

Brexit storm rages in UK

London, United Kingdom

The pound rebounded yesterday, a day after a severe shellacking, as some investors were willing to bet on Prime Minister Theresa May getting a controversial Brexit draft deal through parliament, dealers said.

Even as dark clouds continued to gather over the prime minister's political future, many felt she might just get enough support for what she called "the best deal for Britain", they said.

"The pound is holding on to its early Friday morning gains, on the back of UK PM May's radio interview in which she said her deal was the best Brexit compromise the UK could achieve," said Dean Popplewell, an analyst at Oanda.

In the European mid-afternoon the pound was up around 0.7 per cent against the dollar, and a touch firmer against the euro.

The UK currency had slumped 1.7pc against the dollar on Thursday, the biggest daily drop for more than two years.

'Short-lived'

"Stability in the pound... could be short-lived, with clamours

Key figures around 1445 GMT

| | |
|------------------------|---|
| Pound/dollar: | ▲ at \$1.2865 from \$1.2778 at 2200 GMT |
| Euro/pound: | ▼ at 88.62 pence from 88.64 pence |
| Euro/dollar: | ▲ at \$1.1405 from \$1.1325 |
| London - FTSE 100: | ▼ 0.6 pc at 6,996.06 points |
| Frankfurt - DAX 30: | ▼ 0.7 pc at 11,272.73 |
| Paris - CAC 40: | ▼ 0.6 pc at 5,003.54 |
| EURO STOXX 50: | ▼ 0.7 pc at 3,167.14 |
| New York - Dow: | ▼ 0.3 pc at 25,202.96 |
| Tokyo - Nikkei 225: | ▼ 0.6 pc at 21,680.34 (close) |
| Hong Kong - Hang Seng: | ▲ 0.3 pc at 26,183.53 (close) |
| Shanghai - Composite: | ▲ 0.4 pc at 2,679.11 (close) |

for a vote of no confidence from Conservative Brexiteers meaning the political upheaval will continue as we end the week," said Joshua Mahony, market analyst at IG trading group.

May made a rare outing on a radio phone-in during which she faced a call to step down after a tumultuous Thursday in which ministers resigned and members of her own party plotted to oust her.

Brexiters fear the draft deal would keep Britain shackled to the Brussels, while EU supporters say it would leave the UK on worse terms than it has inside the bloc.

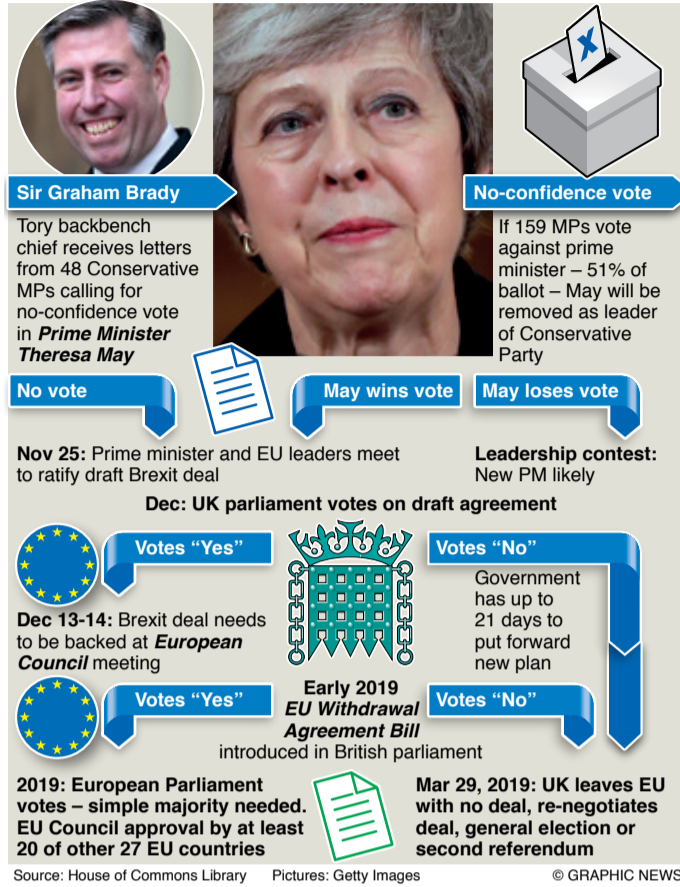
Meanwhile, stock markets on both sides of the Atlantic traded lower.

In Europe, Brexit fears kept markets down, with banking shares particularly under pressure "over concerns of a disorderly UK exit from the European Union", said analysts at Charles Schwab.

On Wall Street, the tech sector was under pressure again after results or guidance from chip makers Nvidia and Applied Materials, they said.

Asian stock markets meanwhile swung throughout Friday as investors weighed China-US trade speculation. The Financial

Brexit's rocky road ahead



Times said the two sides were stepping up efforts and that US Trade Representative Robert Lighthizer had told business leaders the next round of tariffs would be put on hold.

Oil price gains on talk of supply cut

Reuters | London

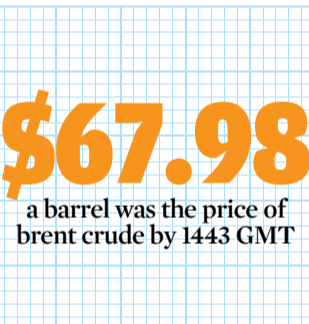
Oil rose yesterday on expectations that OPEC and its allies would agree to cut output next month but prices remained down on the week on concerns that the global market was oversupplied.

Brent was up \$1.36 at \$67.98 a barrel by 1443 GMT. The global benchmark looked set for a third day of gains since hitting an eight-month low on Tuesday, but was down more than 3 percent on last week's close.

US light crude was up 98 cents at \$57.44 after its steepest one-day loss in more than three years on Tuesday.

Ministers from the Organization of the Petroleum Exporting Countries meet on Dec. 6 in Vienna to decide on production policy for the next six months amid a growing surplus in world markets.

US oil production reached another record last week, at 11.7 million barrels per day, U.S. data showed. The record output helped U.S. crude oil



stocks to their biggest weekly build in nearly two years.

Fearing a repeat of the 2014 price rout, OPEC is widely expected to start trimming output soon.

This could produce a swift price rebound, some analysts say, especially if production falls further in Venezuela and Libya.

"We are likely from December onwards to have at least 1 million barrels per day (bpd) less of (Iranian) crude exports," Harry Tchilinguirian, global head of commodity markets strategy at BNP Paribas, told Reuters Global Oil Forum.

APEC summit host urges respect for trade rules

Port Moresby, Papua New Guinea

The leader of Papua New Guinea, host of this year's APEC summit, yesterday urged respect for international trade rules by "countries large and small" as spats between the US and China threatened to overshadow the gathering.

As leaders from Asian Pacific nations prepared to fly in to Port Moresby for their annual meeting, Prime Minister Peter O'Neill appeared to call his guests to order on damaging trade rows.

"Smaller economies, countries like Papua New Guinea, place considerable reliance on international trade and especially the international trade rules," stressed O'Neill.

"We suffer when rules are broken or ignored and we benefit when rules are followed by all countries, large and small," he added.

The world's top two economies have been engaged in a spiralling trade conflict that economists have warned could



Papua New Guinea's Prime Minister Peter O'Neill (R) and China's President Xi Jinping walk to pose for photos in Port Moresby

be catastrophic for the global economy.

Washington and Beijing have slapped tit-for-tat tariffs worth billions of dollars on each other's goods and both sides have threatened to escalate the conflict if needed.

China is pushing a trade deal with other Asian powers like Japan and India -- a Region-

al Comprehensive Economic Partnership (RCEP) -- after US President Donald Trump pulled out of the rival Trans-Pacific Partnership (TPP).

The TPP is still alive even without Washington -- and will come into effect in December -- but RCEP, if realised, will be the world's biggest trade deal.

GE Capital to sell healthcare equipment financing business

Reuters

General Electric Co's finance arm GE Capital said it is selling its healthcare equipment finance business worth \$1.5 billion to U.S. regional lender TIAA Bank.

GE Capital used to issue financing for cars and aircraft and was once a big chunk of the industrial conglomerate's profits, but the 2008 financial recession raised the unit's funding costs and nearly sank the entire company.

Former Chief Executive Officer Jeff Immelt had in April 2015 announced a plan to reduce GE Capital's size and divest most of its assets. GE Capital's deal with TIAA comes nearly a month after it sold its portfolio of \$1 billion in energy investments to private equity firm Apollo Global Management LLC.

TIAA on Friday said it will acquire a portfolio that includes loans and leases to around 1,100 hospitals and 3,600 physician practices and diagnostic and imaging centers across the United States.

US judge orders W.House to restore CNN reporter's access

Washington, United States

A federal judge yesterday ordered the White House to reinstate the press credentials of CNN reporter Jim Acosta, whose pass was revoked after a heated exchange with President Donald Trump.

Judge Timothy Kelly issued a temporary restraining order that requires the White House to restore Acosta's access until a full hearing is held, according to the network.

CNN and other media groups, including Trump favorite Fox News, backed the lawsuit, which claimed that revoking Acosta's pass violated constitutional guarantees of a free press.

Kelly said that his ruling was based on "due process" for the journalist, and that he would hold additional proceedings on the constitutional issues at stake, including the First Amendment free press guarantee.

Volkswagen says to invest 44 bn euros in e-cars by 2023

Frankfurt am Main, Germany

Volkswagen yesterday said it would invest 44 billion euros (\$50 billion) over the next five years in the smarter, greener cars of the future as the German auto giant ramps up efforts to catch up with foreign rivals.

"Over the coming five years to the end of 2023, the company will be spending almost 44 billion euros alone on the future issues of e-mobility, autonomous driving, new mobility services and digitalisation," VW said in a

statement.

The figure represents roughly a third of the group's planned expenditure over the period, underscoring how serious VW is about closing the gap with Asian competitors and the likes of US tech giant Tesla.

As part of the new strategy, VW will convert two existing German plants into assembly lines for all-electric vehicles from 2022.

The plan in Emden will focus on building small electric



A VW electric car is plugged on a power station at a Service station in Berlin

cars and sedans for several of the group's 12 brands, while the Hanover plant will make the I.D. Buzz, the zero-emission version of VW's iconic camper van.

VW has promised to guarantee jobs at both sites until 2028.

"We are making our plants fit for the future," VW board member Oliver Blume said in a statement after a meeting of the supervisory board.

As part of those efforts, the group intends to increase pro-

ductivity and bundle production of different models to achieve economies of scale across brands.

"German plants are particularly well suited to making the transformation to the production of electric vehicles, given the high manufacturing expertise and qualification level of our employees," said Blume.

VW said it also plans to open a new factory at a yet to be determined location in eastern Europe.