

Trump directs Pentagon to create 'Space Command'

Washington, United States

US President Donald Trump on Tuesday ordered the creation of "Space Command," a new organizational structure within the Pentagon that will have overall control of military space operations.

The command will be separate from Trump's goal to build an entirely new branch of the military called "Space Force" -- but could be a step in that direction.

"I direct the establishment, consistent with United States law, of United States Space Command as a functional Unified Combatant Command," Trump said in a memo to Defense Secretary Defense Jim Mattis.

Speaking at the Kennedy Space Center in Florida's Cape Canaveral, Vice President Mike Pence said the new US Space Command will integrate space capabilities across all branches of the military.

"It will develop the space doctrine, tactics, techniques and procedures that will enable our war fighters to defend our nation in this new era," Pence said.

SpaceCom, as it will inevitably come to be known, will be the Pentagon's 11th combatant command, along with other well-known commands including Central Command and Europe Command.

Markets fall on weak oil prices

● **Dubai suffers worst one-day drop since June**

● **DAMAC Properties slides to lowest since February 2015**

● **Telecom Egypt continues to gain on 2019 revenue forecast**

● **Saudi's Bank Albilad rises on capital increase plan**

Reuters

The Dubai stock market fell sharply yesterday to post its biggest one-day loss since June as real estate stocks slid, while tumbling oil prices dragged down all major Gulf bourses.

Oil prices fell 4 per cent after reports of swelling inventories and forecasts of record US and Russian output combined with a sharp sell-off in stock markets as the outlook for global growth deteriorated.

In Dubai, the index dropped 2.1pc with the emirate's largest lender, Emirates NBD, shedding 4.6pc and its biggest listed developer, Emaar Properties, falling 2.3pc.

DAMAC Properties plunged 6.3pc to its lowest level since February 2015. Dubai inflation data released on Monday showed housing and utility costs



Traders on the floor of Saudi Stock exchange (file)

falling 4.7pc year-on-year, their biggest decline in years.

Nasdaq-Dubai listed DP World was down 0.8pc.

Dubai's main index is the worst performing in the Middle East and North Africa this year, down more than 25pc and close to its lowest levels since 2013.

Egypt's blue-chip index fell 0.7pc, mirroring a slide in emerging markets generally. Banks continued to decline with Egypt's largest lender, Commercial International Bank, shedding 0.6pc.

Arab Cotton Ginning lost 3.0pc after its first-quarter profit dropped over 96pc.

Global Telecom added 4.4pc while Telecom Egypt climbed 3.3pc, continuing to surge after

firm also expects 2018 revenue to beat guidance.

The Abu Dhabi index slipped 0.8pc with First Abu Dhabi Bank, the United Arab Emirates' biggest lender, falling 1.3pc.

Eight staff have been cut by FAB Securities, a unit of First Abu Dhabi, Reuters reported, citing sources.

Abu Dhabi National Energy Co slumped 9.1pc to its lowest level since April 2018.

Dana Gas added 1.9pc after saying it had received \$20 million from the Egyptian government. The firm's total receipts from Egypt reached \$152 million for the year.

The Saudi Arabian index lost 0.3pc with the largest lender, National Commercial Bank,

saying on Monday it expects revenue growth in the mid-to-high single digits in 2019. The

dropping 2.1pc and Yanbu National Petrochemicals slipping 2.4pc.

Telecommunications firm Etihad Etisalat (Mobily) was down 2.1pc, continuing to drop after disclosing a new system of royalty payments to the government on Sunday.

However, Saudi Company for Hardware jumped 6.3pc after shareholders approved a capital increase to 360 million riyals (\$96 million) through a bonus share issue.

Bank Albilad gained 3.2pc after its board recommended an increase in the bank's capital to 7.50 billion riyals from 6 billion riyals through bonus shares.

The Qatar stock exchange was closed for a public holiday.

Closing Bell

SAUDI	▼ 0.3pc	7943 points
DUBAI	▼ 2.1pc	2,511 points
ABU DHABI	▼ 0.8pc	4,829 points
EGYPT	▼ 0.7pc	13,121 points
KUWAIT	▼ 0.8pc	5,358 points
BAHRAIN	▼ 0.4pc	1,314 points
OMAN	▼ 0.7pc	4,379 points

UK to overhaul audit sector

AFP | London, United Kingdom

Britain unveiled a radical overhaul of the nation's accountancy sector on Tuesday in a bid to fix "deep-seated problems" after a series of major scandals, regulators said.

The Competition and Markets Authority (CMA) watchdog, revealing the initial findings of an investigation, said choice is too limited in the auditing sector dominated by the so-called Big Four -- Deloitte, EY, KPMG and PwC.

It also took aim at the link between their auditing roles and the lucrative consulting services they also offer businesses, a potential source of conflict of interest that critics have long pointed out.

"The CMA is proposing legislation to: separate audit from consulting services; introduce measures to substantially increase the accountability of those chairing audit committees in firms, and impose a 'joint audit' regime giving firms outside the Big Four a role in auditing the UK's biggest companies," it said in a statement.

The Big Four have a long-established oligopoly to advise and monitor big business, experts say. "Companies choose their own auditors, and as a result we have seen too much evidence of them picking those with whom they have the best 'cultural fit' or 'chemistry'

rather than those who offer the toughest scrutiny," added the CMA, which launched its probe in October.

"Choice is too limited, with the Big Four audit firms conducting 97 percent of the audits of the biggest companies.

"Auditors' focus on quality appears diluted by the fact that at least 75 percent of the revenue of the Big Four comes from other services like consulting."

Major firms feel they need one of the Big Four on their side as investors usually want to see their labels when they scrutinise the quality.

Yet ordinary people do not realise that they are impacted by ongoing problems in the sector. "Addressing the deep-seated problems in the audit market is now long overdue," said chairman Andrew Tyrie. While most people will never read an auditor's opinion on a company's accounts, tens of millions of people depend on robust and high-quality audits, he said.

"If a company's books aren't properly examined, people's jobs, pensions or savings can be at risk," said Tyrie.

The regulator will now consult on its proposals and hopes to conclude its work "as soon as possible" in 2019.

He said if it turns out that the proposals are not far-reaching enough, the CMA will persist until the sector's problems are resolved.

Weak global growth outlook hurt crude

AFP | London, United Kingdom

World oil prices tumbled yesterday to strike the lowest levels in more than a year, hit by fears over the outlook for the global economy.

Prices were dented by concerns over the demand outlook and a stubborn supply glut.

On Wall Street, stocks saw a rebound in early business after Monday's rout, but equity markets remained subdued in Europe, except for Frankfurt which posted small gains.

The Brent and New York crude contracts collapsed as low as \$57.20 and \$47.84 per barrel respectively during the European morning session, but pared losses by the afternoon.

"Stocks have not been the only victims of broader market misery this festive season," said Oanda analyst Craig Erlam.

"Oil tumbled ... as equities plunged into the red as investors continue to view 2019 as a challenging year for global growth."

Challenging year

There are also questions about the impact of a recently promised output cut by OPEC and other top producers including Russia.

"OPEC may have come to an agreement with its allies to cut production next year and rebalance markets ... but traders are clearly not convinced enough will be done," predicted Erlam.

Crude prices have fallen about a third from four-year highs touched at the start of October.

"The crash seen in the price of crude oil over the past few



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

months has arguably been the biggest story of the year," noted XTB analyst David Cheetham.

"Fears that Iranian sanctions reimposed by Washington would cause a drastic fall in output saw the market rally to its highest level in almost four years ... but these concerns now look badly misplaced."

Key figures around 1540 GMT

Oil - Brent Crude:	▼ \$1.04	at \$58.99 per barrel
Oil - WTexas Inter	▼ \$1.27	at \$49.56
London - FTSE 100:	▼ 0.6 per cent	at 6,730.43 points
Frankfurt - DAX 30:	▲ 0.3pc	at 10,801.97
Paris - CAC 40:	▼ 0.3pc	at 4,784.08
EURO STOXX 50:	▼ 0.3pc	at 3,055.85
New York - Dow:	▲ 1.0pc	at 23,825.05
Tokyo - Nikkei 225:	▼ 1.8pc	at 21,115.45 (close)
Hang Seng:	▼ 1.1pc	at 25,814.25 (close)
Shanghai - Com:	▼ 0.8pc	at 2,576.65 (close)
Euro/dollar:	▲	at \$1.1372 from \$1.1348
Dollar/yen:	DOWN	at 112.53 yen from 112.87 yen

'A lot of pessimism'

Asia posted sharp losses earlier in the wake of Monday's Wall Street selloff, as investors also awaited the US Federal Reserve's interest rate decision due later this week.

The British stock market meanwhile remained beset

with worries over the nature of the nation's looming exit from the European Union next March.

"There is a lot of pessimism in the markets right now," said Erlam.

Dealers across the world have taken fright over a range of issues, including the China-US trade war, falling oil prices, political uncertainty, China's stuttering economy and geopolitical tensions.

Also weighing on confidence has been the Fed's monetary tightening drive that has seen it lift interest rates through the year, making it more expensive to borrow cash for investment.

The US central bank concludes its latest policy meeting Wednesday and is widely expected to announce another hike.

US President Donald Trump yesterday once again hit out at the bank's policy and called on it not to lift rates again.