Egypt inks deal with Cyprus for power link to Europe

Nicosia, Cyprus

Egypt has signed a deal with a Cypriot firm to lay a 310-kilometre (195-mile) cable under the Mediterranean to export electricity to Europe, the company said yesterday.

Nicosia-based EuroAfrica described the deal, worth an estimated two billion euros, as a "landmark."

"Cyprus now becomes a major hub for the transmission of electricity from Africa to Europe," said company chairman Ioannis Kasoulides.

It is estimated the project will take 36 months to implement from the start of construction, with the lowest point 3,000 metres below sea-level.

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> IOANNIS KASOULIDES
> CHAIRMAN, NICOSIA-BASED EUROAFRICA

Phase 1 will see the interconnector carry a capacity of 1,000 MW which can be upgraded to 2,000 MW at a later stage.

"The national electricity grid of Egypt will be linked to the European electricity system through Cyprus and will contribute to energy security," Kasoulides said.

Following the crises in Crimea and eastern Ukraine, the EU has been keen to develop alternative sources of energy to reduce its dependence on imports from Russia.

In the past year, gas has started flowing from four major new fields off Egypt's Mediterranean coast, and output is already sufficient to meet domestic needs.

The Arab world's most populous country is now seeking to develop the infrastructure to export its newfound energy wealth, both as liquefied natural gas and as electricity.

Egypt is also seeking to import gas from fields off Cyprus and Israel to boost the profitability of the new liquefaction and export facilities it is developing on its Mediterranean coast.

In September, Egypt signed a deal with Cyprus to build an undersea pipeline to pump Cypriot offshore gas to Egypt for processing for export to Europe.

The plans have led to closer eastern Mediterranean ties, with Cyprus, Egypt, Greece and Israel holding regular high-level meetings.

Sensex hits record

Mumbai, India

Indian stocks jumped to record highs yesterday as early results in the world's biggest election showed Prime Minister Narendra Modi on course for a second term.

Traders and business leaders welcomed trends in the vote count showing Modi's Bharatiya Janata Party (BJP) was set to win a majority, expressing hopes it could lead to deep economic reforms of Asia's third-largest economy.

The Bombay Stock Exchange's Sensex index rose more than two percent to pass the 40,000 mark for the first time ever while the Nifty crossed 12,000 points, also a new landmark.

India's rupee also strengthened, hitting 69.51 against the dollar from 69.67 late Wednesday.

"A perception that Modi is business friendly and an end to political uncertainty is boosting market sentiment," independent Mumbai-based economist Ashutosh Datar said.

Indian stock markets have rallied since exit polls on Sunday pointed to a Modi triumph.

The benchmark Sensex rose more than 2pc to peak at 40,124.50, while the Nifty, a smaller index based on 50 Indian companies also increased more than 2pc, touching a new record of 12,041.00.

Modi was elected 5 years ago on his promise to shake-up India's economy and create jobs for the millions.

Global stocks dive in 'perfect storm' as Europe heads to polls

London, United Kingdom

World stock markets plunged yesterday in a "perfect storm" as Europe headed to the polls amid fresh economic gloom, the China-US trade war raged on and beleaguered Prime Minister Theresa May delayed another key Brexit vote.

Europe kicked off voting across the continent in a contest in which rising populist forces are hoping to make significant gains, threatening closer EU integration.

Britain's EU poll is an ironic twist for a country that decided almost three years ago to leave the bloc and whose leader had vowed to avoid the vote.

"The markets (are) caught in a perfect storm of UK political turmoil, US-China trade warmongering and European economic softness," said Spreadex analyst Connor Campbell.

London's FTSE 100 shares index was down 1.4pc in afternoon deals as the government postponed a crucial Brexit vote following an outcry from hardline Brexiteers over concessions made by May -- who faces intense speculation over her future.

The pound forged another four-month low as May faces being ousted after a revised plan to push through her Brexit agreement, which sparked the resignation of cabinet member Andrea Leadsom.

Traders and financial professionals work during the opening bell on the floor of the New York Stock Exchange (NYSE) in New York City

Key figures around 1340 GMT

London - FTSE 100:	▼ 1.4pc at 7,231.58 points
Frankfurt - DAX 30:	▼ 1.7pc at 11,966.73
Paris - CAC 40:	▼ 1.8pc at 5,283.61
EURO STOXX 50:	▼ 1.6pc at 3,332.14
New York - Dow:	▼ 1.1pc at 25,481.08
Tokyo - Nikkei 225:	▼ 0.6pc at 21,151.14 (close)
Hong Kong - Hang Seng:	▼ 1.6pc at 27,267.13 (close)
Shanghai - Composite:	▼ 1.4pc at 2,852.52 (close)
Pound/dollar:	▼ at $1.2634 from $1.2706 at 2100 GMT
Euro/pound:	▲ at 87.96 pence from 87.84 pence
Euro/dollar:	▼ at $1.1115 from $1.1161
Dollar/yen:	▼ at 109.98 yen from 110.50 yen
Oil - Brent Crude:	▼ $1.80 at $69.19 per barrel
Oil - West Texas Inter:	▼ $1.80 at $69.57

Economic woes

Eurozone indices took a battering also on Thursday, with Frankfurt and Paris losing 1.5pc or more as survey data showed the bloc's economic growth remained "subdued" in May.

"The last thing the market needed on Thursday was a reminder of the eurozone's manufacturing and services sector woes," added Campbell.

"For the region as a whole, the former fell even further into contraction territory."

Frankfurt also tanked as the key Ifo survey signalled confidence among German business leaders struck its lowest level in more than four years in May.

The European single currency meanwhile touched a near one-month dollar low.

On Wall Street, the Dow index lost around 250 points at the opening bell.

"US stocks are extending a recent slide in early action, courtesy of lingering trade concerns as the trade war between the US and China looks to be set for a prolonged fight, while global economic concerns remain following soft data out of Japan, the Eurozone and Germany," Charles Schwab analysts said.

Trade war dogs markets

China-US trade frictions continue to dog investor sentiment, particularly in the tech sector after Washington blacklisted Chinese giant Huawei.

Traders ran for the hills, with no signs of a let-up in the tariffs stand-off between the world's top two economies.

"Risk appetite has clearly been pushed lower by the multitude of events today," Rabobank analyst Jane Foley told AFP.

"In particular, fear of a tech war or even a cold war between the US and China is now receiving greater attention."

Tensions between China and the US have increased after Donald Trump banned telecoms giant Huawei from the US market and prevented American firms from selling to it.

The move has led a number of companies around the world to cut back their business with the firm, including Google, Japan's Panasonic and EE in Britain, among others.

The row, which has seen the trade war widen to also become a battle over technology, has hammered the sector with major firms seeing their valuations tumble in recent weeks.

Back in Asia, Mumbai's Sensex soared more than twopc to break the 40,000 for the first time ever as traders welcomed polls indicating business-friendly Prime Minister Narendra Modi's BJP were on course to win another majority.

Oil prices plunged as global economic worries took their toll.

UK's Boris Johnson 'lied' in Brexit campaign, court hears

London, United Kingdom

Britain's former foreign secretary Boris Johnson knowingly lied during the 2016 Brexit referendum campaign over the cost of the UK's EU membership, a court heard on Thursday in an application with potentially far-reaching implications.

A private prosecution bid against Johnson accused him of misconduct in public office over the claim that Britain sends £350 million ($440 million, 400 million euros) a week to the European Union.

In a hearing at Westminster Magistrates Court in London, lawyers for businessman Marcus Ball, who crowdfunded for the bid, lodged an application to summons Johnson.

After considering the arguments, judge Margot Coleman said she would issue her decision on Wednesday.

Johnson was not present, but his lawyer Adrian Darbishire said the former London mayor and pro-Brexit figurehead -- who is now bidding to replace Prime Minister Theresa May -- staunchly denied any wrongdoing.

IMF warns US-China trade war will 'jeopardize' global growth

Gita Gopinath, the International Monetary Fund's chief economist

Washington, United States

The IMF sounded the alarm yesterday about the escalating US-China trade war, warning it will "jeopardize" 2019 global growth, undermine confidence and raise prices for consumers.

Gita Gopinath, the International Monetary Fund's chief economist, directly refuted President Donald Trump's claim that tariffs are paid by China and provide a windfall for the US treasury, and that his aggressive posture will help reduce the US trade deficit.

She and her co-authors warned in a blog post that the economic damage will be even worse if Trump goes through with the threat to impose steep tariffs on all goods imported from China, as that "will subtract about one-third of a percentage point of global GDP in the short term."

Optimism was high earlier this month that a deal was within striking distance but tensions erupted after Trump accused Beijing of backtracking on its commitments made over the year of negotiations.

He then more than doubled tariffs on $200 billion in Chinese goods to 25 percent and threatened to hit the remaining $300 billion in products imported each year with duties at the same level.

"Consumers in the US and China are unequivocally the losers from trade tensions," Gopinath stated, noting that the "tariff revenue collected has been borne almost entirely by US importers."

IMF chief Christine Lagarde and other fund officials have repeatedly raised concerns about the trade war but the blog post quantified the realized and expected damage, presenting the case with greater urgency.

Trump says a primary goal of the aggressive tariff strategy is to reduce the trade imbalance with China, which totaled $379 billion last year.

But Gopinath argues that while the tensions have damaged both countries, reducing overall trade and hurting companies, "the bilateral trade deficit remains broadly unchanged."