

Strong dollar: Japan official urges caution

Reuters | Buenos Aires

Japan should be careful about recent remarks by US President Donald Trump on currencies and might need to convince Washington its monetary easing is not aimed at weakening the yen but beating deflation, a finance ministry official has said.

The US dollar fell the most in three weeks on Friday against a basket of six major currencies after Trump complained again about the greenback's strength and about Federal Reserve interest rate rises.

The U.S. president also lamented the strength of the dollar and accused the European Union and China of manipulating their currencies.

Jeep boss named Fiat Chrysler CEO

Reuters | Milan

Fiat Chrysler has named its Jeep division boss Mike Manley to take over immediately from Chief Executive Sergio Marchionne, who is seriously ill after suffering major complications following surgery.

The carmaker said British-born Manley, who also takes responsibility for the North America region, will push ahead with the mid-term strategy outlined last month by Marchionne, who had been due to step down next April. Marchionne, 66, was credited with rescuing Fiat and Chrysler from bankruptcy after taking the Italian carmaker's wheel in 2004. On Saturday he was also replaced as chairman and CEO of Ferrari and chairman of tractor maker CNH Industrial. Ferrari named FCA Chairman and Agnelli family scion John Elkann as new chairman, while board member Louie Camilleri becomes chief executive.

Gulf stock markets end sluggish

Al Rajhi Bank gained 0.6pc; Jabal Omar Development rose 1.6pc as the main Saudi index rose 0.2pc

Reuters | Dubai

Gulf stock markets were sluggish yesterday, with Saudi Arabia the biggest mover as investors took positions before more companies report financial results this week.

Al Rajhi Bank gained 0.6 percent and Jabal Omar Development was up 1.6 percent as the main Saudi index rose by 0.2 percent. Dubai Investments slipped by 2.5 percent while Emirates Integrated Telecommunications Co (EITC), also known as du, edged down 0.6 percent. The company on Thursday posted a 1.3 percent rise in second-quarter net profit, buoyed by an increase in fixed-line revenue. Dubai's main index dipped by 0.2 percent. Abu Dhabi National Energy (TAQA) fell 6.6 percent, having been one of



Saudi stocks were the biggest movers yesterday as traders took positions ahead of the corporate earnings reports

Closing Bell

SAUDI	▲ 0.2 %	» 8,467
DUBAI	▼ 0.2 %	» 2,921
ABU DHABI	▲ 0.02 %	» 4,771
QATAR	▼ 0.6 %	» 9,362
KUWAIT	▼ 0.3 %	» 5,336
BAHRAIN	▼ 0.2 %	» 1,352
OMAN	▼ 0.3 %	» 4,434
EGYPT	▼ 0.7 %	» 15,304

the strongest gainers on the Abu Dhabi bourse this year by virtue of its price more than doubling. The Abu Dhabi index was virtually flat, rising by only 0.02 percent. In Qatar, Doha Bank slumped by 5.3 percent as investors shed the stock after it posting a 75 percent slump in second-quarter profit on Thursday. Bahrain index dipped 0.2 percent to 1,352 points.

Xi offers fresh \$295m grant to Lanka in push for dominance

● The offer comes when a Chinese firm is facing heavy criticism for allegedly financing the last election campaign

Reuters | Colombo

Chinese President Xi Jinping has offered Sri Lanka a fresh grant of 2 billion yuan (\$295 million), as Beijing tries to expand its influence in the tiny island country off India's southern tip.

President Maithripala Sirisena of Sri Lanka, a partner in Beijing's multi-country Belt and Road infrastructure push, made the announcement on Saturday at a ceremony to mark the start of construction of a Chinese-funded kidney hospital in his home constituency of Polonnaruwa, 230 km (142.92 miles) from capital Colombo.

"When the Chinese ambassador visited my house to fix the date for this ceremony, he



Xi Jinping

said that Chinese President Xi Jinping sent me another gift," Sirisena told the gathering.

"He has gifted 2 billion yuan to be utilized for any project of my wish. I'm going to hand over a proposal to the Chinese ambassador to build houses in all the electorates in the country," he added.

Reuters could not immediately contact officials from the Chinese embassy in Sri Lanka for comment.

The grant offer comes at a time when a Chinese firm is facing heavy criticism for allegedly financing the last election campaign of former President Mahinda Rajapaksa.

Last month, the New York Times reported that China Harbour Engineering Company Ltd (CHEC) gave \$7.6 million for Rajapaksa's re-election bid, which he lost to Sirisena in early 2015.

Rajapaksa, the Chinese embassy in Colombo and state-

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MAITHRIPALA SIRISENA

owned CHEC have all denied the allegation, but Sirisena's coalition government held a parliament debate on Thursday over the report and called for an investigation into the alleged funding.

Sirisena had at the start of his term suspended most of the Chinese-backed infrastructure projects started under Rajapaksa over suspected corruption, overpricing and for flouting government procedures.

But more than a year later, the

Sirisena government allowed Chinese projects to resume after a few changes in some of them.

China was among the first countries that stepped in to help the reconstruction of Sri Lanka after a 26-year-long civil war ended in 2009.

Many of Beijing's projects, backed by loans from the Chinese government and initiated by Rajapaksa government, have faced opposition in Sri Lanka amid concerns raised by the United States, India and Japan that China might use Sri Lanka as a military base.

The 2014 docking of a Chinese navy submarine in Colombo raised an alarm in New Delhi, prompting Indian Prime Minister Narendra Modi to boost ties with Sri Lanka and claw back influence in the Indian Ocean region.

Both the Sri Lankan government and Chinese embassy in Colombo have denied any plans to use a southern port now handled by a Chinese firm for military purpose.

G20 calls for greater dialogue on trade tensions

Reuters | Buenos Aires

Finance ministers and central bankers from the world's largest economies meeting in Argentina said heightened trade and geopolitical tensions risk derailing global growth and called for greater dialogue, according to a draft communique.

The weekend talks in Buenos Aires come amid an escalation in rhetoric in the trade conflict between the United States and China, the world's largest economies, which have so far slapped tariffs on \$34 billion worth of each other's goods.

U.S. President Donald Trump raised the stakes on Friday with a threat to impose tariffs on all \$500 billion of Chinese exports to the United States unless Beijing agrees to major structural changes to its technology transfer, industrial subsidy and joint venture policies.

The draft reviewed by Reuters, which is subject to revisions, noted that the global economy was growing and unemploy-



Japanese Minister of Finance Taro Aso (L) and IMF Director Christine Lagarde, pose for the family picture of the G20 Finance Ministers and Central Bank Governors meeting in Buenos Aires yesterday

ment was at a decade low but warned that growth was becoming less synchronized among major economies and downside risks over the short- and medium-term had increased.

"These include rising finan-

cial vulnerabilities, heightened trade and geopolitical tensions, global imbalances, inequality and structurally weak growth, particularly in some advanced economies," the draft said.

A spokesman for Argentina's

Treasury Ministry, which coordinates the country's G20 presidency, said the ministers were still debating the communique.

The ministers reaffirmed the conclusions from G20 leaders at their most recent summit in



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Hamburg last July, when they emphasized that trade was an engine of global growth and that multilateral trade agreements are important.

"We...recognise the need to step up dialogue and actions to mitigate risks and enhance confidence," the draft said. "We are working to strengthen the contribution of trade to our economies."

The draft language marked an incremental toughening from the communique issued at the previous ministerial meeting in March, which had only noted that the leaders "recognise the need for further dialogue."

EU finance chief Pierre Moscovici fired a barb at US President Donald Trump as he called on both sides of an ongoing global trade dispute to "act as allies."

The US and EU have been at loggerheads since Trump angered European allies by announcing tariffs on steel and aluminum as he launched trade restrictions targeting China in particular.

UK to refuse Brexit bill sans trade deal

AFP | London

Britain will only pay its EU divorce bill if the bloc agrees the framework for a future trade deal, the new Brexit Secretary warned in an interview published yesterday.

Dominic Raab, who replaced David Davis after he quit the role earlier this month in protest over the government's Brexit strategy, said "some conditionality between the two" was needed.

He added that the Article 50 mechanism used to trigger Britain's imminent exit from the European Union provided for new deal details.

"Article 50 requires, as we negotiate the withdrawal agreement, that there's a future framework for our new relationship going forward, so the two are linked," Raab told the Sunday Telegraph.