

Ericsson, Swisscom launch Europe's first large scale 5G

Stockholm, Sweden

Telecom equipment manufacturer Ericsson said yesterday it had launched the first European large scale commercial 5G network together with Swiss operator Swisscom, as Ericsson posted a first quarter profit boosted by sales in North America.

The Swedish supplier of network equipment said in a statement that the 5G network, launched in 54 cities in Switzerland, had been switched on just after midnight on April 17, after Swisscom secured a license to operate a 5G network in the country.

Ericsson made the announcement as it reported a first quarter net profit of 2.4 billion kronor (\$260 million, 230 million euros), compared to a net loss of 725 million kronor in the corresponding quarter a year ago.

Net sales grew to 48.9 billion kronor, up from 43.4 billion in Q1 of 2018.

Chief executive Borje Ekholm said growth had primarily been driven by sales in North America.

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CHIEF EXECUTIVE BORJE EKHOLM

technology was being rolled out, the company would continue to incur costs for field trials and they were expecting large-scale deployments of 5G to begin in parts of Asia by the end of 2019.

"Combined, this will gradually impact short-term margins but strengthen our position in the long term," he said.

India's Jet Airways suspends all operations: statement

Mumbai, India

India's debt-stricken Jet Airways grounded all of its operations yesterday after failing to secure emergency funding from lenders, the carrier said in a statement.

"Jet Airways is compelled to cancel all its international and domestic flights. The last flight will operate today," it said, adding that the decision would take "immediate effect."

Jet had asked a consortium of lenders led by the State Bank of India to urgently provide four billion rupees (\$57.5 million) but said that this had not been forthcoming.

"This has been a very difficult decision but without interim funding, the airline is simply unable to conduct flight operations in a manner that delivers to the very reasonable expectations of its guests, employees, partners and service providers," it added.

The airline was once India's second-biggest by market

share but is on the brink of collapse with debts of more than \$1 billion.

Jet was operating just five planes on Wednesday because it could not pay its bills, down from a fleet of more than 120 at its peak.

The carrier has cancelled hundreds of flights in recent weeks, stranding thousands of passengers.

It has repeatedly defaulted on loans and failed to pay staff in recent months.

The consortium took control of Jet in March, pledging to give \$218 million in "immediate funding support" as part of a debt resolution plan.

But they have failed to release most of the money and the banks also failed to agree after a meeting of several hours on Monday on how to proceed.

The SBI-led consortium is looking for a buyer for Jet and a deadline passed on Friday for prospective bidders to express an interest in acquiring a 75 percent stake in the carrier.

EU threatens \$12 bn in tariffs over US Boeing subsidies

Brussels, Belgium

The EU yesterday unveiled a wide-ranging list of US-made goods, from beeswax to car parts, subject to tariffs in retaliation for subsidies to Boeing as a transatlantic trade war risked re-erupting.

"European companies must be able to compete on fair and equal terms... We must continue to defend a level-playing field for our industry," said EU Trade Commission-

er Cecilia Malmstrom in a statement.

Europe's \$12 billion claim against Boeing comes on the trail of a similar demand by the US for \$11 billion in compensation for EU subsidies towards Airbus.

The ultimate amount to be won by both sides will be determined by the World Trade Organization, with the final sums likely to be far below the tit-for-tat demands by the EU and US.

Oil lifts most of Gulf markets

● Saudi enjoys best day in over two months

● 11 of 12 Saudi banks gain

● Egypt's El Sewedy, Qalaa falls on exposure to Sudan

● Dubai's property shares rise

Reuters

Saudi Arabia's stock market rose yesterday on the back of its banks as rising oil prices lifted most major Gulf markets, while Egypt was partly dragged down by its biggest lender Commercial International Bank.

Brent oil hit a 2019 high above \$72 a barrel yesterday, propelled by steady economic growth in China and a fall in US crude stocks.

Saudi's index rose 1.1 per cent for its biggest one-day gain in two and a half months, with 11 of its 12 banks advancing. Al Rajhi Bank added 2.3pc and the kingdom's largest lender National Commercial Bank gained 2.2pc.

Saudi Arabia's banks are expected to report 7pc higher earnings for the first quarter, SICO Research said in a note.

The bourse has gained 17.9pc so far this year as foreign buyers rushed in ahead of and after its entry into the FTSE Russell's emerging market index on March 18. Foreign investors have been net buyers of Saudi stocks every week this year.

Riyad REIT gained 0.4pc after it acquired a 40pc stake in the



Traders on the floor of Saudi Stock market (Courtesy of Amazons)

Closing Bell

SAUDI	▲ 1.1pc to 9,238 pts
ABU DHABI	▲ 0.5pc to 5,237 pts
DUBAI	▲ 0.8pc to 2,813 pts
QATAR	▲ 0.5pc to 10,308 pts
EGYPT	▼ 0.7pc to 14,864 pts
BAHRAIN	▲ 0.1pc to 1,445 pts
OMAN	▼ 0.2pc to 3,977 pts
KUWAIT	▼ 0.1pc to 6,175 pts

leasehold interest of an office building in the United States. The investment is expected to generate a net yield of more than 8pc for its shareholders, the company said.

Egypt's blue-chip index slipped 0.7pc, weighed down by a 1.1pc drop in Commercial International Bank and a 2.8pc

fall in El Sewedy Electric.

Following recent political upheaval in Sudan, El Sewedy said its business exposure to Sudan amounted to around 1.1pc of its profit as of last year.

Qalaa Holdings also slid 1.1pc after saying that ongoing events in Sudan impacted its cement plant operations for a day.

In Dubai, the index was up 0.8pc as Dubai Islamic Bank gained 1.2pc.

All real estate shares rose with blue-chip developer Emaar Properties gaining 0.8pc and DAMAC Properties climbing 3.1pc.

Dubai's Purchasing Managers Index (PMI) for March came in at 57.6, a 10-month high reading, Al Mal Capital said in a note.

The improvement in non-oil business activity was led by the travel and tourism industry and

wholesale and retail. But the construction industry was the weakest in 28 months as new orders subsided, the note said.

Growth in the United Arab Emirates' non-oil sector picked up in March after slowing to a 28-month low last month, a survey showed on Sunday.

The Abu Dhabi index was up 0.5pc with energy firm Dana Gas adding 2.9pc and market heavyweight First Abu Dhabi Bank increasing 0.6pc.

Last week, the bank obtained regulatory approval to increase its foreign ownership limit to 40pc from a previous limit of 25pc.

Qatar's index also gained 0.5pc with petrochemical shares increasing. Industries Qatar was up 1.2pc while Mesaieed Petrochemical Holding traded 4.5pc higher.

European stocks rise on growth outlook

London, United Kingdom

European stock markets mostly rose yesterday as strong data from the world's two top economies sparked fresh hope for the growth outlook.

"Global growth concerns seem to be cooling," analysts at Charles Schwab said.

US numbers released before Wall Street's opening bell showed that the trade deficit in February fell to its lowest level in eight months, thanks in part to rising aircraft and auto exports, according to government data released Wednesday.

"This better than expected trade situation creates a really good platform for 1Q GDP growth," James Knightley, chief international economist at ING, said of the US data.

Earlier, Beijing reported that the Chinese economy expanded 6.4 per cent in January-March, the same as the previous quarter but better than forecast by analysts in an AFP poll.

The news follows a number of readings indicating stability in China, with factory activity, exports, new loans and inflation all improving -- tempering concerns about a slowdown that could have a major impact on the global economy.

Markets nevertheless remain concerned over a broader Chinese economic slowdown -- and Beijing's ongoing trade war with Washington.



Traders work ahead of the closing bell on the floor of the New York Stock Exchange (NYSE) in New York City

Key figures around 1545 GMT

London - FTSE 100:	▲ at 7,471.32 points (close)
Frankfurt - DAX 30:	▲ 0.4pc at 12,153.07 (close)
Paris - CAC 40:	▲ 0.6pc at 5,563.09 (close)
EURO STOXX 50:	▲ 0.4pc at 3,477.73
New York - Dow:	▲ at 26,446.99
Pound/dollar:	▼ at \$1.3036 from \$1.3048 on Tuesday
Euro/pound:	▲ at 86.69 pence from 86.45 pence
Euro/dollar:	▲ at \$1.1300 from \$1.1281
Dollar/yen:	▲ at 112.01 yen from 112.00 yen
Tokyo - Nikkei 225:	▲ 0.3pc at 22,277.97 (close)
Hong Kong - Hang Seng:	▲ at 30,124.68 (close)
Shanghai - Composite:	▲ 0.3pc at 3,263.12 (close)
Oil - Brent Crude:	▲ 3 cents at \$71.75 per barrel
Oil - West Texas Inter:	▲ 2 cents at \$64.07

'Not as bad as feared'

"The longer term trend is very much against China, but these numbers may at least suggest all is not as bad as feared," noted

Oanda analyst Craig Erlam.

"And if a trade deal is struck in the coming months with the US, as many expect, perhaps things could even improve."

ThinkMarkets analyst Naem

Aslam added that the data handed a boost to the overall outlook.

"The truth is that the handoff from feeble economic numbers to strong economic numbers is here and this is good news," he said.

"Let's not forget, improving economic conditions over in China means better economic health of the global economy."

Eurozone stock markets were firmly in positive territory at the close, while London lagged its peers as the pound strengthened. Among individual stocks, shares in Italian club Juventus fell more than 17pc in late Milan trading after Cristiano Ronaldo's side were knocked out of the Champions League quarter-finals by Ajax.

Wall Street was slightly softer in the late New York morning as signs of a looming EU-US trade spat cooled investor sentiment after the EU unveiled a wide-ranging list of US-made goods, from beeswax to car parts, subject to tariffs in retaliation for subsidies to Boeing.

Meanwhile, the US corporate earnings season rumbled on providing, on balance, support to stock prices.

Elsewhere, oil prices managed to extend gains after a US industry group reported a surprise drop in stockpiles, while OPEC-led output cuts and US sanctions on Iran and Venezuela kept a supply glut in check.