

## Air France unions want French CEO

Paris | France

Trade unions at Air France called yesterday for the company to name a French chief executive amid reports that the board is set to nominate Canadian Ben Smith at the helm of the group.

Nine out of ten unions issued a joint statement saying it was "inconceivable that the Air France company, French since 1933, falls into the hands of a foreign executive whose candidacy is being promoted by a competitor".

The statement appeared to be referring to Delta Airlines, the US airline which owns 8.8 percent of the capital of Air France-KLM, the parent group formed out of the merger of Air France and KLM of the Netherlands in 2004.

The union statement, which said the new boss needed "intimate knowledge... of the French social model", said that the board was expected to hold a teleconference on Thursday to discuss the nomination.

The Franco-Dutch airline has been searching for a new boss since Jean-Marc Janiaillac resigned in May.

## Hong Kong spends \$2bn to defend currency peg

Hong Kong | China

Hong Kong's de facto central bank said yesterday it had bought up more than US\$2 billion worth of local currency to maintain a long-held peg to the US dollar.

The intervention -- which began Wednesday and was the latest in a series of moves to support the currency this year -- comes as the US dollar rockets on the back of turmoil in emerging markets and the ongoing Turkish lira crisis.

The buyout means that the Hong Kong Monetary Authority will have just \$12 billion in its reserves by the end of the week, the lowest level in a decade, Bloomberg News said.

Norman Chan, chief executive of the HKMA said the outflow of funds is a "normal and inevitable process for Hong Kong dollar interest rate normalisation".

On Thursday, the Hong Kong dollar was trading at HK\$7.8495 against the US dollar, very close to the edge of its permitted range of HK\$7.75-7.85.

Under the city's Linked Exchange Rate System, the HKMA is required to buy the local currency at HK\$7.85 to US\$1 to ensure exchange rate stability.

The southern Chinese financial hub has maintained a decades old peg with the US dollar, which keeps Hong Kong at the mercy of Fed policymakers.

The city's dollar was linked to the greenback in 1983 in a bid to prevent a sell-off as it wobbled over fears about China's reunification talks with Britain.

# Stocks regain composure

● Asian indices fell on concerns over Turkey's crisis

● China has accepted a US invitation to trade talks

● London stocks were aided by strong UK retail sales

London | United Kingdom

European and US stocks rebounded yesterday on news that Beijing and Washington will hold trade talks, while the Turkish lira rose after Qatar offered to invest \$15 billion in Turkey.

Frankfurt, London and Paris shares bounced higher, having shed more than 1.5 per cent the previous day on Turkey fears and Chinese growth concerns.

Meanwhile, the Dow was 1.0pc higher as trading opened on Wall Street.

"Investor risk sentiment has a boost on two fronts," noted OANDA analyst Dean Popplewell.

"Reports that China has accepted a US invitation to trade talks in late August and news that Qatar has pledged to invest



Pedestrians walk past an electronic board showing share prices on the Tokyo Stock Exchange (top C) and the world's major markets in Tokyo

\$15 billion in Turkey are helping market risk sentiment and pressuring the dollar."

Earlier, Asian indices fell on concerns over Turkey's crisis, but losses were capped by hopes of an end to the tit-for-tat trade war between China and the United States.

### Modest recovery

Emerging market currencies staged a modest recovery after a tumultuous week for the Turkish lira, which plumbled record lows against the dollar.

The lira's plunge -- ongoing

for weeks -- turned into a rout last Friday when US President Donald Trump tweeted that his administration was doubling aluminium and steel tariffs for Turkey.

Trump's decision was made amid a bitter row over Ankara's detention of an American pastor. President Recep Tayyip Erdogan said Turkey was facing an "economic attack".

However, the prospect of US-China talks "has prompted a rebound in the Chinese renminbi from its recent lows, while the continued recovery in the Turk-

### Key figures around 1330 GMT

London - FTSE 100	▲ 0.7pc at 7,550.37 points
Frankfurt - DAX 30	▲ 0.2pc at 12,185.80
Paris - CAC 40	▲ 0.4pc at 5,328.15
EURO STOXX 50	▲ 0.3pc at 3,367.94
New York - Dow Jones	▲ 1.0pc at 25,407.65
Dollar/Turkish lira	▼ at 5.74 lira from 5.94 lira late on Wednesday
Euro/Turkish lira	▼ at 6.55 lira from 6.74 lira
Euro/dollar	▲ at \$1.1380 from \$1.1345
Pound/dollar	▲ at \$1.2710 from \$1.2697
Dollar/yen	▼ at 110.63 from 110.74 yen
Tokyo - Nikkei 225	▼ 0.1pc at 22,192.04 (close)
Hong Kong - Hang Seng	▼ 0.8pc at 27,100.06 (close)
Shanghai - Composite	▼ 0.7pc at 2,705.19 (close)

ish lira has alleviated short term concerns of a collapse in the currency", noted CMC Markets analyst Michael Hewson.

China's Vice Commerce Minister Wang Shouwen, the deputy representative on international trade negotiations, will meet senior US treasury official David Malpass at Washington's invitation, Beijing said in a statement.

Traders saw a glimmer of hope of an easing in the ongoing trade battle that has seen the two sides hit each other with reciprocal tariffs on goods worth \$34 billion.

In Europe on Thursday, London stocks were aided by strong UK retail sales data for July.

### Bayer tumbles again

Frankfurt meanwhile gained 0.2pc, despite another plunge in the share price of Bayer.

The German chemicals and pharmaceuticals giant dived 5.9pc to 76.10 euros, rocked by media reports of new legal risks stemming from its acquisition of US seeds and pesticides maker Monsanto. The stock had fallen even more dramatically on Monday after a US jury ordered it to pay almost \$290 million in damages to a dying California groundskeeper who said Monsanto's blockbuster weedkiller Roundup -- whose active ingredient is glyphosate -- had caused his cancer.

## Taiwan hotel axes Marriott contract over naming row

AFP | Taipei, Taiwan

The owner of a Starwood-branded hotel in Taiwan said yesterday it will terminate its contract with Marriott International, in protest over the US group caving in to Beijing pressure to list the island as part of China.

Marriott was strongly criticised by Chinese authorities in January for listing Taiwan -- along with Tibet and Hong Kong -- as separate countries, all regions which Beijing claims under its authority.

After the Chinese government shut down Marriott's local website for a week, the hotel chain apologised and changed the listing to "Taiwan, China."

But the Four Points by Sheraton in Zhonghe, a district of the capital Taipei, announced

-- in a front page advertisement in local newspaper the Liberty Times -- it will terminate its franchise agreement with the parent group.

"We are sternly protesting against Marriott International unilaterally listing our hotel as 'Taiwan, China'" on the simplified Chinese version of a booking website for members, the advert read, adding it would "dissolve" its contract.

Simplified Chinese is used in mainland China. A more complicated traditional version is used in Taiwan and Hong Kong, and on that version of the website the island is still listed as "Taiwan".

Four Points by Sheraton is a brand of business hotels under the Starwood brand, which was bought by Marriott in 2016.

Lily Cheng, a spokeswoman

for the Zhonghe hotel, told AFP its name will now be changed and it will no longer take reservations from Marriott's booking system. "Of course it will cause some impact, but our main customers are corporates, and Taiwanese people, and other booking websites," she said.

Marriott did not immediately respond to a request for comment. China has taken a number of airlines, hotels and other companies to task in recent months for listing Taiwan as a separate country on their websites.

The foreign ministry lodged an official protest with the US for allowing Taiwan president Tsai Ing-wen to transit in Los Angeles en route to Paraguay this week, during which she gave a rare public speech by a Taiwanese leader on US soil.

## US media hit back at Trump

Washington | United States

US newspapers big and small hit back yesterday at President Donald Trump's relentless attacks on the news media, launching a coordinated campaign of editorials stressing the importance of a free press.

Leading the charge was The Boston Globe, which had issued an appeal for this drive -- accompanied by the hashtag #EnemyofNone -- that has been joined by more than 200 newspapers around the country.

"Today in the United States we have a president who has created a mantra that members

of the media who do not blatantly support the policies of the current US administration are the 'enemy of the people,'" the Globe editorial said.

"This is one of the many lies that have been thrown out by this president, much like an old-time charlatan threw out 'magic' dust or water on a hopeful crowd," it added in a piece entitled "Journalists are not the Enemy."

The *New York Times*, one of the most frequent targets of Trump's criticism, ran a short, seven-paragraph editorial under a giant headline with all capital letters that read "A FREE

PRESS NEEDS YOU" and with the statement that it is only right for people to criticize the press, say, for getting something wrong.

"But insisting that truths you don't like are 'fake news' is dangerous to the lifeblood of democracy. And calling journalists the 'enemy of the people' is dangerous, period," the Times wrote. Across the country, other papers joined in.

"At a practical level, we journalists sit through boring government meetings and learn about public school financing formulas, so you don't have to," said The Arizona Daily Star.

## Magic Leap's expensive but magical AR graphics

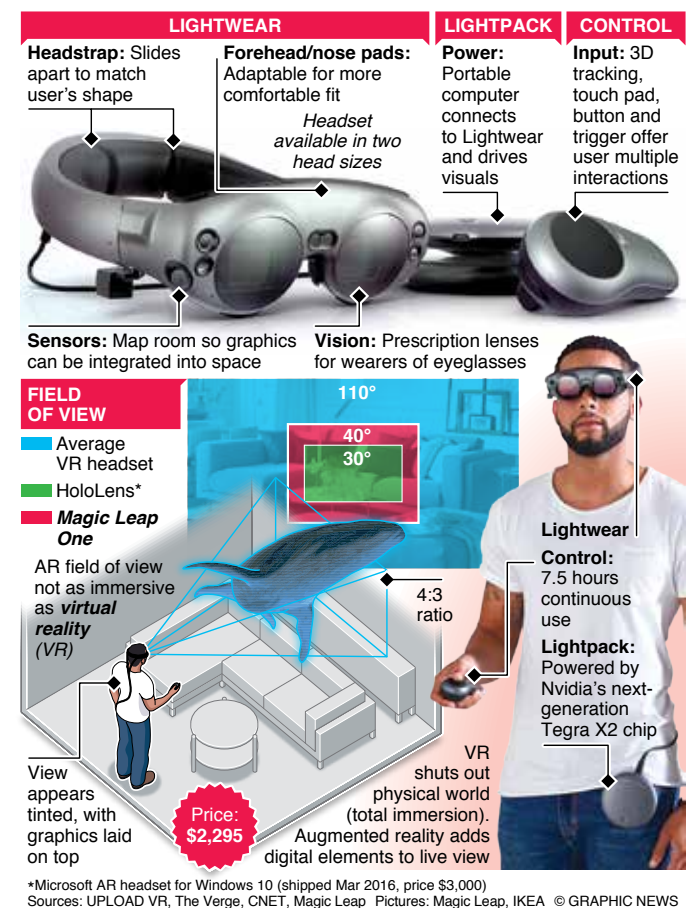
The Magic Leap One, under development for years and often derided as fiction by naysayers tired of its non-appearance, has finally arrived.

Magic Leap, the multi-billion dollar augmented reality technology startup, has finally shipped its long-awaited headset -- currently only available to a limited number of U.S. software developers.

After years of scathing reports that its rumoured technology was a billion dollar investment scam, the Magic Leap One has proven to be real, and although expensive at \$2,295, is impressing developers with its lightweight visor and computing power. But equally it is drawing criticism for its price point and the feeling that this version is just a stepping stone to a finished product still some years away.

The firm's founder, Rony Abovitz, says the company is looking to raise more financing, and is ready for a long-term battle with rivals Microsoft and Apple, which are developing their own AR headsets.

So far, the company has raised \$2.3 billion from the likes of Google, Alibaba, Qualcomm and Warner Bros.



\*Microsoft AR headset for Windows 10 (shipped Mar 2016, price \$3,000)  
Sources: UPLoad VR, The Verge, CNET, Magic Leap Pictures: Magic Leap, IKEA © GRAPHIC NEWS