

European stocks rebound

Italy's populist government defied the European Commission by sticking to a big-spending budget plan

AFP | London, United Kingdom

European equities turned around an early weak trend yesterday, lifted by Wall Street which had a fresh go at recouping losses seen at the start of the week.

US stocks had already attempted a comeback on Tuesday from the previous day's heavy losses, but late jitters undermined the recovery.

Dealers said, however, there was no guarantee the rebound in European stocks would last, given deep uncertainty over the conditions of Britain exiting the European Union, and a damaging standoff between Italy and the EU over Rome's budget.

A slowdown in powerhouse Germany's economy is also a worry, they said, after it shrank 0.2 per cent in the third quarter, in news which sent the euro sliding against the dollar.

The pound was under pressure as Prime Minister Theresa May defended her divorce deal with the EU before rowdy lawmakers before trying to win the backing of her splintered cabinet.

"Uncertainty around Italy and Brexit are weighing on sentiment," noted CMC Markets analyst David Madden.

'Hot tin roof'

But the weakness in both the European currencies actually helped the continent's stock markets which stand to gain



Traders work on the floor at the closing bell of the Dow Industrial Average at the New York Stock Exchange

Key figures around 1435 GMT

London - FTSE 100:	▲ 0.8 percent at 7,108.56 points
Frankfurt - DAX 30:	▲ 0.7pc at 11,552.65
Paris - CAC 40:	▲ 0.5pc at 5,127.98
Milan - FTSE MIB:	■ at 19,229.42
EURO STOXX 50:	▲ 0.4pc at 3,238.82
New York - Dow:	▲ 0.7pc at 25,485.01
Pound/dollar:	▼ at \$1.2946 from \$1.2977 Tuesday
Euro/dollar:	▼ at \$1.1285 from \$1.1290 at 2200 GMT Tuesday
Dollar/yen:	▲ at 113.96 yen from 113.81 yen
Tokyo - Nikkei 225:	▲ 0.2pc at 21,846.48 (close)
Hong Kong - Hang Seng:	▼ 0.5pc at 25,654.43 (close)
Shanghai - Composite:	▼ 0.9pc at 2,632.24 (close)

when multinationals' foreign earnings translate into higher profits when they report in euros or pounds.

Italy's populist government defied the European Commission by sticking to a big-spending budget plan, risking financial sanctions in a high-stakes standoff that could spell fresh trouble for the eurozone.

"The Italian government made no changes in relation to their budget proposal, and Italian government bond yields are higher on the back of it as dealers are nervous about the potential fallout," Madden said.

Sterling had won a major boost Tuesday after Britain and the European Union revealed they had reached a draft Brexit deal.

But hardline Brexiteer MPs have warned they will seek to block it in parliament.

Most ominously for May, the Northern Irish Democratic Unionist Party (DUP), which props up her government, threatened to break their alliance over reports of a special arrangement for the British province.

"The pound is behaving like a cat on a hot tin roof -- leaping to a month high on Tuesday before sagging on Wednesday as the DUP's reservations about the government's Brexit gambit emerged," said David Lamb, head of dealing at Fexco Corporate Payments.

'Aggressive momentum'

"After two years of potholed progress, Britain's Brexit negotiations are approaching the end of the road. Expectations, and heartbeats, are accelerating -- but it's still not clear if what lies beyond is a smooth exit lane or an abyss."

Oil prices, meanwhile, clawed back some of the sharp losses this week seen on oversupply fears just as demand falters in the face of the China-US trade war and easing economic growth.

Prices are, however, still more than a fifth down from their four-year highs seen in early October.

Brexit deal in UK cabinet



Britain's Prime Minister Theresa May as she speaks during the weekly question and answer session

London, United Kingdom

British Prime Minister Theresa May will seek her cabinet's approval for a long-awaited divorce deal with the EU but hardline Brexiteer MPs warned they will seek to block it in parliament.

After months of talks, May's office announced late Tuesday that negotiators had finally struck a draft agreement on the terms of Britain's withdrawal from the European Union next March.

The pound surged following the news, which came just as Brussels stepped up preparations for a potentially catastrophic "no deal" exit. But the deal had barely been announced when prominent eurosceptics took to the airwaves to denounce it, with speculation that high-profile resignations could follow.

Diplomats and officials warned the technical agreement, which runs to hundreds of pages, will still need to gain political approval.

Ambassadors from the other 27 EU member states will meet later in Brussels, Ireland's Prime Minister Leo Varadkar will hold a cabinet meeting and May's ministers convene at 1400 GMT. In the hours before the cabinet meeting, May received her ministers one-by-one in Downing Street in what commentators said was a strategy to avoid a concerted revolt.

If the British cabinet approves the text, London is hoping for a special summit of EU leaders later this month to seal the deal.

But May has faced constant criticism from Conservative MPs over her approach.

Iraq recovers property worth millions after illegal sale

AFP | Baghdad, Iraq

The Iraqi government said yesterday it had retaken ownership of a piece of property in Baghdad worth millions of dollars after it was unlawfully sold to a government official's wife. In a statement to journalists, the Integrity Commission said it had worked with Baghdad authorities to recover the land in Kadhimiyah district.

"The Baghdad-Karakh appeals court issued a decision to seize the property, which amounts to 12,642 square metres, from the wife of a leading official in the previous government and re-register it in the name of the Mayorality," the

statement said.

"The land registration in the name of the official's wife has been nullified, as well as all subsequent registrations," it added.

The northern neighbourhood of Kadhimiyah is home to a revered shrine, as well as some of the city's most luxurious properties -- priced at up to \$10,000 per square metre.

The Integrity Commission said its investigation had revealed the official had sold the property to his wife in violation of laws regulating the lease or sale of state-owned property.

It did not reveal the official's identity, but a parliamentary source told AFP the accused had briefly served as a deputy



Integrity Commission worked with Baghdad authorities to recover land in Kadhimiyah. (File)

to Iraq's former prime minister, Haidar al-Abadi. In Baghdad, abandoned homes once be-

occupied by powerful political parties.

Iraq, according to Transparency International, is the 12th most corrupt country in the world. The embezzlement of public goods -- from land to government funds -- is a deeply rooted problem in a country with such a large public sector.

Corruption, shell companies and "phantom" public employees who receive salaries but do not work have cost Iraq the equivalent of \$228 billion dollars since 2003, according to Iraq's parliament.

That figure is more than the country's gross domestic product and nearly three times the annual budget.

BDB takes part in MENA Angel Investors Summit

TDT | Manama

The MENA Angel Investors Summit 2018, held as part of the Global Entrepreneurship Week (GEW), played a key role in providing investors across the MENA region a platform to empower and connect local and regional start-ups.

Bahrain Development Bank (BDB) was the event partner of the summit which had its theme focusing on educating investors on how to invest in start-ups, connecting start-ups with family offices, banks and law facilitators, learning and interacting with the start-up ecosystem. BDB



During a discussion at the MENA Angel Investors Summit 2018

hosted a specialised workshop for entrepreneurs and SMEs focused on marketing, business model development, and perfecting the way to pitch to investors.

Speaking at the summit BDB Group Chief Executive Officer Sanjeev Paul, who was a key speaker and a panellist at the event, briefed the audience on BDB's role in supporting young

entrepreneurs and the financial and non-financial services offered by the bank.

Explaining about the programmes BDB runs to fund start-ups, he said the bank runs a de-

velopment service programme called "Rowad" to support entrepreneurs in improving their business skills. BDB also runs a pioneering accelerator programme called the "Seed Fuel"

We have financed seven start-ups in the last 18 months

SANJEEV PAUL
GROUP CHIEF EXECUTIVE OFFICER

wherein the bank invests up to BD25,000 of seed capital in a start-up enterprise among others. "We have financed seven start-ups in the last 18 months and I am very pleased that three of our start-up investments have received further funding -- two from Flat6Labs and one from a Saudi Arabian investor," he added.

Commenting on the summit organised by Tenmou, BDB Senior Vice President and Head of Development Services Areeje Al Shakar said: "The MENA Angel Investors Summit is another example of continued collaboration in our eco-system."