

Japan trade balance returns to surplus

Tokyo | Japan | AFP

Japan logged a trade surplus in June, after booking a deficit the previous month, official data showed, with exports rising despite ongoing international trade tensions. Finance ministry data showed a surplus of 721.4 billion yen (\$6.4 billion), up 66.5 per cent from a year earlier.

The jump was driven by growing exports of power generating equipment including turbines for power plants and airplanes, as well as electronic parts and auto parts.

Hyperloop project goes to China

Beijing | China

Hyperloop Transportation Technologies said it will team up with a southwestern Chinese city to build a new 10-kilometre (six-mile) test track for its high speed hyperloop transportation system. California-based HyperloopTT is one of several ventures to take Elon Musk's idea for propelling capsules through vacuum-sealed tunnels and attempt to make it a reality.

Gulf stock markets muted

SABIC) little changed in after Saudi Aramco said it was in early talks to acquire a stake

● **Emaar Properties was the biggest weight on Dubai's index**

● **Biggest drag on Saudi index was provided by Al Rajhi Bank**

● **SABIC closed up by 0.2 per cent**

Reuters | Dubai

Gulf stock markets were muted yesterday, with Saudi Basic Industries Corporation (SABIC) little changed in Saudi Arabia after Saudi Aramco said it was in early talks to acquire a stake in the petrochemical giant.

SABIC, the largest listed company in the Gulf and the world's fourth-biggest petrochemicals company, closed up by 0.2 per cent after edging between positive and negative territory earlier in the trading session.

Aramco said in a statement on Thursday that it was in "very early-stage discussions" with the kingdom's Public Invest-



A man walks past the headquarters of Saudi Basic Industries Corp (SABIC) in Riyadh

ment Fund (PIF) to acquire the stake in SABIC via a private transaction. It has no plans to acquire any publicly held shares, it said. Reuters reported on Wednesday

that the government was considering a plan for Aramco to buy a stake in the petrochemical maker.

In Saudi Arabia, the index was

flat, closing down 0.03pc.

The biggest drag was provided by Al Rajhi Bank, which closed down 2pc. Al Rajhi and some of the other large banks are still

Closing Bell

SAUDI	▼ 0.03%	8,450
DUBAI	▼ 0.2%	2,926
ABU DHABI	▲ 0.3%	4,770
QATAR	0.3%	at 9,421
KUWAIT	0.1%	▲ at 5,353
BAHRAIN	▲ 0.3%	1,355
OMAN	▼ 0.2%	4,448
EGYPT	▼ 1.0%	15,416

to report their second quarter results.

In Abu Dhabi, First Abu Dhabi Bank, the largest bank in the United Arab Emirates, was the biggest gainer, rising by 1.5pc. The lender is expected to report its earnings next week.

The Abu Dhabi index rose 0.3pc, with thin trading on many shares.

Emaar Properties was the biggest weight on Dubai's index, falling 1.2pc. The developer has put \$1.4 billion in non-core assets up for sale amid an economic downturn, the Financial Times reported on Tuesday, citing sources.

The Dubai index edged 0.2pc lower.

India charges former finmin with corruption

AFP | New Delhi

Indian police yesterday charged a top opposition leader P. Chidambaram with abuse of power in a multi-billion dollar scandal when he was finance minister.

Chidambaram confirmed the charge and said he would "vigorously" contest the case filed by the Central Bureau of Investigation (CBI) anti-corruption watchdog.

The CBI accused the former minister of abusing power in allowing foreign investment by Malaysian group Maxis in telecom company Aircel in 2006.

Chidambaram, a senior leader of the opposition Congress party, said in a tweet, "CBI has been pressured to file a charge sheet to support a preposterous allegation against me and officers with a sterling reputation."



Former finance minister P. Chidambaram

"The case is now before the Hon'ble Court and it will be contested vigorously. I shall make no more public comment." The CBI has alleged that Chidambaram approved the half-billion dollar Aircel-Maxis deal when it should have been referred to a cabinet committee.

Oil prices rise as Saudi expects export decline

Saudi output at a near record, up 700,000 bpd at 10.70m bpd

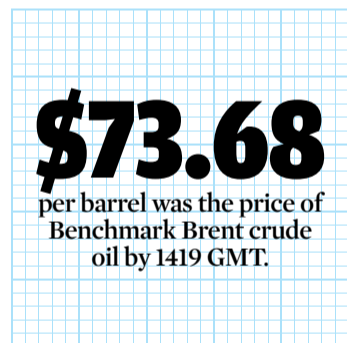
Reuters | New York

Oil prices rose yesterday after Saudi Arabia's OPEC governor said the kingdom's crude exports will fall by about 100,000 barrels per day in August, overshadowing market pressure from a rising dollar and record high US crude production.

Brent crude oil LCOc1 rose 78 cents to \$73.68 per barrel by 10:19 a.m. EDT (1419 GMT), reaching a session high of \$73.79. US West Texas Intermediate (WTI) CLc1 was \$1.18 higher at \$69.94.

Saudi Arabia expects its crude exports to drop by roughly 100,000 bpd in August as the kingdom limits excess production, Saudi Arabia's OPEC Governor Adeb Al-Aama said in a statement.

He said Saudi Arabia's crude oil exports in July would be roughly equal to June levels.



Despite international oil markets being well balanced in the third quarter, he said there would still be substantial stock draws due to robust demand.

Crude also strengthened on forecasts that inventories at the US oil delivery hub in Cushing, Oklahoma fell 1.8 million barrels, or 6.2pc, through Tuesday, traders said, citing energy information provider Genscape.

Prices had fallen earlier in the

trading session as a strengthening dollar and talk of supply increases put downward pressure on prices.

The US dollar hit its highest level against a basket of other currencies .DXY since July 2017, up half a percent on the day.

Brent has fallen almost 9pc from last week's high above \$79 on emerging evidence of higher production from Saudi Arabia and other members of the Organization of the Petroleum Exporting Countries, as well as Russia and

the United States.

The US Energy Information Administration said on Wednesday domestic crude production had reached a record 11 million bpd last week. The US has added nearly 1 million bpd in production since November, thanks to rapid increases in shale drilling.

A sharp jump in US crude oil inventories also added to the bearish tone in the market. They rose 5.8m barrels last week, compared with a forecast for a decline of 3.6m barrels.

Meanwhile, OPEC and non-OPEC producers cut oil output in June by 20 percent more than agreed levels, compared with 47pc in May, two sources said.

Gold prices slip to one-year low as dollar powered higher

● **Spot gold fell 0.7pc to \$1,217 per ounce**

● **Platinum was 2.2 pc lower at \$795 an ounce**

● **Palladium fell 1.6 pc to \$893 per ounce**

Reuters | London

Gold sank to a one-year low yesterday as the dollar powered higher after comments from US Federal Reserve chairman Jerome Powell which reaffirmed expectations for more

interest rate rises in the world's largest economy.

Powell, in a closely watched two-day congressional testimony, said he believed the United States was on course for years more of steady growth, and carefully played down the risks to the US economy of an escalating trade conflict.

The Fed raised rates in June and policymakers indicated they expect two more rate increases this year. Powell said nothing in his testimony this week to undermine that, and said the economy was poised for several more years of growth.

Gold is highly exposed to interest rates, particularly in the United States, as higher rates



Representative picture (Courtesy of Arab news)

lift the opportunity cost of holding non-yielding assets and boost the dollar, in which gold is priced.

Spot gold fell 0.7 per cent to

\$1,217 per ounce by 1140 GMT, having earlier touched its lowest since July 2017 at \$1,214.45. US gold futures for August delivery were 0.9pc lower at \$1,216.56

an ounce.

"It's a tough environment for gold," said ETF Securities associate director Anneka Gupta, adding that growth in the US economy and stronger corporate earnings undermined the yellow metal.

"Gold is not being used as a safe haven right now despite the ongoing trade war, and the stronger dollar is dominating the story amidst the rate-rising environment."

Gold is generally regarded as a safe and stable store of value during times of global uncertainty.

The dollar held firm against its peers, supported by bullish comments from Powell, which

affirmed expectations for more interest rate increases this year.

"Gold should find first support at yesterday's low of \$1,221, with the psychological \$1,200 level to follow. Resistance (is) at \$1,229, with this week's high of \$1,245 above that," MKS PAMP Group said in a note.

US President Donald Trump said on Wednesday the United States may hammer out a trade deal with Mexico, and then do a separate one with Canada later, sowing fresh doubts about the future of the North American Free Trade Agreement (NAFTA).

Among other precious metals, silver was down 1.6pc at \$15.27 an ounce, its lowest since last July.