Abu Dhabi hits multi-year

- Foreigners will be allowed to own as much as 40pc of FAB stock
- Emaar Properties were down 1.2pc
- Saudi stocks made a lacklustre start to the week

Reuters | Dubai

Visitors look at stock price information displayed on a digital screen inside the Saudi Stock Exchange

Abu Dhabi stocks closed up 2.4 per cent yesterday, reaching a four-and-a-half year high as First Abu Dhabi Bank (FAB) surged after it obtained regulatory approval to increase its foreign ownership limit. Other Gulf markets were weak.

Foreigners will be allowed to own as much as 40pc of FAB stock, up from a previous limit of 25pc, lifting FAB shares by almost 5pc.

FAB shares closed at 15.58 UAE dirhams ($4.24), their highest since May 2014. The index ended at 5,174 points, its highest since September 2014.

Dubai shares were flat on weakness in Emaar Properties, which was down 1.2pc.

Shares of Emirates NBD rose 1.7pc however after the bank said it had sold more shares in the London initial public offering of Network International after exercising a greenshoe option.

Saudi stocks made a lacklustre start to the week as financial shares fell on profit-taking after robust gains in the Gulf region's biggest stock market this year.

The index ended 0.4pc lower, with Al Rajhi Bank down 0.6pc and Samba Financial Group down 1.3pc.

It is still up almost 16pc so far this year, fuelled by an increase in foreign fund flows as it entered the FTSE Russell's emerging market index on March 18.

Qatari stocks were down 0.2pc, pressured by a 0.9pc drop in market heavyweight Industries Qatar and a 1.3pc fall in Qatar Insurance Co..

Across the rest of the Gulf, Bahrain stocks were up 0.5pc, while Kuwait's market was flat.

Closing Bell

SAUDI	▼ 0.4 pc	» 9,055 pts
ABU DHABI	▲ 2.4 pc	» 5,174 pts
DUBAI	▲ 0.1 pc	» 2,788 pts
QATAR	▼ 0.2 pc	» 10,236 pts
EGYPT	▼ 0.2 pc	» 15069 pts
BAHRAIN	▲ 0.5 pc	» 1,445 pts
OMAN	▲ 0.2 pc	» 3991 pts
KUWAIT	▼ 0.1 pc	» 6,123 pts

China's economic growth cools

- The world's second largest economy expanded by 6.3 per cent in the January to March period

AFP | Beijing, China


An aerial view of a port in Qingdao in China's eastern Shandong province.

China's economy cooled further in the first quarter, according to an AFP survey of analysts, as Beijing resorted to tried-and-tested measures to combat tepid global demand and a bruising US trade war.

The world's second largest economy expanded by 6.3 per cent in the January to March period, the poll of 13 economists found ahead of the official release of gross domestic product figures on Wednesday.

It would mark the slowest pace of quarterly growth for almost three decades.

The figure remains within the range targeted by the government of 6.0 to 6.5pc for the whole year, down from 6.6pc in 2018.

To combat the slowdown, Beijing has stepped up support for the economy in recent months, announcing massive tax cuts and other fee reductions to help struggling companies.

Last month Premier Li Keqiang acknowledged "downward pressure" but vowed not to let the economy "slip out of a reasonable range".

Beijing faces a delicate balancing act as it tries to support private businesses in need of credit, without further inflating its debt balloon.

Policymakers have turned the credit taps back on after several years of crushing deleveraging with credit data Friday from China's central bank showing monetary easing kicking in.

Bank loan growth accelerated to its fastest monthly pace since 2016, said Chang Liu of Capital Economics, noting it usually takes six months for credit growth to translate into greater economic activity.

But another economist, Bjorn Giesbergen of RaboResearch, warned that loans have not always reached the private sector and "China's debt-to-GDP levels are already excessive".

The problems are only going to get "exponentially worse" if the new credit again does not flow to the private sector, he told AFP.

Policies enacted this month, like cutting the value-added tax, and a cut in company social insurance contributions coming next month will more directly help China's struggling private sector.

Job insecurity

Last year China's infrastructure investment fell to 3.8pc on-year growth, down from years of near 20pc expansion.

In recent months, big earth moving projects that Beijing had put on hold were restarted to pull along the economy.

Growth was largely driven by infrastructure investment, with project approvals front-loaded and huge special bond issuance, said Nathan Hung Lai Chow, an economist at DBS.

"Consumer confidence remained fragile due to job insecurity," Chow said.

China's normally steady unemployment rate rose to 5.3pc in February, from 4.9pc in December, while retail sales growth remained near a 15-year low.

The International Monetary Fund on Tuesday raised its forecast for full year growth to 6.3pc from 6.2pc citing China's ramping economic stimulus and clearing trade tensions with the US.

Trade war

All signs point to the United States and China closing in on a trade deal after nine rounds of high-level talks between the two economic giants.

Last year Washington and Beijing slapped tariffs on more than $360 billion in two-way trade, biting into their manufacturing sectors.

Chinese data Friday showed the politically sensitive trade surplus with the US widened to $20.5 billion last month from $14.7 billion in February.

One sticking point in the talks had been an insistence by American officials that any final agreement have teeth -- but it appears the negotiators have found a resolution.

But no date has been set to bring together President Donald Trump and his counterpart Xi Jinping for a deal signing.

"We think that growth will find a floor in (the second quarter) in response to the macro policy easing and improved confidence following the easing of tensions with the US," said Tommy Wu of Oxford Economics in a note.

US seeks $10 bn trade finance fund for Venezuela: Mnuchin


World Bank President David Malpass (L) shakes hands with US Treasury Secretary Steven Mnuchin prior to the G20 Finance Ministers and Central Bank Governors Meeting

Washington, United States

The United States is working with a group of countries to build a $10 billion fund to help Venezuela rebuild trade once a new government is in place, Treasury Secretary Steven Mnuchin said Saturday.

The United States has joined dozens of other countries in recognizing Venezuelan opposition leader Juan Guaido as interim president but embattled President Nicolas Maduro remains in power.

Mnuchin said that, during the spring meetings of the International Monetary Fund and World Bank, officials had discussed how to aid in the Caribbean country's recovery.

But those institutions must sit on the sidelines until there is clear international recognition of a government in Caracas and a way to put funds into use in the country which has seen its economy collapse, while people are fleeing because they cannot get basic food and medicines.

"Every single time I've had one of these meetings I can't believe how much worse it gets on the ground for the people of Venezuela. This is a humanitarian crisis," Mnuchin said.

In addition to the potential for financing from the IMF and World Bank, he hosted a meeting on Thursday of the friends of Venezuela, which includes many Latin American and European countries, as well as Japan, where ministers also discussed the need for the oil exporting power to restore trade.

"We're going to be working on trying to put together a consortium of about $10 billion of trade finance that would be available for the new government to spark trade," Mnuchin said.

FB, Instagram and WhatsApp working again after outages

Reuters

Facebook Inc said it restored services yesterday after some users could not access its social networking site, photo-sharing network Instagram and messaging app *WhatsApp*.

However, *Facebook* did not specify the cause or scope of the outages.

"Earlier today, some people may have experienced trouble connecting to the family of apps. The issue has since been resolved; we're sorry for any inconvenience," a *Facebook* spokesman told Reuters.

The issue comes after Facebook experienced one of its longest outages in March, when some users around the globe could not access Facebook, Instagram and WhatsApp for more than 24 hours.

On Sunday, *Downdetector.com* indicated that there were more than 12,000 incidents of people reporting issues with Facebook at its peak.

Tax man will be all over the British royal baby

New York, United States

Talk about being born with a silver spoon in your mouth: the royal baby of Prince Harry and Meghan Markle will have a particularly glittery one.

And US tax authorities will be keen to know how much that utensil is worth.

That's because the baby will have dual nationality: British because of his father and US from his American mother, whose official title is the duchess of Sussex.

"When one of the parents is American and has resided in the US for five years with at least two after the age of 14, the baby is automatically a citizen," said David Treitel, founder of American Tax Returns, a consultancy for US expatriates living in Britain.

"This is the case with Meghan," said Treitel, noting this case is a first in the British royal family.

US nationality comes with a bevy of restrictive conditions: like any American who is born, grows up and dies anywhere in the world, year after year Meghan and Harry's child will have to show the Internal Revenue Service his or her tax status is clean.

From the moment of birth, money deposited in banks by the royal parents -- eager to ensure a bright future for their progeny -- must be duly reported to the tax man.

The same would apply to money that comes in if mom and dad decide, say, to have the child follow in the footsteps of his ex-actress mother to become a star on TV or in movies.