

business

Saudi delays May crude prices until April 10

● Saudi Aramco typically issues its OSPs by the 5th of each month

Reuters | Dubai

Saudi Aramco will delay the release of its crude official selling prices (OSP) for May until April 10 to wait for the outcome of a meeting between OPEC and its allies regarding possible output cuts, a senior Saudi source familiar with the matter said yesterday.

"It is an unprecedented measure that has not been taken by Aramco before. May OSPs will depend on how the OPEC+ meeting concludes. We are doing what we can to make it successful, including taking this extraordinary step to delay the OSPs," the Saudi source said.

Saudi Aramco typically is-

Aramco appoints Mark Weinberger to board

Reuters | Dubai

Saudi Aramco has appointed Mark Weinberger to its board of directors as an independent board member, replacing Andrew Gould, the company said in a statement yesterday.

Weinberger was the global Chairman and CEO of EY (previously known as Ernst & Young) from 2013 to 2019.

He currently serves as a director on the boards of Johnson & Johnson and MetLife as well as being a member on several boards of trustees, including the United States Council for International Business (USCIB).



Mark Weinberger, Global Chairman and CEO, EY, speaks at the 2019 Milken Institute Global Conference in Beverly Hills, California, U.S

sues its OSPs by the 5th of each month, setting the trend for Iranian, Kuwaiti and Iraqi prices and affecting more than 12 million barrels of oil per day bound for Asia.

OPEC and allies led by Russia, a group known as OPEC+, are due to meet on Thursday to discuss a possible new global crude supply cut to end a price war between Saudi Arabia and Russia which has prompted U.S. President Donald Trump to intervene.

The Saudi source said that Riyadh wants to avoid a repeat of the outcome of a March meeting where oil talks collapsed due to Russia's refusal to cut output.

Coordinated cuts between OPEC+ members expired on March 31, having helped support crude prices since they began in January 2017.

The OPEC+ meeting was initially due to take place on Monday, but was postponed to April 9

"to allow for more time to reach out to all producers including OPEC+ and others", the Saudi source said.

Oil prices hit an 18-year low on March 30 due to a slump in demand caused by lockdowns to contain the coronavirus outbreak, and the failure of OPEC and other producers to extend coordinated output cuts.

The OPEC+ group is debating a global oil production pact to cut 10 million bpd or about 10 per cent of global oil supply, an OPEC source said on Friday. Any agreement should include producers from outside of the OPEC+ alliance, OPEC sources said.

Asian refiners have called on Saudi Arabia, the world's top oil exporter, to slash OSPs for a third straight month after Middle East benchmarks and refining margins fell amid ample supplies and lower demand due to the coronavirus, a Reuters survey showed.

UAE doubles stimulus to counter coronavirus impact

● Last month, UAE announced stimulus worth \$35 billion

● The central bank reduced by half to 7.0 per cent the reserves banks are required to keep

AFP | Abu Dhabi

The Central Bank of the United Arab Emirates said Sunday it has doubled to \$70 billion a stimulus package to support the Gulf state's economy amid the coronavirus pandemic.

"The aggregate value of all capital and liquidity measures adopted by the CBUAE since 14 March 2020 has reached 256 billion dirhams (\$70 billion)," the central bank said in a statement.



A deserted street in the Emirate city of Dubai amid the coronavirus outbreak

Last month, oil-rich UAE announced stimulus worth \$35 billion that included aid to the banking system, facilities for loans and injecting funds into the bourses.

Most of the new measures focused on easing financial and liquidity requirements for banks

to free up cash for lending.

In the new measures, the central bank reduced by half to 7.0 per cent the reserves banks are required to keep for demand deposits, which can be withdrawn by clients anytime.

This will allow for some \$16.6 billion in liquidity to be used in

new bank lending, the central bank said.

The regulator's new measures also allow banks to defer payment of loans for companies and clients until the end of 2020.

"The additional measures announced today will effectively relieve the pressure on financial institutions ... offering the required relief and continued access to funding for businesses and households," newly-appointed governor Abdulhamid Saeed said.

The UAE, where 1,505 coronavirus cases and 10 deaths have been reported, has introduced strict measures including halting travel and closing shopping malls and entertainment venues.

On Saturday night, Dubai, one of the seven emirates making up the UAE, announced a two-week lockdown in which it will carry out tests in densely populated areas.

Starbucks competitor Luckin apologises for fraud scandal



Luckin Coffee has apologised for a senior executive faking sales figures

AFP | Beijing

Luckin Coffee, China's biggest rival to Starbucks, apologised yesterday after it revealed a top executive may have faked 2.2 billion yuan (US\$310 million) worth of sales in 2019.

The company's former chief operating officer, Liu Jian, and several of his staff have been suspended pending an internal investigation, it said in a US Securities and Exchange Commission filing last week.

"The company retains the right to take legal measures against those suspected to be involved, it will not shield them or be lenient," Luckin Coffee said in a statement on Weibo Sunday.

Luckin Coffee added that its stores would remain open as usual, and acknowledged that it relied on the support of its customers.

The company said in its filing that fabricated sales extended from the second to fourth quarter last year, making up almost half of its estimated 2019 revenue of US\$732 million.

Luckin Coffee has not yet released its fourth-quarter results.

After the bombshell was revealed Thursday, shares in the NASDAQ-listed firm plunged more than 70 per cent.

The coffee start-up had

aimed to dethrone Starbucks in China by pursuing an aggressive growth strategy, enticing customers with an app-based purchasing model which prioritised takeaway and delivery options, and generous mobile coupons.

By the end of 2019, the Xiamen-headquartered chain's 4,500 outlets in mainland China had already surpassed Starbucks' 4,300 stores, and investors touted the company's potential to go global.

Short-selling firm Muddy Waters Research raised doubts over the accuracy of Luckin Coffee's third-quarter financial transactions in a report earlier this year.



Dubai Islamic Bank, subsidiary Noor have \$541 million exposure to NMC Health

● NMC has seen its stock more than halve in value since December

Reuters | Dubai

Dubai Islamic Bank said yesterday it has \$425 million exposure to troubled hospital operator NMC Health and its subsidiary Noor Bank has a further \$116 million exposure to the London-listed company.

NMC, which recently revised its debt position to \$6.6 billion, much above earlier estimates, has seen its stock more than halve in value since December after short-seller Muddy Waters



DIB said it is now in discussions with NMC and its advisors to ascertain the group's financial position

questioned its financial statements.

On Saturday NMC's major lender, Abu Dhabi Commercial Bank, said it applied to Britain's High Court on April 2 to appoint joint administrators for the hospital operator.

NMC Health's new executive

chairman on Saturday called on the company's creditors for a debt standstill and said he would work with authorities in Britain and the United Arab Emirates (UAE) to recover misused funds.

DIB said it is now in discussions with NMC and its advi-

sors to ascertain the group's financial position and identify potential measures to address its governance and financial issues.

The aggregate exposure to NMC constitutes as of March 31 is approximately 0.7 per cent of DIB's total assets, DIB said.