Samsung Kuwait roadshow takes fans into Note10's world of limitless possibilities

Exclusive offers from Ooredoo available at roadshow in The Avenues

KUWAIT: To celebrate the launch of Galaxy Note10 with next-level power, Samsung Gulf Electronics is bringing the Galaxy Note10 roadshow to Kuwait. The stand is located at The Avenues mall Kuwait from September 19-28.

Inspired by a generation that flows seamlessly between work and life, the Galaxy Note10 range combines elegant design with powerful performance and productivity tools to give users the freedom to work the way they want and showcase their creative spirit, all on-the-go. The unique activities will serve as experience spaces that will be open for everyone.

Guests who visit the roadshow will each receive a passport to carry with them throughout their Note10 journey. They will get to experience the latest Note10 technology first-hand - including Live Focus video, Cinematic Infinity Display, AR Doodle, S Pen Handwriting to Text and S Pen Air Actions as well as next-generation wearable including the Galaxy Watch Active2 and Galaxy Buds. Those wanting to push the boundaries of self-expression can create instantly their customized content at the stand to share on their social media platforms.

Visitors who complete three activities out of five will be eligible to enter a raffle draw and get a chance to win amazing prizes, including a holiday package for two to Thailand. Also, for the roadshow duration only, exclusive offers from Ooredoo are available on the purchase of the Galaxy Note10/Note10+.

Wall Street Week Ahead

Fund managers gird for long trade war after FedEx slide

NEW YORK: A profit warning and muted outlook from package delivery company FedEx Corp is prompting some high-profile fund managers to prepare for the trade war between the United States and China to last longer than many had originally anticipated.

Shares of the shipping company, whose business is often seen as a proxy for growth in the global economy, tumbled 13 percent Wednesday, a day after it said it planned to ground some planes and cut costs due to the effects of the trade war between the world's two largest economies.

"We were hopeful of a trade deal and some sort of return to normalcy and that has not taken place," FedEx's chief executive, Frederick Smith, said on its earnings call. Companies ranging from parts supplier O'Reilly Automotive to network gear maker Juniper Networks have said the trade war is weighing on their earnings. Yet investors have focused more on FedEx because the nature of its business touches several industries across the globe, including consumer spending.

An extended trade war could take the wind out of the sails of the rally in the S&P 500 benchmark index, which has advanced in line with expectations for an imminent breakthrough in the trade war. High-level talks between the two countries are expected to resume again in October. The conflict between the two countries could take a decade to resolve, White House economic adviser Larry Kudlow warned on Sept. 6.

As a result, fund managers are moving away from US industrials and technology companies that may be most affected by higher tariffs and instead are looking to pick up some out-of-favor companies and assets that offer long-term opportunities despite the trade war. "It's obvious that China will try to drag this out as long as it can and hope it disappears after the (2020 presidential) election," said Brian Yacktman, whose YCG Enhanced Fund is up nearly 31 percent for the year to date.

Yacktman is moving more into the shares of European luxury goods makers such as Kering SA, whose brands include Gucci and Botegga Veneta, that have pricing power but have fallen on concerns about a slowdown in the Chinese economy. Shares of Kering are up 12.4 percent for the year to date, including a 10 percent drop over the last three months. "These are companies that can just pass tariffs on because people want to buy the status symbol," he said.

Emily Roland, co-chief investment strategist at John Hancock Investment Management, said her firm has been increasing its "measures of protection" against an economic downturn caused in part by an escalating trade war. Despite a 20.1 percent gain in the sector this year, she said she still sees opportunities in utilities companies due in part to their above-average dividend yields and growth potential.

"Rather than reacting and getting whipsawed by the sudden shifts in sentiment, we believe that investors can create diversified portfolios that seek to minimize downside risks from the trade war, however long it may last," she said. Not all fund managers are convinced the trade war is here to stay. "We still think one way or another Trump will end it before the election," said Lamar Villere, a portfolio manager at New Orleans-based Villere & Co.

As a result, he has been moving more assets into sectors such as semiconductors, an industry which will be included in $50 billion worth of goods that will be subject to 30 percent tariffs starting Oct. 1. "The market is giving you opportunities because we think that this is more of a blip than anything else," he said. Emmanuel Roman, chief executive officer at bond giant Pimco, said Thursday at the CNBC Institutional Investor Delivering Alpha Conference that he is seeing opportunities in emerging market bonds due to the pessimism from the trade war. "Obviously the big elephant in the room is the trade war with China and how it will resolve itself," he said. —Reuters

NBK Economic Report

OECD slashes world growth outlook; Brexit deadline nears

KUWAIT: The Organization for Economic Cooperation and Development (OECD) claimed that the global economy risked entering a new, long-lasting low-growth phase if governments continued to hesitate over how to respond to the latest pressures.

The trade war between the US and China has plunged global growth to its lowest levels in decade, leading the OECD to slash its forecasts for growth. "The global order that regulated trade is gone and we are in a new era of less certain, more bilateral and sometimes assertive trade relations," OECD chief economist Laurence Boone said. The US would grow 2.4 percent this year and 2.0 percent next year, versus earlier projections of 2.8 percent and 2.3 percent respectively. China would also take a hit as the second-largest economy, growing 6.1 percent in 2019 and 5.7 percent in 2020, outlooks the OECD previously cut from 6.2 percent and 6.0 percent.

Meanwhile, as Britain nears its exit out of the EU, forecast for growth is at 1 percent in 2019 and 0.9 percent in 2020 - only if it leaves the EU smoothly with a transition period which is far from certain. If Britain opts to leave without a deal, its economy will be 2 percent lower than otherwise in 2020-2021. The euro area would not be immune to such negative spillovers and would see its GDP cut by 0.5 percent over 2020-2021, also aided by a slowdown in its biggest economy - Germany. Looking at the broader picture, the global economy is now expected to slow to 2.9 percent this year from 3.6 percent last year before a predicted 3.0 percent in 2020.

A divided central bank

The US Federal Reserve has lowered its interest rate by 25bp to a range of 1.75-2 percent. The cut, marking the second in 2019, was highly anticipated by markets and failed to drive the greenback lower. The move comes just a week after the ECB's decision to cut its deposit rates and launch a new QE program. The Fed's language mirrored that of its July's policy statement pointing to weakening exports and business investments, with the bank claiming the cut is aimed at aiding the US economy amid "uncertainties" about future growth. President Trump reacted in a way which seems to have become customary - critiquing Powell for lacking "guts" as he has repeatedly criticized the Fed for cutting rates too slowly. Markets are now pricing in at least one more interest rate cut from the Fed this year. However, officials were divided regarding the decision and the need for future cuts. Seven members voted in favor of Wednesday's cut, while two members wanted to hold rates steady and one sought to cut even further. Though there are some points of weakness in the economy and inflation remains lower than desired, consumers are still spending resulting in solid retail sales and a stable job market. Despite cutting rates twice this year, interest rates in the US remain far higher than those in other countries and are even negative in parts of Europe and Japan.

Repo turbulence

The Fed meeting followed several days of market disruption as the repo rate spiked last Tuesday, forcing the central bank to intervene. Borrowers in the repo market paid as much as 10 percent versus rates of just 2 percent seen just a week prior, prompting the Fed to pour billions of dollars into the financial system. The bank initially pumped $53 billion of cash into the system, and later announced two other doses to follow. The move reveals a lack of liquidity, though has been warranted as Powell explained due to companies needing a lot of cash for tax payments and for investors buying government bonds. He later added that these issues have no larger implications for the economy, and that the bank played its role appropriately.

Trade talks back on the table

The Trump administration has rolled out tariffs on Chinese imports since 2018 in an attempt to gain leverage in talks, while Chinese officials insist on wiping them out before they agree to any broader deal. The US has so far placed 35 percent tariffs on $250 billion of Chinese products, while China retaliated with tariffs on $110 billion of US imports. Looking ahead, the US is scheduled to raise existing tariffs to 30 percent on Oct. 15, and tax another $156 billion of products in December. Both sides recently showed signs of goodwill by suspending some planned tariffs as talks resume this week between US and Chinese officials, though a lasting peace between the world's two largest economies seems obscure.

Equities rise and treasury yields fall

Global stocks posted minor gains on Friday after central banks decisions hinted new easing measures. The S&P 500 is up 3.34 percent since the beginning of September, currently at 2,992 - near its all-time high of 3,027 seen a few months back. The Dow Jones Industrial Average followed a similar path rising 3.4 percent in the same period, currently trading at 27,094. US Treasury yields fell following the announcement as the 10-year note dropped to 1.768 percent though later edged higher. The two and ten year yields came close to inversion, with shorter term yields rising as the long end fell.

BOE copes with the Brexit era

The Bank of England unanimously voted to keep interest rates on hold at 0.75 percent as it awaits further clarity regarding the Brexit debacle. In its statement, the bank said inflation will likely become weaker if Brexit uncertainty persists, while data revealed just a few days prior that annual inflation dropped to a three year low of 1.7 percent from 2.1 percent. In its meeting minutes, the MPC said delays to an agreement on the UK's relationship with the EU would harm consumer and business confidence - made worse by the trade war between the US and China which has lowered economic growth rates in both countries this year. The UK economy contracted in the second quarter of the year by 0.2 percent. Looking ahead, the bank expects the economy to expand by 0.2 percent in the third quarter in hopes of avoiding a technical recession defined as two consecutive quarters of decline.

Most notably - for the first time the minutes recognized an outcome of a no-deal Brexit, stating it would lead to weakened growth, higher inflation, and a further drop to the pound. Policymakers signaled that rates are likely to rise gradually back from its post-2008 crisis lows only if there was a "smooth Brexit". Under a no-deal - the pound falls, inflation rises, and the economy slows leading to either cuts or rises according to the BOE. Looking ahead, PM Boris Johnson has said a deal is possible at the crucial summit of EU leaders on October 17th, but has insisted that the UK will leave on October 31st deadline with or without a deal. EU commission president Jean-Claude Juncker offered confidence that the EU and UK can reach a Brexit agreement before the October deadline, sending the pound back over the $1.25 mark.

SNB lends a hand to commercial banks

Switzerland's National Bank also held its interest rates steady irrespective of rising global pressures and a lowering of their own growth forecast for the year. The key rate was kept at -0.75 percent and the bank citied weaker prospects abroad. Furthermore, the bank is adjusting the basis for calculating negative interest by increasing the exemption threshold above which commercial banks who park their money with the central bank have to pay negative interest. Moving forward, banks can now store more money with the SNB before negative rates apply to 25 times their minimum reserves from 20 times now. In 2018, bank's paid nearly 2bn Swiss francs in negative rates which have remained for nearly five years now. For this year, the central bank dropped its inflation prediction to 0.4 percent from its earlier forecast of 0.6 percent. Additionally it predicts a rate of 0.2 percent in 2020 compared with the 0.7 percent it had forecasted in the previous quarter.

Last hawk in town

Continuing its path against the general trend in global monetary policy, Norway's central bank opted to raise interest rates for the fourth time in the past year,. The bank increased rates by 25bps to 1.5 percent and indicated it was more likely to hike in the next year than cut. Most of the world's major central bank delivered a dovish position of either cutting or holding interest rates. However, Oystein Olsen - Norges Bank governor - insists that forces such as the petroleum and related industries are driving the present growth which other countries lack. He added that the bank "had to do the right think for the Norwegian economy now" leading to the rate increase. Though later, he added that the uncertainty over global growth was the main reason for indicating that the increase could be the last of the cycle. Looking at inflation, the annual rate declined to 1.6 percent in August from 1.9 percent in the previous month - it's slowest since January 2018.

Japan's stubborn inflation

Crossing over to Asia, Japan's central bank held its overnight interest rate at -0.1 percent as it attempts to manage the impact from US interest rate cuts and a slowing global economy. The bank remains reluctant to add more monetary stimulus itself, promising a review at its next meeting and gave an explicit warning that it was concerned about risks to the economic recovery. Lower US interest rates reduce the yield gap between Japanese and US bonds which could lead to the appreciation in the yen, causing further harm to Japanese exports already under immense pressure from a slowdown in China. The BOJ has been struggling for the past 6 years to drive inflation closer to the 2 percent target, and many current officials believe that further cuts would pose a risk to financial stability and could even backfire - undermining inflation rather that driving it closer to its 2 percent target. Still, Governor Kuroda has repeatedly promised to act if necessary to maintain momentum towards the inflation goal. The USD/JPY pair has risen around 1.62 percent this month, currently trading at around the 107.58 level.

A sudden disruption for oil markets

Last week, oil prices posted their largest intraday jump following a strike on a Saudi Arabian oil facility which wiped nearly 6 percent of global supplies. State energy producer Saudi Aramco lost about 5.7 million barrels per day of output after aerial vehicles struck the world's biggest crude-processing facility. The attack suddenly raised geopolitical risks in global energy markets and sent safe-haven assets higher. Brent crude rose more than 20 percent to a four-month high of 71.95, later recovering to the 64.28 level seen today. The movement characterizes the fragility of the world's oil market - an intricate system which delivers 100mio barrels a day to consumers all around the world. Aramco's plant has since restored 2mio barrels that were lost, and the energy minister Abdulaziz bin Salman claims production will reach 11mio barrels by the end of September.

Kuwait

Kuwaiti dinar
USD/KWD opened at 0.30370 yesterday morning.

EXCHANGE RATES

Al-Muzaini Exchange Co.

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	304.550
Euro	339.270
Sterling Pound	384.800
Canadian dollar	231.950
Turkish lira	53.380
Swiss Franc	311.400
US Dollar Buying	297.250

ASIAN COUNTRIES	
Japanese Yen	2.832
Indian Rupees	4.295
Pakistani Rupees	1.961
Srilankan Rupees	1.679
Nepali Rupees	2.680
Singapore Dollar	223.400
Hongkong Dollar	38.878
Bangladesh Taka	3.593
Philippine Peso	5.856
Thai Baht	10.013
Malaysian ringgit	77.890

GCC COUNTRIES	
Saudi Riyal	81.268
Qatari Riyal	83.702
Omani Riyal	791.553
Bahraini Dinar	809.220
UAE Dirham	82.972

ARAB COUNTRIES	
Egyptian Pound - Cash	21.500
Egyptian Pound - Transfer	18.690
Yemen Riyal/for 1000	1.223
Tunisian Dinar	110.750
Jordanian Dinar	430.120
Lebanese Lira/for 1000	0.203
Syrian Lira	0.000
Morocco Dirham	32.330
Syrian Pound	1.590
Nepalese Rupees	2.648
Malaysian Ringgit	73.505
Chinese Yuan Renminbi	43.110
Thai Bhat	10.935
Turkish Lira	54.175
Singapore dollars	218.554

Dollarco Exchange Co. Ltd

Rate for Transfer	Selling Rate
US Dollar	304.190
Canadian Dollar	230.813
Sterling Pound	373.865
Euro	337.075
Swiss Frank	301.815
Bahrain Dinar	808.955
UAE Dirhams	83.220
Qatari Riyals	84.460
Saudi Riyals	82.015
Jordanian Dinar	430.328
Egyptian Pound	18.398
Sri Lankan Rupees	1.683
Indian Rupees	4.233
Pakistani Rupees	1.944
Bangladesh Taka	3.602
Philippines Pesso	5.861
Cyprus pound	18.097
Japanese Yen	3.850

BAHRAIN EXCHANGE COMPANY WLL

CURRENCY	BUY	SELL
Europe		
British Pound	0.373616	0.387516
Czech Korune	0.004993	0.014293
Danish Krone	0.041045	0.046045
Euro	0. 328602	0.342302
Georgian Lari	0.132109	0.132109
Hungarian 0.001148	0.001338	
Norwegian Krone	0.029902	0.035102
Romanian Leu	0.065272	0.082122
Russian ruble	0.004580	0.004580
Slovakia	0.009106	0.019106
Swedish Krona	0.027463	0.032463
Swiss Franc	0.301385	0.312385
Australasia		
Australian Dollar	0.198314	0.210314
New Zealand Dollar	0.184818	0.194318
America		
Canadian Dollar	0.224581	0.233561
US Dollars	0.300450	0.305750
US Dollars Mint	0.300950	0.305750
Asia		
Bangladesh Taka	0.002933	0.003734
Chinese Yuan	0.041569	0.045069
Hong Kong Dollar	0.036955	0.039705
Indian Rupee	0.003692	0.004464
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002746	0.002926
Korean Won	0.000245	0.000260
Malaysian Ringgit	0.069394	0.075394
Nepalese Rupee	0.002649	0.002989
Pakistan Rupee	0.001341	0.002111
Philippine Peso	0.005740	0.006040
Singapore Dollar	0.216223	0.226223
Sri Lankan Rupee	0.001319	0.001899
Taiwan	0.009702	0.009882
Thai Baht	0.009650	0.010200
Vietnamese Dong	0.000013	0.000013
Arab		
Bahraini Dinar	0.801672	0.809732
Egyptian Pound	0.018646	0.022006
Iranian Riyal	0.000084	0.000086
Iraqi Dinar	0.000211	0.000271
Jordanian Dinar	0.424644	0.433644
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000157	0.000257
Moroccan Dirhams	0.021390	0.045390
Omani Riyal	0.785908	0.793809
Qatar Riyal	0.082996	0.083830
Saudi Riyal	0.080127	0.081427
Syrian Pound	0.001291	0.001511
Tunisian Dinar	0.102558	0.110558
Turkish Lira	0.046495	0.056340
UAE Dirhams	0.082284	0.083112
Yemeni Riyal	0.000990	0.001070