

Business

Nasdaq withdraws its offer to acquire Oslo stock exchange

Decision clears the way for Euronext

OSLO: US stock market operator Nasdaq said yesterday it was withdrawing its offer of nearly 700 million euros (\$784 million) to acquire the Oslo Stock Exchange, clearing the way for its European competitor Euronext. After months of battling for the control of one of Europe's last independent stock exchanges, Nasdaq threw in the towel when it became evident it could not secure enough of the equity.

"This decision has been made because under the current circumstances the minimum acceptance condition for completion of the offer is incapable of being satisfied," the company said in a statement.

Nasdaq, which controls all the other Nordic stock exchanges, has been competing with Euronext to acquire the stock exchange since the start of the year.

The two companies had matched each other in price, both offering 6.8 billion Norwegian kroner (\$781 million, 698 million euro). Nasdaq had the blessing of the bourse's board and management, but Euronext gained an advantage by securing the support of shareholders representing a majority of the Oslo exchange's equity, whereas Nasdaq only managed to get commitments for about 37 percent of the capital. To secure the deal Nasdaq counted on the Norway's finance ministry, which needed to clear any purchase of more than 10 percent of the exchange, to create a regulatory roadblock for Euronext.

But a decisive blow was dealt to the US stock operator's chances on May 13 when the Norwegian government declared that both Euronext and Nasdaq were "suitable owners".

Deal completed by June
Euronext, which already manages the stock exchanges of Paris, Brussels, Amsterdam, Lisbon and Dublin, yesterday reiterated its aim to complete the transaction by the end of June.

The company's shareholders unanimously voted to acquire up to 100 percent of the Norwegian exchange's shares on May 16.

"Following the decision of the Norwegian Ministry of Finance and the unanimous vote of Euronext shareholders, the main conditions have been lifted and the transaction should be completed by the end of June 2019," the company stated. The European operator initiated the takeover late last year by buying up shares put up for sale by minority shareholders and making an offer for the entire enterprise. Caught off guard by the move, which they had not been informed of in advance, the Oslo Stock Exchange's management started looking for other potential buyers, thus triggering Nasdaq's counter-offensive.

Minority undecided
In addition to the bourse's management and board, the US operator had managed to win the support of the two main shareholders, DNB Bank and the KLP pension fund, which own 20 and 10 percent of the Oslo Stock Exchange respectively. Released from their obligations to Nasdaq, the two investors said yesterday they had yet to decide their next step.

"Now that Nasdaq has withdrawn its offer, we will sit down with Euronext and the other shareholders that still haven't sold to find a good solution," said DNB spokesman Thomas Midtdeide.



OSLO: US stock market operator Nasdaq said yesterday it was withdrawing its offer of nearly 700 million euros (\$784 million) to acquire the Oslo Stock Exchange, clearing the way for its European competitor Euronext. —AFP

"We will discuss things internally at KLP and perhaps with other stockholders about what solution we should choose," said Sverre Thorne, CEO at KLP. Euronext has

indicated that should the two minority shareholders wish to remain on the board of the Oslo Stock Exchange's round table, they would be welcome to do so. —AFP

Nissan left sidelined by merger between Renault, Fiat

TOKYO: Nissan, a long-time Renault partner, has been left sidelined by a potential tie-up with the French firm and Fiat-Chrysler, just as the beleaguered Japanese firm battles to recover from the arrest of former boss Carlos Ghosn.

"It's an ill thought-out and badly conceived plan," fumed one source close to Nissan, who did not wish to be identified, in response to the Fiat-Chrysler "50/50" merger proposal that would potentially create the world's third-largest carmaker. It is a bitter pill to swallow for Nissan, which appeared to be completely left in the dark about the project and is already battling falling sales amid reputational damage from the downfall of Ghosn, who is fighting financial misconduct charges.

Behind the scenes at the Yokohama-based firm, people believe it could further damage relations with Renault, which is already pushing for a formal merger between the pair against Nissan's wishes.

"Nissan appears to be being kept out of the loop, which is unpleasant for Nissan and may create unnecessary distrust of Renault among Nissan people," analyst

Satoru Takada at TIW, a Tokyo-based research and consulting firm, said.

Putting a brave face on it, Nissan CEO Hiroto Saikawa told reporters yesterday he was "open to constructive discussions to strengthen the alliance" and the subject will surely be raised in a meeting tomorrow with Renault boss Jean-Dominique Senard. Nissan and Renault, with headquarters 10,000 kilometers (6,000 miles) apart and very different histories and cultures, have always been seen as unlikely bedfellows and Ghosn was instrumental in keeping the alliance together.

With his downfall after a Nissan-led investigation, the glue bonding the pair since 1999 has been removed and relations have quickly gone downhill. "Renault's top priority is now FCA," said Takada. "For Nissan, the speculated merger is not a plus. With the merger, Nissan's position in the alliance would be relatively lowered and its independence could be flawed."

Fiat's offer, which Renault is studying "with interest", shows its Japanese partner that "it is no longer as important in its eyes," relegating it into third place, according to Christopher Richter, analyst at Tokyo-based CLSA.

'Important block'

However, according to a well-informed source, "the door is open" for Nissan to join the tie-up, despite a recent downturn in its sales figures. "Nissan is still an important block in their puzzle, given it has good coverage of China, where neither Renault nor FCA are strong," said one auto sector analyst who asked to remain anonymous. Nissan also brings to the party its



TOKYO: Former Nissan Motor chairman Carlos Ghosn (L) arrives at the Tokyo District Court in Tokyo. —AFP

Japanese partner Mitsubishi Motors, which has a strong presence in south-east Asia. If all firms were brought together, they would be producing nearly 16 million cars per year, well ahead of Toyota and Volkswagen which both sell around 10.6 million. And in any case, after 20 years, Nissan is too closely integrated with Renault to consider a divorce, no matter how low relations sink. "There are too many joint projects," said one source close to the Japanese firm. "The alliance in its current form cannot be defeated, it is already irreversible."

Investors however did not seem to cheer the news. While Renault and Fiat shares went through the roof, climbing 13 and 18 percent respectively at the open, Nissan stock enjoyed a muted rise of just more than one percent. —AFP

Euro bounce proves brief after pro-Europe parties retain majority

LONDON: The euro struggled to cling on to gains yesterday as investor relief at limited success for euroskeptical parties in European parliamentary elections was offset by a decline in the share of seats held by the biggest blocs.

Centre-right and center-left blocs lost their shared majority, but surges by the Greens and liberals meant parties committed to strengthening the union held on to two thirds of seats, official projections showed. The single currency initially rose as high as \$1.1215, off two-year lows of \$1.1105 touched on Thursday. But it later fell to stand 0.1 percent down at \$1.1197 in sub-dued trading because of market holidays in London and New York.

"If anything, it was positive that the populists didn't gain more than they did," said Christin Tuxen, an FX analyst at Danske Bank. The euro did hold on to gains against the Swiss franc and was last up 0.3 percent at 1.1256 francs. The election results dented the hopes of anti-immigration, anti-Brussels parties, including those in France and Italy, despite topping the polls in their respective countries.

Tuxen said the election, normally of limited interest to global markets, was the first of a series of meaningful political events in Europe this year, though signs of slowing economic momentum mean that monetary policy still matters more. "What is really going on in the FX market is we are waiting to hear if there will be a Fed (US Federal Reserve) reaction to the deteriorating cyclical outlook," Tuxen said, pointing to rising expectations of a cut to US interest rates later this year.

The dollar index rose 0.1 percent to 97.705. The US currency rose 0.1 percent against the Japanese yen to 109.45 yen, buoyed by bargain-hunting Japanese investors.

Despite yesterday's gains, the dollar is not far from the three-month low of 109.02 yen touched two weeks ago amid escalating tensions between Washington and Beijing over trade and technology.

The dollar's strength was also capped after US President Donald Trump used his Tokyo visit to press Japan to take measures to reduce its trade surplus with the United States. —Reuters

Salvini says vote win is mandate to change EU budget rules

MILAN/ROME: Victory for Italy's League in European elections gives the far-right party a mandate to push through tax cuts and fight for changes to the EU's budgetary rules, its leader, Deputy Prime Minister Matteo Salvini, said yesterday.

Salvini's party won 34.3 percent of the vote at Sunday's election, doubling the score of its ally in the ruling coalition, the anti-

establishment 5-Star Movement, which took just 17.1 percent and was pushed into third place by the center left.

"The time has come to totally re-discuss old and outdated rules that have hurt Europe. Otherwise a vote like this cannot be explained," Salvini said at a news conference in Milan. Salvini, who spent much of the election campaign promising deep tax cuts in possible defiance of EU fiscal rules, showed no sign of backing down. Lower taxes were "the key issue" for Italians and would be the foundation of next year's budget to be presented in the autumn, he said.

Earlier yesterday, he held out an olive branch to 5-Star and ruled out a cabinet reshuffle despite his coalition partner's disappointing result. "For me our government allies are friends and from tomorrow we will get back to work with serenity and softer

tones," he told reporters. "My opponent is and remains the Left," he said, referring to the Democratic Party, which won 22.7 percent of the vote. The acrimonious election campaign, during which the League and 5-Star traded sharp attacks, had fuelled speculation that a League victory and 5-Star failure could trigger a collapse of their year-old coalition.

For his part, 5-Star chief Luigi Di Maio blamed his party's defeat on a low turnout in its southern strongholds, and also ruled out a cabinet re-shuffle. "Nothing will change and we will get going again from today," he told daily Corriere della Sera, adding that he expected to govern with the League for a full five-year term.

Italy, with public debt proportionally the second largest in the Eurozone after Greece's, clashed with the European Commission last

year over its big spending plans. Salvini said he understood that Brussels had sent Rome a new warning letter on its public finances. "If it asks for cuts we will say no," he said, adding that he was "convinced" that the new Commission, expected to be installed in November, would be "more friendly" towards Italy.

It remains to be seen whether he is right. Although euroskeptical and nationalist parties saw strong gains at the election, pro-European parties retained a firm grip on the EU parliament, provisional results showed yesterday. Italian government bond yields showed little reaction to the election. The closely-watched spread over German Bunds hovered around 270 basis points yesterday, virtually unchanged from the end of last week, while Italian shares were buoyed by a proposed merger between Fiat Chrysler and Renault. —Reuters

EXCHANGE RATES

Al-Muzaini Exchange Co.	
EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	304.650
Euro	344.560
Sterling Pound	391.480
Canadian dollar	228.200
Turkish lira	50.690
Swiss Franc	307.260
US Dollar Buying	296.450
ASIAN COUNTRIES	
Japanese Yen	2.781
Indian Rupees	4.390
Pakistani Rupees	2.051
Sri Lankan Rupees	1.727
Nepali Rupees	2.730
Singapore Dollar	222.370
Hongkong Dollar	38.814
Bangladesh Taka	3.591
Philippine Peso	5.852
Thai Baht	9.590
Malaysian ringgit	77.916
GCC COUNTRIES	
Saudi Riyal	81.294
Qatari Riyal	83.730
Omani Riyal	791.813
Bahraini Dinar	809.490
UAE Dirham	83.000
ARAB COUNTRIES	
Egyptian Pound - Cash	20.759
Egyptian Pound - Transfer	18.193

Yemen Riyal/for 1000	1.224
Tunisian Dinar	105.050
Jordanian Dinar	430.360
Lebanese Lira/for 1000	0.203
Syrian Lira	0.000
Morocco Dirham	32.272
Dollarco Exchange Co. Ltd	
Rate for Transfer	Selling Rate
US Dollar	304.290
Canadian Dollar	227.140
Sterling Pound	388.330
Euro	342.520
Swiss Frank	306.445
Bahrain Dinar	809.220
UAE Dirhams	83.250
Qatari Riyals	84.490
Saudi Riyals	82.040
Jordanian Dinar	430.470
Egyptian Pound	18.055
Sri Lankan Rupees	1.724
Indian Rupees	4.383
Pakistani Rupees	2.016
Bangladesh Taka	3.604
Philippines Peso	5.807
Cyprus pound	18.105
Japanese Yen	3.780
Syrian Pound	1.590
Nepalese Rupees	2.741
Malaysian Ringgit	73.530
Chinese Yuan Renminbi	44.545
Thai Bhat	10.545

Turkish Lira	50.585	
Singapore dollars	220.210	
BAHRAIN EXCHANGE COMPANY WLL		
CURRENCY	BUY	SELL
Europe		
British Pound	0.380003	0.393903
Czech Korune	0.005187	0.014487
Danish Krone	0.041607	0.046607
Euro	0.333637	0.347337
Georgian Lari	0.108943	0.108943
Hungarian O.001148	0.001338	
Norwegian Krone	0.030993	0.036193
Romanian Leu	0.054710	0.071560
Russian ruble	0.004734	0.004734
Slovakia	0.009111	0.019111
Swedish Krona	0.027859	0.032859
Swiss Franc	0.298102	0.309102
Australasia		
Australian Dollar	0.202486	0.214485
New Zealand Dollar	0.193163	0.202663
America		
Canadian Dollar	0.221575	0.230575
US Dollars	0.300550	0.305850
US Dollars Mint	0.301050	0.306850
Asia		
Bangladesh Taka	0.003010	0.003811

Chinese Yuan	0.042583	0.046083
Hong Kong Dollar	0.037168	0.039818
Indian Rupee	0.003709	0.004481
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002701	0.002881
Korean Won	0.000246	0.000261
Malaysian Ringgit	0.068802	0.074802
Nepalese Rupee	0.002680	0.003020
Pakistan Rupee	0.001456	0.002226
Philippine Peso	0.005712	0.006012
Singapore Dollar	0.215982	0.225982
Sri Lankan Rupee	0.001378	0.001958
Taiwan	0.010169	0.010349
Thai Baht	0.009220	0.009770
Vietnamese Dong	0.000113	
Arab		
Bahraini Dinar	0.793520	0.810020
Egyptian Pound	0.017580	0.020189
Iranian Riyal	0.000084	0.000086
Iraqi Dinar	0.000210	0.000270
Jordanian Dinar	0.424785	0.433785
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000151	0.000251
Moroccan Dirhams	0.020505	0.044508
Omani Riyal	0.784981	0.790661
Qatari Riyal	0.079413	0.084353
Saudi Riyal	0.080153	0.081453
Syrian Pound	0.001292	0.001512
Tunisian Dinar	0.097686	0.105686
Turkish Lira	0.043913	0.053758
UAE Dirhams	0.081520	0.083220
Yemeni Riyal	0.000990	0.001070