SEBI relaxes foreign fund rules

Reuters | Mumbai

India's market regulator yesterday relaxed norms on foreign investments by Indians based abroad after concerns over stricter regulations rattled markets earlier this month.

The Securities and Exchange Board of India (SEBI) said it accepted the recommendations by a panel it had set up to review the rules for foreign portfolio investments.

The panel, headed by a former central bank deputy governor, had suggested, among other changes, that non-resident Indians be allowed to invest as foreign portfolio investors if a single holding is under 25 percent and group holding is under 50 per cent in a fund.

Moscow Exchange puts off US blue chip plan

Reuters | Moscow

The Moscow Exchange said yesterday it had put off plans to offer access to the 50 most liquid US shares due to a political standoff with the West.

The Moscow Exchange had planned to expand its range of trading tools by offering access to around 50 U.S. companies with the most popular and liquid shares in the third quarter.

"We will keep you posted on this project," Moscow Exchange Chief Executive Alexander Afanasyev said, explaining the delay was as a result of the risks of new penalties that other countries are considering imposing on Russia.

Opening the access to US stocks would require "gigantic efforts in explaining all the nuances to investors," said Sergei Shvetsov, first deputy governor at the central bank, speaking at the same conference with Afanasyev.

Online banking outages at Royal Bank of Scotland

Reuters

Royal Bank of Scotland apologised for outages that hit its online and mobile banking services on Friday, the latest in a string of such failings at British banks which have drawn criticism from customers and members of parliament.

RBS later on Friday said it had fixed the problems, which followed similar outages on Thursday that hit Barclays, the Co-operative Bank and fintech firm Cashplus.

MPs on Britain's Treasury Select Committee, in letters published on Friday, called on Barclays and RBS to explain what caused the problems and set out how they would compensate customers who suffered financial losses as a result.

Global markets breeze higher on growth outlook

● Asian equities enjoyed another day of strong buying to finish the week with a flourish.

London, United Kingdom | AFP


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

Key figures around 1335 GMT

London - FTSE 100:	▲	1.4pc at 7,469.70 points
Frankfurt - DAX 30:	▲	0.5pc at 12,389.91
Paris - CAC 40:	▲	0.7pc at 5,487.20
EURO STOXX 50:	▲	0.5pc at 3,421.36
New York - Dow Jones:	▲	0.3pc at 26,724.84
Tokyo - Nikkei 225:	▲	0.8pc at 23,869.93 (close)
Hong Kong - Hang Seng:	▲	1.7pc at 27,953.58 (close)
Shanghai - Composite:	▲	2.5pc at 2,797.48 (close)
Euro/dollar:	▼	$1.1737 from $1.1777 at 2100 GMT
Pound/dollar:	▼	$1.3079 from $1.3265
Dollar/yen:	▲	112.71 yen from 112.49 yen

Global stock markets rose yesterday as optimism on the US economic outlook outweighed lingering trade war worries, dealers said.

European equities were all solidly higher, with London outshining its peers thanks to a slipping pound as Brexit talks appeared to be stalling.

Wall Street was higher out of the gate, building on the previous day's all-time pinnacles, with investors concluding that trade war concerns were overblown as the world's biggest economy powers ahead.

"Investors continue to brush off the ongoing trade dispute between the US and China," said Craig Erlam, an analyst at Oanda.

A "lack of escalation" in trade spats combined with optimism on the American economy turned out to be a winning combination, added analysts at the Charles Schwab brokerage.

"Trade concerns remain contained, while the domestic economic front continues to paint a solid picture," they said. An unsuccessful Brexit summit in Salzburg, ending in "humiliation" for the British prime minister according to some, weighed on the pound from the start of business, but that in turn helped London's benchmark FTSE 100 index.

The British currency then weakened further after Prime Minister Theresa May said that Brexit talks were "at an impasse" and that the European Union's response to British plans was "not acceptable".

'Brave' to buy pound

It was a "brave" investor who dared to buy sterling after May's comments, tweeted Viraj Patel, global macro strategist at ING.

"But (the) long game is one of greater upside than downside if a deal is ultimately reached," he said.

Oanda's Erlam, also in a tweet, said that May had said nothing beyond trying to "'prove' she's playing hardball with the EU. Nothing, as ever, has changed".

Asian equities enjoyed another day of strong buying to finish the week with a flourish.

Shanghai surged 2.5pc after the Chinese government unveiled a stimulus packaged aimed at lifting domestic consumption. "For the moment Asian stocks have shrugged off trade war concerns with the focus shifting to China's new stimulus package which is expected to boost consumption and cut import tariffs from other countries," saisd City Index senior analyst Fiona Cincotta.

"Make no mistake, the US economy is running on all cylinders," said Stephen Innes, head of Asia-Pacific trade at Oanda.

"Robust growth, soaring employment and rising capital investments, suggesting the healthy US economy is more than just a short-term knock-on effect from the intravenous elixir of easy credit and fiscal glucose."

EM currencies bounce

The upbeat mood on trading floors was being felt across the board, with embattled emerging market currencies seeing a recovery.

Those currencies -- beaten down in recent weeks by fears of contagion from crises in Turkey, South Africa and Argentina -- were also basking in the optimism as traders sought out higher-risk assets.

South Korea's won rose 0.4pc, while the Indonesian rupiah added 0.3pc and the Indian rupee was up 0.7pc, pulling it away from recent record lows. South Africa's rand and the Turkish lira jumped more than onepc.

China's yuan extended gains after Premier Li Keqiang said this week that Beijing would not devalue the unit to offset the impact of Donald Trump's import tariffs.

Oil rises on supply concerns

Reuters | London

$79.60
a barrel was the price of Brent crude by 1340 GMT

Oil prices rose yesterday ahead of a meeting of OPEC and other large crude exporters that will focus on production increases as US sanctions restrict Iranian exports.

OPEC and its allies are scheduled to gather in Algeria on Sunday to discuss how to allocate higher supply to offset the shortage of Iranian supplies.

Brent crude oil was up 90 cents at $79.60 a barrel by 1340 GMT. US light crude was up 65 cents at $70.97.

Brent is close to four-year highs, trading just below $80 a barrel, as investors bet that the Organization of the Petroleum Exporting Countries will be unable to compensate fully for the loss of oil from Iran, OPEC's third-biggest producer.

But the meeting on Sunday is unlikely to be able to change production policy. Such a move would require OPEC to hold what it calls an "extraordinary meeting", which is not on the agenda. US President Donald Trump increased pressure on OPEC on Thursday, calling on the organisation to "get prices down now!"

Jason Gammel, analyst at US bank Jefferies, said he expects Saudi Arabia to try to keep the oil market adequately supplied into 2019, "but at the cost of spare capacity", a key supply buffer to prevent oil price volatility.

Britain gets new warning

Reuters | Brussels

Britain will get a second warning from the European Commission over a 2.7 billion-euro (2.41 billion pounds) charge from an import scam the commission is trying to recover, a senior European Union official said.

The EU executive arm has already decided to send the warning but postponed announcing it to Monday, Sept. 24, to avoid interfering with an EU summit in Austria this week, the official said.

Britain will receive a new formal warning, the second step in EU sanctions procedure, for not having recovered 2.7 billion euros in revenues lost in a scam involving Chinese imports into Europe. The EU warned London about this for the first time in March.

The procedure is meant to put pressure on the offending member states and could eventually end up in financial sanctions, although this has occurred only in rare cases.

The imports were declared at an artificially low value to reduce the level of customs duties raised, according to the Commission, with a resultant impact on the EU's budget.

Google defends Gmail data sharing

Reuters | Washington, San Francisco


Representative picture (Courtesy of Daily Express)

Alphabet Inc's Google gave details about its policies for third-party Gmail add-ons but stopped short of fully addressing questions from US senators about developers who break its email-scanning rules.

Google said in a letter to US senators made public on Thursday that it relies on automated scans and reports from security researchers to monitor add-ons after launch, but did not respond to lawmakers' request to say how many have been caught violating the company's policies.

Senators may seek further clarity on Gmail's operations at a Commerce Committee hearing about privacy practices scheduled for Sept. 26 with officials from *Google, Apple Inc, AT&T Inc* and *Twitter* Inc.

Google did not immediately respond to a request for comment. Gmail users must give their consent to activate extensions, which can help them send emails on a time delay, get price-match rebates from retailers and remove unwanted mailing lists.

> Google told senators it has suspended apps due to "a lack of transparency to users," without identifying violators or when enforcement actions took place.

Under *Google*'s policies, software firms that create these add-ons must inform users about how they collect and share Gmail data.

The lawmakers' inquiry came after the *Wall Street Journal* reported in July that some add-on makers did not make clear to users that their employees could review Gmail messages and that their data could be shared with additional parties.

Software experts said in March that auditing of apps that interact with Gmail, Facebook and other services is lax.

To be sure, sharing with a fourth party is essential to the functioning of some add-ons. For instance, a trip-planning app may scan a users' email for upcoming flight details and then use the data to query an airline for updated departure information. Gmail, used by 1.4bn, is not the only Google service drawing questions about oversight.