

Business

stc levels up unlimited 5G roaming service to span all GCC countries

First local and regional operator to offer ultra-fast roaming speeds

KUWAIT: Kuwait Telecommunications Company - stc, a world-class digital leader providing innovative services and platforms to customers, enabling the digital transformation in Kuwait, announced that it will be the first operator in the Middle East to offer unlimited 5G roaming for all its postpaid, prepaid and enterprise customers across all GCC countries. The innovative and ground-breaking service can be added to any of stc's packages for both existing and new customers starting at only KD 7.

stc released a statement indicating that the first-to-market offering will permit stc customers to enjoy the telecom operator's ultra-fast 5G speeds throughout all GCC countries without any price increases to offered roaming packages. The



Maziad Al-Harbi

Company is also planning on offering a wide range of roaming services to countries within Europe and the United States of America, which will be announced in the coming period.

Through its pioneering role in the local and regional telecom sector, stc is offering this breakthrough service with unlimited internet usage, allowing users to stay connected at all times, even when traveling to GCC countries. As the first telecom operator to

rollout this unique service in Kuwait and the Middle East, unlimited 5G roaming is available to customers traveling to the Kingdom of Saudi Arabia, the United Arab Emirates, Bahrain, Oman and Qatar. This initiative builds on the Company's previous promotion, which offered 5G roaming services to KSA and the UAE with packages starting at KD7 a month.

Commenting on the first-of-its-kind service, CEO of stc, engineer Maziad Al-Harbi, said, "We are proud to offer this innovative service that goes beyond border boundaries and represents the strong bond shared between the GCC countries. The unlimited 5G roaming service allows our valued customers to experience the same quality of internet service and high-speed connectivity

while traveling anywhere in the GCC. Possessing the network with the largest coverage in Kuwait, our goal is to enrich our customers' experiences by offering them telecommunication and internet roaming services wherever they are."

Al-Harbi added, "Our strategic approach targeting sustainable development in the digital and telecom realm drives us to explore customer-centric solutions that grasp the power of true 5G technology to enable digital transformation. At stc, we stand by our commitment to utilize our resources and network to diversify our offerings, delivering an unrivaled experience and range of options that meet the needs of our diverse customer base."

Brexit risk premium returns to UK markets

LONDON: The latest bout of sabre-rattling between Britain and the EU is upping the premium investors demand for holding UK assets for fear of a chaotic Brexit outcome with hugely damaging consequences for the economy.

The pound is down 4 percent against the dollar this month. Now as the UK parliament starts debating legislation that defies international law by breaching the EU divorce treaty, British shares, option markets and bonds are also swiftly pricing the Brexit premium. The pricing of Brexit risk is filtering through to interest rate futures and inflation expectations too. Here are some examples of the Brexit premium:

1) Sterling implied volatility

Implied volatility, options that show investor expectations of future price swings in a currency, has shot up on sterling/dollar. One-month volatility, or 'vol' in trader parlance, is at five-month highs around 12 percent-well above implied vol on other G7 currencies. The one-month vol spike has sent it above the 12-month gauge, inverting the options curve for the first time since March and implying a rise in near-term risks.

Options called risk reversals too show the implied vol premium to buy sterling 'puts' over 'calls' has risen sharply this month.

2) Equity risk

Since Britain voted in a June 2016 referendum to exit the EU, its stocks have underperformed. This year, the FTSE index lags the European STOXX benchmark by 17 percent-partly because the former is heavy on poorly performing energy and commodity firms. But Brexit is also to blame. A sector-based comparison of performance and valuations shows evidence of a Brexit premium.

"If you look at sector differentials-for instance UK energy or financials versus the rest of the world, you can see an additional risk premium on the UK," said Justin Onuekwusi, portfolio manager at Legal & General Investment Management.

"UK assets look cheap relative to rest of world."

3) Borrowing premium

Investors also want a Brexit premium to lend to British companies, reflected above all in bonds issued by banks. For instance, the gap between the yield on Barclays's September 2023 euro-denominated bond and a Deutsche Bank note maturing the same month has widened of late to the highest in nearly three months around 38 basis points.

ABN Amro analysts noted that spreads on euro-denominated bank bonds widened around 3 basis points last week, but UK lenders saw spreads blow out by 20-30 bps. "We anticipate that Brexit negotiations will continue to exert negative headlines. UK risk premiums are likely to stay elevated for the remainder of this year," they told clients.

4) Curve steepening

Brexit premia may also be contained in a steeper UK gilt yield curve. Money markets have brought forward bets of a Bank of England rate cut, pricing negative interest rates for early-2021. "If you looked at the UK curve relative to Bund curve, our curve is now steeper. Given the currency is unable to get cheaper and cheaper, it's easier for other things to move a little bit. The steepening in the curve offers a premium," Societe Generale analyst Kit Juckes said.

5) Inflation expectations

Market-based measures of future UK inflation have ticked up, a pattern seen also after the 2016 referendum when the pound crash lifted inflation expectations. The latest rise in inflation expectations coincided with the bout of pound weakness, suggesting it is Brexit-related and not down to COVID-19 reflation, said Viraj Patel, global macro and currency strategist at Arker. — Reuters

Novo Nordisk Gulf Cluster and Sheikh Al-Khalifa sign MoU

MANAMA: On 18 August, a memorandum of understanding (MoU) has been signed between Novo Nordisk Gulf Cluster represented by its Vice President and General Manager Dr Akin Aksekili and Lieutenant General Doctor Sheikh Mohamed Bin Abdullah Al-Khalifa, Chairman of the Supreme Council of Health in Bahrain & President of Bahrain Diabetes Society in the presence of Ole Moesby, the Ambassador of Denmark to KSA, Kuwait, Bahrain, Oman and Yemen.

The signing of memorandum of understanding aims to raise awareness of obesity as a disease and its complications by conducting and officially launching Fit-your-life campaign which is a patient awareness campaign for people living with obesity.

The two parties seek through this memorandum of understanding to prepare educational programs, events and activities related to obesity for Healthcare Professionals. In addition, will be a national reference for the current gaps in obesity treatment and the options to tackle this chronic disease.

Vice President and General Manager of Novo



Sheikh Mohamed Al-Khalifa



Ole Moesby



Akin Aksekili

Nordisk Company Dr Akin Aksekili mentioned the importance of tackling this epidemic disease by training healthcare professionals so that they can effectively support people with obesity in Bahrain and Gulf Cluster.

Chairman of the Supreme Council of Health & President of Bahrain Diabetes Society Sheikh Mohamed Al-Khalifa assured that the memorandum of understanding and the unprecedented partnership aims to activate different aspects to tackle overweight & obesity, like community activation campaign and Healthcare educational activities.

Ambassador of Denmark Ole Moesby described this memorandum of understanding as a distinguished milestone in tackling one of the major health challenges and hoped that the partnership between Novo Nordisk Gulf and the

Supreme Council of Health in creating obesity awareness will open the door for similar partnerships in other countries in the region.

Head of Patient Access and Public Affairs Department of Novo Nordisk company Dr. Ahmed Magdy, referred to the company's activities in the area of partnerships with the

international health organizations and its impacts on patients services. The signing event was attended by assistant undersecretary for public health at Ministry of Health and vice president of Bahrain Diabetes Society Dr Mariam Al-Hajeri, Consultant Endocrinologist and chair of scientific committee at Bahrain Diabetes Society Dr Dalal Alromaihi, Chief of health policies and programs at the Supreme Council of Health Dr Mohamed Al-Shabaan, Chief of Nutrition Section Public Health at Ministry of Health Dr. Buthaina Yusuf Ahmed Ajan, Senior consultant Paediatric Endocrinologist Bahrain Defense Force Hospital Prof Haya Al-Khayat, Assistant professor of Public health Arabian Gulf University Dr Salman Al-Zayani, from the Embassy of Denmark, Commercial Advisor Mary Guirguis, Cultural and Media Officer Julie Regitze Andersen participated in the ceremony.



TOKYO: SoftBank Group Representative Masayoshi Son speaking at a press conference to announce the company's financial results in Tokyo. SoftBank Group said yesterday it is selling British chip designer Arm to US chip company NVIDIA for up to \$40 billion. — AFP

SoftBank Group selling Arm to NVIDIA for \$40bn

TOKYO: Japan's SoftBank Group said yesterday it is selling British chip designer Arm to US chip company NVIDIA for up to \$40 billion, potentially creating a new giant in the industry. If approved, the deal will be one of the largest acquisitions anywhere in the world this year, and will propel NVIDIA to the forefront of the semiconductor sector.

The announcement also renewed speculation about SoftBank Group's future, with Bloomberg News reporting it is set to revive talks about going private via a management buyout plan. The Arm sale is valued at up to \$40 billion and is subject to approval by authorities in several jurisdictions, including Britain, China, the United States and European Union, SoftBank Group said.

It hopes the deal will be completed by around March 2022, it added in a statement. SoftBank Group shares soared in early morning trade in Tokyo, rising by almost 10 percent before settling slightly, up 7.78 percent to 6,316.0 yen around 30 minutes into the day.

Founded in 1990 in the United Kingdom, Arm specializes in microprocessors, and dominates the global smartphone market. But its chips are also found in countless sensors, smart devices and cloud services.

NVIDIA, well known for graphics cards that are favored in the video game industry, has seen sales skyrocket during the coronavirus crisis, with gaming a popular past-time in lockdown. Its products are also increasingly used for artificial intelligence and in data centers.

SoftBank bought Arm in 2016 for \$32 billion in a deal that left investors cold and saw the conglomerate's stock plunge sharply. Analysts at the time said SoftBank had paid too much for the firm and the

purchase revived concerns about the Japanese company's balance sheet.

SoftBank speculation

NVIDIA said in a statement that under the deal it will pay SoftBank \$21.5 billion in common stock and \$12 billion in cash, \$2 billion of which will be payable at signing. SoftBank may receive up to another \$5 billion in cash or stock, dependent on Arm's performance. And NVIDIA will also issue \$1.5 billion in equity to Arm employees, for a deal worth a total of up to \$40 billion. SoftBank said it felt Arm would perform better in combination with NVIDIA and the sale would "contribute to an increase in our company's value for shareholders".

It said the deal would give it a combined total of 6.7-8.1 percent in NVIDIA's outstanding shares, but insisted that would not make the US firm a subsidiary or affiliate. "Our belief in the power of Arm's technology and its potential remains unchanged, and we, as a strategic major shareholder in NVIDIA, will be committed to Arm's long-term success," SoftBank added. NVIDIA said the acquisition would help "create the premier computing company for the age of artificial intelligence".

It said Arm would retain its name and remain in Cambridge in the UK, where a new global centre for excellence in AI will be set up. The sale, which comes as SoftBank engages in a massive push to boost its cash reserves, renewed speculation about the firm's future plans. Bloomberg News, citing unnamed people familiar with the matter, said senior SoftBank executives planned to revisit a management buyout, which had previously met with internal opposition. The report said the discussions were at an early stage and might not result in the firm going private, but reflected pressure from those who feel SoftBank would be subject to less scrutiny if it were not publicly listed. SoftBank chief Masayoshi Son has made no secret of his frustration with varied criticism of his investment strategy, from his dogged commitment to floundering start-up WeWork to recent derivative trading that spooked investors. — AFP

CBK bonds and related Tawarruq

The Central Bank of Kuwait (CBK) announced the most recent issues of CBK bonds and related Tawarruq at a total value of KD 290 million for three months with a rate of return at 1.250 percent.

Euronext, Italian groups bid to buy Milan bourse

PARIS: Pan-European stock market operator Euronext announced yesterday it has submitted an offer to buy Milan's Borsa Italiana from the London Stock Exchange Group in partnership with Italy's CDP Equity and Intesa Sanpaolo. Euronext, which is competing against at least Germany's Deutsche Boerse for the Italian stock exchange operator, said there is no certainty that the "non-binding" bid will lead to a transaction.

"The proposed combination of Borsa Italiana and Euronext would create a leading player in continental European capital markets, where Italy would be the largest revenue contributor to the enlarged Euronext group," it said in a statement. "This transformational project would effectively position the newly formed group to deliver the ambition of further building the backbone of the Capital Markets Union in Europe, while at the same time supporting local economies." Both Euronext and Deutsche Boerse on Friday announced rival offers to try to buy Milan's Borsa Italiana, setting the stage for a bidding war. Switzerland's SIX is also reportedly considering joining the race for the Milan stock exchange. — AFP

Iraqi PM appoints Mustafa Ghaleb as CB governor

BAGHDAD: Iraqi Prime Minister Mustafa Al-Kadhimi appointed Mustafa Ghaleb as central bank governor, state news agency INA said yesterday. Kadhimi also appointed Suha Dawood Elias as head of the National Investment Commission and Salem Jawad Abdul Hadi Al-Jalabi as chairman of state-owned Trade Bank of Iraq (TBI), among other appointments, INA said.

INA did not provide further details. Iraq's economy and oil sector were battered by years of wars, sanctions and a stubborn Islamist insurgency triggered by the US invasion. Iraq relies on oil to fund 97 percent of its state budget. Iraqi Finance Minister Ali Allawi told parliament last week that reforming Iraq's economy would take five years of work and that state debt amounted to 80-90 percent of national product, while foreign debt was at \$133 billion. — Reuters