

Gulf equities mostly down

● Gulf markets subdued ahead of Eid holiday

● Emerging markets weak on strong dollar

● Qatar witnesses biggest loss on profit-taking

Reuters | Dubai

Gulf equity markets were mostly flat to lower yesterday, lacking momentum ahead of a long holiday next week when markets will mostly be closed for Eid al-Adha.

In the absence of strong catalysts, Gulf stocks passively tracked emerging assets, which languished in bear market territory as the dollar held strong.

“Given a more nervous global backdrop for risk assets and an increase in volatility within emerging markets specifically, it’s unsurprising Gulf equities are softer,” said Akber Khan, senior director of asset management at Al Rayan Investment.

“Compounding this is the upcoming week-long Eid holiday which retail and institutional investors are looking to de-risk ahead of.”

Investors are keen to book profits given the strong perfor-



Qatar's main index witnessed the sharpest decline among its regional peers

mance of some equity markets in the region, he added.

Qatar's main index witnessed the sharpest decline among its regional peers.

Qatari stocks are up more than 10 per cent so far this year, bolstered in recent months by its move to increase its foreign ownership ceiling to 49pc from 25pc to boost its weighting on global indexes.

The index was down 1.5pc on Thursday, with Qatar Islamic

Bank witnessing the biggest decline at 4.6pc.

In Saudi Arabia, commodity and banking stocks led the declines on the Tadawul index, which was flat.

Saudi Basic Industries Corp (SABIC), the world's no. 4 chemical maker, was down 0.7pc. Saudi Arabian Mining Company (Ma'aden) declined 2.5pc.

Samba Financial Group and Banque Saudi Fransi declined 0.7pc and 0.2pc respectively.

There has been no significant impact from the depreciation of the Turkish lira on the results and quality of Saudi Arabian bank assets, Talaat Hafez, spokesman for Saudi banks, was quoted as saying in a tweet carried by the kingdom's state TV Alekhbariya on Thursday.

Earlier on Thursday National Commercial Bank, Saudi Arabia's largest bank by assets, said there was limited impact from the decline of the lira on the

Closing Bell

SAUDI	7,867
DUBAI	▼ 0.5% » 2,803
ABU DHABI	▲ 0.4% » 4,907
QATAR	▼ 1.5% » 9,448
KUWAIT	▲ 0.2% » 5,382
BAHRAIN	▲ 0.3% » 1,347
OMAN	4,390
EGYPT	▼ 0.3% » 15,310

bank.

The currency has lost nearly 40pc against the dollar this year, driven by worries over Turkish President Tayyip Erdogan's growing influence on the economy and his repeated calls for lower interest rates despite high inflation.

Dubai's index was slightly down, with blue-chip stocks mixed in trading. Dubai Islamic Bank, the emirate's oldest Shariah compliant lender, declined 1.2pc.

Emirates NBD, Dubai's biggest lender, was down onepc amid continued concerns among investors about its deal in May to buy Turkey's Denizbank for \$3.2 billion.

Elsewhere in the region, Abu Dhabi's benchmark rose 0.4pc. Abu Dhabi National Energy Company, also known as Taqa, gained 6.2pc.

Lenovo posts Q1 profit

Hong Kong, China

Chinese technology giant Lenovo yesterday recorded a sharp rise in first quarter net profit as the company's turnaround gathered pace.

The PC maker posted a \$77 million net profit in the quarter to June 30 -- up from a \$72 million loss in the same period last year.

“The Group remains confident in its core PC business, and aims to grow ... without compromising on profitability,” chairman Yang Yuanqing said in a statement.

Analyst Jackson Wong said competition between PC makers “is not as fierce as it is in the mobile sector”, while Lenovo's focus on hardware has also contributed to the positive results.

Lenovo also reported a 19 percent rise in revenue to \$11.91 billion -- its second consecutive quarter of double-digit revenue growth.

The tech giant is turning its fortunes around following a \$189 million net loss for the full fiscal year, dragged down by a \$400 million non-cash write-off charge from deferred income tax assets.

The company's shares rose up to six percent to HK\$4.72 mid-morning after the results were released.

Oil price steadies

Reuters | New York

Oil rose slightly as global markets steadied yesterday, recovering some of the previous day's 2 per cent slide, though a weakening outlook for crude demand kept prices in check.

The oil market had felt the effects on Wednesday of a large build in US inventories that added to concern over the outlook for fuel demand, while crude was also swept lower by broader selling of industrial commodities such as copper.



Representative picture

on exports worth hundreds of billions of dollars, which could knock global economic growth.

The crisis gripping the Turkish lira, meanwhile, has rattled other emerging markets and reverberated across equities, bonds and raw materials.

Brent crude oil futures LCOc1 were up 43 cents at \$71.19 a barrel by 11:35 a.m. EDT, while U.S. crude futures CLc1 rose 44 cents to \$65.45.

US crude had earlier hovered around its 200-day moving average of \$65.18 a barrel, an important technical benchmark. Moving below that level could trigger a further surge downward.

Brent crude futures are resting on the 200-day moving average, a key technical level, for the first time in a year. Analysts say a break below this point could trigger another swift sell-off.

“There's still an overhang from the report yesterday,” said John Kilduff, a partner at Again Capital Management in New York. Surging imports that boosted inventories despite high refinery run rates weighed on the market, he said.

China and the United States have implemented several rounds of tit-for-tat trade tariffs and threatened further duties

China to widen foreign access to A-shares

Shanghai, China

China's securities regulator said it will allow individual foreign investors working in the country to buy and sell yuan-dominated Chinese A-shares, the latest incremental step by Beijing to widen access to its long-cloistered equities markets.

The change would go into effect on September 15 and also applies to foreign employees of Chinese-listed companies who are working for those firms outside the country, the China Securities Regulatory Commission (CSRC) said in a statement issued late Wednesday. Previously, foreign access to Chinese stocks has been largely through B-shares, which are denominated in foreign currencies and geared toward international investors, while only qualified foreign institutional investors could buy into

the larger pool of A-shares.

But a number of steps in recent years have widened the door, including the establishment of programmes under which international investors on Hong Kong's more open stock market can buy some shares on China's exchanges in Shanghai and Shenzhen, and vice-versa.

A similar connection between London's exchange and the mainland Chinese bourses also has been proposed.

In June more than 200 Chinese companies debuted on the emerging market index compiled by MSCI, which is expected to lead to billions of dollars of new investment in those Chinese shares by global funds.

The CSRC said the move was being taken to “deepen the opening up of the capital market, enrich the investment, broaden channels for capital

Japan's trade surplus with US slumps in July

Tokyo, Japan

Japan's politically sensitive trade surplus with the United States shrank sharply in July, according to official data published Thursday, as the two allies continue to cross swords over US trade policy.

The surplus with the US shrank 22.1 per cent with reduced shipments of motor vehicles and microchip-making equipment dragging down the figure.

Despite a close political and economic relationship, Japan was not spared from President Donald Trump's tariffs on steel and aluminium products and Tokyo has warned it could retaliate at the World Trade Organization.

Top officials from both sides met in Washington last week but no breakthrough was announced after the talks.

Overall, Japan logged a trade deficit of 231.2 billion yen (\$2 billion) last month, compared to a surplus of 406.6 billion yen recorded in the same month last year.

With the yen strengthening against the dollar, exports registered their slowest growth in four months, rising 3.9pc year-on-year. Meanwhile, imports jumped 14.6pc.

Japan's deficit with its biggest trading partner China shrank 17.8pc as exports rose 11.9pc, a double-digit rise for the fifth consecutive month.

Malabar Group donates INR 2 Crore to Kerala

TDT | Dubai

Malabar Group has announced a contribution of 2 crore Indian rupees to Chief Minister's distress relief fund to deal with the devastating flood in the Kerala state.

Malabar Group Chairman M P Ahammed informed the press that the Group will associate with district administrations at local levels in lending helping hands to the needy.

Group has already started distributing food and drinking water to the flood victims through Malabar Gold



MP Ahammed



We are hoping the earliest possible recovery and praying to the almighty for the restoration of the affected areas

SHAMLAL AHAMED
MANAGING DIRECTOR - INTERNATIONAL OPERATIONS
OF MALABAR GOLD & DIAMONDS

& Diamonds jewellery outlets across the state. MP Ahammed expressed grief and solidarity to the distressed suffering from the unprecedented flood and landslides.

Shamlal Ahamed, Managing Director - International Operations of Malabar Gold & Diamonds commented “We would like to express our deepest sympathy and offer our sincere help to those suffering from the impact of the flood. We are hoping the earliest possible recovery and praying to the almighty for the restoration of the affected areas”.