

Banks boost Saudi stocks

● 10 of 11 Saudi banks climb

● Riyadh Bank, Banque Saudi Fransi rise ahead of going ex-dividend

● Kuwait rises for eleventh straight day

Reuters

The Saudi stock market rose yesterday as nearly all its banks surged ahead of earnings announcements, while Egypt dropped sharply with most blue-chips declining.

The Saudi index gained 0.7 per cent with 10 of its 11 banks rising. Riyadh Bank rose 1.6pc and Banque Saudi Fransi added 0.6pc before both go ex-dividend in the next trading session. Investors will be entitled to the next dividend pay-out as of Thursday.

Saudi banks are expected to report strong second-quarter earnings. Investment bank EFG Hermes forecast 7.6pc growth year-on-year in second-quarter profit for Saudi Arabia's financial sector.

Saudi Enaya Cooperative Insurance surged 1.9pc after it won a medical insurance con-



A trader watching stock movements on the floor of Tadawul (file)

tract worth over 5pc of its revenue last year.

Egypt's blue-chip index decreased 1.4pc as most of its shares turned red, with Commercial International Bank shedding 1.6pc and Ezz Steel slumping 7.7pc after swinging to a first quarter loss earlier this week.

Exchange data on Thursday showed non-Arab foreigners were net sellers of Egyptian stocks.

In Qatar, the index reversed course to rise 0.6pc with Qatar Insurance up 3.1pc, while Qatar Gas Transport (Nakilat) rose 2.2pc after posting 7pc growth in first-half net profit.

The Gulf's largest bank, Qatar National Bank (QNB), edged up 0.2pc after the lender reported a 4pc increase in first-half net profit.

The Abu Dhabi index increased 0.5pc, with First Abu Dhabi Bank, the country's larg-

Closing Bell

SAUDI	▲ 0.7pc	» 8,968 pts
ABU DHABI	▲ 0.5pc	» 5,052 pts
DUBAI	▼ 0.1pc	» 2,686 pts
QATAR	▲ 0.6pc	» 10,613 pts
EGYPT	▼ 1.4pc	» 13,814 pts
BAHRAIN	▼ 0.2pc	» 1,537 pts
OMAN	▼ 0.1pc	» 3,808 pts
KUWAIT	▲ 0.1pc	» 6,777 pts

est lender, ending 1.1pc higher and Aldar Properties up 2pc.

On Wednesday, the property developer was awarded 5 billion dirhams (\$1.36 billion) of development projects from the Abu Dhabi government.

Kuwait's index closed 0.1pc higher, as National Bank of Kuwait gained 1.1pc and Mobile Telecommunications Co rose 1.9pc.

The index ended the session in positive territory for the eleventh straight session, triggered by MSCI's decision to move Kuwaiti equities to its main emerging-market index in 2020.

Kuwait has outperformed its Gulf peers in anticipation of the MSCI move and is up more than 28pc year-to-date.

The Dubai index eased 0.1pc after rising as much as 0.6pc earlier in the day, hurt by a 2.5pc fall in Emaar Malls and a 0.4pc drop in Emaar Properties.



The Annual Blood Donation Drive spearheaded by Bahrain Mumtalakat Holding Company (Mumtalakat), the sovereign wealth fund of the Kingdom of Bahrain, was conducted yesterday at the Arcapita Building, Bahrain Bay. Organised in partnership with the Ministry of Health's Central Blood Bank, the blood drive brought together staff from the Mumtalakat group in Bahrain as well as from companies located in the Arcapita Building and Bahrain Bay area, including family members and friends.

China fails to buy agricultural goods: Trump

Washington, United States

US President Donald Trump yesterday accused China of backsliding on promises to increase purchases of American farm exports.

The president's latest salvo on Twitter comes the same week that US and Chinese trade officials had their first

contact in months in an effort to revive negotiations that nearly collapsed in May.

Trump and his Chinese counterpart Xi Jinping met last month on the sidelines of the Group of 20 summit in Japan, agreeing to cease further hostilities while the talks resumed.

Dow surges past 27,000, dollar sags on rate cut fever

London, United Kingdom

The Dow powered above 27,000 points for the first time while the dollar slumped yesterday as investors welcomed the head of the Federal Reserve effectively flagging a cut in US interest rates later this month.

In a first day of closely watched congressional testimony on Wednesday, Jerome Powell said the case for lower borrowing costs "had strengthened" owing to headwinds caused by global trade uncertainty.

"It's safe to say that investors were pleased with Jerome Powell's first day of testimony on

Key figures around 1530 GMT

London - FTSE:	▼ 0.3 pc	at 7,509.82 points (close)
Paris - CAC 40:	▼ 0.3 pc	at 5,551.95
Frankfurt - DAX 30:	▼ 0.3 pc	at 12,332.12
EURO STOXX 50:	▼ 0.1	at 3,497.47
New York - Dow:	▲ 0.7 pc	at 27,044.38
Tokyo - Nikkei 225:	▲ 0.5 pc	at 21,643.53 (close)
Hong Kong - Hang Seng:	▲ 0.8 pc	at 28,431.80 (close)
Shanghai - Composite:	▲ 0.1 pc	at 2917.76 (close)
Euro/dollar:	▲	at \$1.1261 from \$1.1251 at 2100 GMT
Pound/dollar:	▲	at \$1.2552 from \$1.2504
Dollar/yen:	▼	at 108.28 yen from 108.46 yen
West Texas Intermediate:	▲ 28 cents	at \$60.71 per barrel
Brent North Sea crude:	▲	at \$67.01 per barrel

Wednesday, with equity markets jumping on his dovish assessment," said Oanda analyst Craig Erlam.

US equities, which had surged on Wednesday with the Nasdaq ending at a record high, pushed even higher.

The Dow shot above 27,000 points to set a new intraday record, while the S&P 500 briefly broke the 3,000 point level.

"Dow just hit 27,000 for first time EVER!" tweeted US President Donald Trump, who has been outspoken about his desire for the Fed to cut rates to support the economy.

"The Fed Chairman doesn't typically provide strong and direct messages on policy direction, which makes predicting future rate movements all the more difficult. But Wednesday's message was clear, the data is softening -- particularly on the inflation side -- and downside risks are significant," Erlam said.

Most Asian markets had followed Wall Street's lead, with Hong Kong jumping 0.8 per cent and Tokyo ending the day 0.5pc higher.

But European markets turned lower.

"With these dovish tones from

the Fed driving the dollar lower, we are seeing European stocks stutter in the wake of a strengthening euro and pound," said Joshua Mahony, senior market analyst at online trading firm IG.

Investors were also keeping an eye on Powell's second day of testimony on Capitol Hill.

Higher-than-expected June inflation data didn't seem to dent expectations that the Fed would go ahead with a rate cut.

Consumer prices rose 0.1pc month-on-month, while 12-month inflation excluding volatile energy and oil prices, added a tenth of a percentage point to 2.1pc.

US launches investigation into France's tax on tech giants

Washington, United States

US President Donald Trump has ordered an investigation into France's planned tax on internet services that will hit American tech giants especially hard, officials said.

The investigation into unfair trade practices could pave the way for Washington to impose punitive tariffs, something Trump has done repeatedly since taking office.

"The United States is very concerned that the digital services tax which is expected to pass the French Senate tomorrow unfairly targets American companies," US Trade Representative Robert Lighthizer said in a statement.

The proposed three percent tax on total annual revenues of companies providing services to French consumers only applies to the largest tech companies, "where US firms are global lead-



US President Donald Trump said the US is very concerned that the tax will unfairly target American Companies

ers," the trade representative's office said.

The so-called Section 301 investigation is the primary tool the Trump administration has used in the trade war with China to justify tariffs against what the United States says are unfair trade practices.

USTR will hold hearings to allow for public comment on the issue over several weeks before issuing a final report with a recommendation on what actions to take.

Despite the objections to the French tax proposal however, the statement said the United States will continue to work with other advanced economies to address the conundrum of how to tax tech companies.

The Group of 20 has tasked the Organization for Economic Cooperation and Development with finding a fix in the international tax system that has allowed

US 'threats' not way to solve digital tax law dispute: French minister

Paris, France

France yesterday rejected a US investigation into its plans to tax internet giants which could trigger punitive tariffs, saying "threats" were not the way to resolve disputes.

"Between allies, I believe we can and must resolve our differences in another way than through threats," Economy Minister Bruno Le Maire told the French Senate ahead of a vote.

Le Maire said he was warned about the so-called Section 301 investigation during a "long conversation" with US Treasury Secretary Steven Mnuchin.

some internet heavyweights to take advantage of low-tax jurisdictions in places like Ireland and pay next to nothing in other countries where they make huge profits.

The Computer & Communications Industry Association on Wednesday applauded the US Trade Representative's move, saying the tax would retroactively require US internet giants operating in France to turn over a percentage of their revenues from the beginning of this year and violates international trade commitments.

"This is a critical step toward preventing protectionist taxes on global trade," CCIA official Matt Schruers said in a statement.

"CCIA encourages France to lead the effort toward more ambitious global tax reform, instead of the discriminatory national tax measures that harm global trade."