would make that happen sooner," he said, adding that he was not worried about inflation taking off unexpectedly. Evans also said that policy makers favoring a risk-management approach to lowering borrowing costs might prefer to move more slowly, and he noted that the US economy "is doing well."

On the fixed income front, the 10-year US Treasury yield fell from 2.14 percent to 2.04 percent as the Fed is being pressured to shift their stance into taking a more loose monetary policy stance.

US retail sales exceed expectations

US retail sales grew more than expected last month in a sign that consumers continued to support the world's largest economy in the second quarter. Headline retail sales grew 0.4 percent in June, matching the previous month's rise, and exceeded economists' expectations for a 0.1 percent rise. The optimistic figures follow a revelation of weakness in the

manufacturing sector. Markets have begun to price in a rate cut by the Federal Reserve as soon as the July 31st meeting. Fed chair Jerome Powell solidified those expectations earlier this month as he pointed to growing risks to the US economic outlook in his dovish testimony to congress.

In the FX markets, the US dollar opened the week at 96.936 and gained as much as 0.63 percent to reach 97.444 amid escalating concerns in the UK for a hard Brexit rhetoric from the two PM candidates. However as geopolitical tensions between the US and Iran fled investors to save-haven assets and sent the dollar to a 3-week low of 0.9805 against the Swiss franc.

Hard Brexit rhetoric

Sterling pound dipped below \$1.24 for the first time in 27 months last week as the two candidates for Britain's next prime minister began taking harder Brexit stances. Boris Johnson and his rival to be Conservative Party leader Jeremy Hunt, said late on Monday they would not accept the so-called Northern Irish backstop element of Theresa May's Brexit deal. Their positions are supporting expectations of a higher risk of Britain leaving the European Union on October 31 without a deal. As a result, markets also expect the EU-UK split could potentially force the Bank of England to cut interest rates to stave off an economic catastrophe.

UK's upbeat data

Consumer prices in the UK maintained its level rising 2 percent in June compared to a year ago. The figure was unchanged from May's figure and is in line with the Bank of England's target. Economist are not expecting the steady course of inflation to last due to a weaker Pound and a recent pick up in wage growth, both of which point to higher inflation ahead. Separate figures also showed that the UK housing market prices grew by 1.2 percent in the year to May, compared to a 1.5 percent in the year to April. The report noted a general slowdown in house price growth over the past three years.

Monthly retail sales data were released last Thursday showed a 1 percent increase, opposite to the market's expectation of -0.3 percent reading. The unexpected figure pushed the Sterling to last week's high of 1.2558 after the massive drop of 1.2397.

provide its customers the all new Huawei Mate20 X. This new smartphone is the key to the 5G era and will definitely meet the customers' aspirations and expectations."

Powered by the Balong 5000, Huawei's first 7nm multi-mode 5G chipset with the Kirin 980, Huawei Mate 20 X (5G) is now ushering in the 5G mobile world and setting the industry's benchmark with its ubiquitous technology. It's equipped with 8GB of RAM, 256GB of storage space, state-of-the-art 7.2" OLED screen, a large 4,200mAh battery capable of using Huawei's 40W SuperCharge protocol, powerful Leica triple camera, including a 40 MP main RGB lens, 8 MP telephoto lens, 20 MP Leica ultra-wide angle lens, and M-Pen to activate the Memo app directly from the lock screen.

X-cite launches its summer edition mega promotion with up to 70% discount

KUWAIT: Keen to constantly provide its customers with the greatest offers, X-cite by Alghanim Electronics, Kuwait's largest electronic retailer, announced the launching of its mega summer promotion starting July 17 until August 6, with up to 70 percent discount on a wide variety of products including computers, tablets, smartphones, entertainment and home appliances, and much more.

Thanks to X-cite's well-timed offerings, customers can get ready for the holidays and summer season in the most efficient way by getting their hands on the latest equipment and state-of-the-art technology, including modern televisions, digital cameras or any other electronic device at unbeatable prices. Customers can take advantage of X-cite's huge discounts by visiting any of its showrooms or by shopping through its website.

X-cite showrooms boast some of the biggest and most popular brands available at amazing prices owing to the summer sale. Some of the major brands include Wansa, EQ, Microsoft, Philips, Apple, Samsung, HP, Daewoo, Toshiba, Gaems, Acer, Huawei and Beko. X-cite's summer promotion allows customers to take advantage of unprecedented prices on a wide range of electronics in addition to the daily exclusive offers launched on selected products. Through its customer-centric concept, X-cite offers customers competitive quality and prices to serve every segment, providing them with the highest level of service, engaging with them, and earning their trust through supporting services and offerings. X-cite also enables customers to shop from the comfort of their homes through its free mobile app and shopping website at www.xcite.com

X-cite has established itself as a leading brand in providing the latest products to customers as it continues to build strong relations with international brands in the electronics sector. Continuously seeking to satisfy the needs of its customers, X-cite provides them with diverse services that enable customers to experience products and interact with them, and the service of buy online and pick the product in store, whether in their 27 showrooms or through the website, designed to make online shopping a fast and easy experience. X-cite also offers premium maintenance and purchase services at most of its major showrooms throughout Kuwait and other services such as free delivery and X-care packages.

VIVA launches Huawei Mate20 X with VIVA 5G postpaid plans

KUWAIT: VIVA, Kuwait's fastest-growing and most developed telecom operator, launched Kuwait's first 5G smartphone "Huawei Mate20 X", packed with VIVA 5G postpaid plans, starting from KD 37. Commenting on the partnership, Haneen Al-Fulaij, Acting Chief Consumer Officer at VIVA said: "VIVA is extremely delighted to

EXCHANGE RATES

Al-Muzaini Exchange Co.	
EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	304.450
Euro	344.790
Sterling Pound	383.910
Canadian dollar	235.100
Turkish lira	55.350
Swiss Franc	313.380
US Dollar Buying	297.100
ASIAN COUNTRIES	
Japanese Yen	2.827
Indian Rupees	4.425
Pakistani Rupees	1.966
Sri Lankan Rupees	1.727
Nepali Rupees	2.762
Singapore Dollar	225.520
Hongkong Dollar	38.998
Bangladesh Taka	3.589
Philippine Peso	5.974
Thai Baht	9.928
Malaysian ringgit	77.864
GCC COUNTRIES	
Saudi Riyal	81.241
Qatari Riyal	83.675
Omani Riyal	791.293
Bahraini Dinar	808.950
UAE Dirham	82.945
ARAB COUNTRIES	
Egyptian Pound - Cash	21.625
Egyptian Pound - Transfer	18.294

Dollarco Exchange Co. Ltd	
Rate for Transfer	
US Dollar	304.090
Canadian Dollar	233.410
Sterling Pound	381.655
Euro	343.720
Swiss Frank	300.180
Bahrain Dinar	808.690
UAE Dirhams	83.195
Qatari Riyals	84.435
Saudi Riyals	81.985
Jordanian Dinar	430.185
Egyptian Pound	18.348
Sri Lankan Rupees	1.730
Indian Rupees	4.419
Pakistani Rupees	1.898
Bangladesh Taka	3.601
Philippines Peso	5.968
Cyprus pound	18.090
Japanese Yen	3.820
Syrian Pound	1.590
Nepalese Rupees	2.769
Malaysian Ringgit	74.895
Chinese Yuan Renminbi	44.645
Thai Bhat	10.865

BAHRAIN EXCHANGE COMPANY WLL		
CURRENCY	BUY	SELL
Europe		
British Pound	0.374858	0.388758
Czech Korune	0.005425	0.014725
Danish Krone	0.041909	0.046909
Euro	0.335478	0.349178
Georgian Lari	0.132065	0.132065
Hungarian 0.001148	0.001338	
Norwegian Krone	0.031608	0.036808
Romanian Leu	0.065245	0.082095
Russian ruble	0.004848	0.004848
Slovakia	0.009102	0.019102
Swedish Krona	0.028660	0.033660
Swiss Franc	0.304424	0.315424
Australasia		
Australian Dollar	0.206903	0.218903
New Zealand Dollar	0.200398	0.209898
America		
Canadian Dollar	0.226116	0.237116
US Dollars	0.300350	0.305650
US Dollars Mint	0.300850	0.305650
Asia		
Bangladesh Taka	0.003000	0.003801
Chinese Yuan	0.042746	0.046246

Hong Kong Dollar	0.037042	0.039792
Indian Rupee	0.003888	0.004660
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002748	0.002928
Korean Won	0.000249	0.000264
Malaysian Ringgit	0.070267	0.076267
Nepalese Rupee	0.002678	0.003018
Pakistani Rupee	0.001340	0.002110
Philippine Peso	0.006103	0.006403
Singapore Dollar	0.218839	0.228839
Sri Lankan Rupee	0.001352	0.001932
Taiwan	0.009625	0.010105
Thai Baht	0.009540	0.010090
Vietnamese Dong	0.00013	0.00013
Arab		
Bahraini Dinar	0.801411	0.809465
Egyptian Pound	0.018639	0.022999
Iranian Riyal	0.000084	0.000086
Iraqi Dinar	0.000210	0.000270
Jordanian Dinar	0.424503	0.433503
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000157	0.000257
Moroccan Dirhams	0.021379	0.045379
Omani Riyal	0.785650	0.793546
Qatar Riyal	0.082969	0.083803
Saudi Riyal	0.080100	0.081400
Syrian Pound	0.001291	0.001511
Tunisian Dinar	0.102332	0.110332
Turkish Lira	0.046761	0.056066
UAE Dirhams	0.082258	0.083084
Yemeni Riyal	0.000990	0.001070