Apple eyes streaming, services

San Francisco, United States

Apple CEO Tim Cook attends the Economic Summit held for the China Development Forum in Beijing

Apple looks to begin a fresh reinvention today as it rolls out Hollywood stars for its new streaming television service, part of a broad shift of direction for the California technology giant.

Having seen a pullback in the once-sizzling smartphone market, Apple will seek to diversify by getting deeper into the television business, and with the likely launch of a subscription news service.

The iPhone maker, which has officially been mum on its plans, was expected to bring in Jennifer Aniston, Reese Witherspoon and "Star Wars" director J.J. Abrams to a launch event at its Silicon Valley headquarters.

"It seems fairly obvious they are launching a new video service," said Techspponential technology market analyst Avi Greengart.

Big questions to be answered include how compelling content will be; how much the service will cost, and what makes it unique in an increasingly crowded streaming television market, according to the analyst.

"If the content is compelling enough, people will subscribe," Greengart said.

"This is not new, but it is hard to do well."

The event comes with Apple under pressure to diversify its revenues amid sluggish growth in smartphones, which have delivered the bulk of Apple's profits for the past decade.

While iPhone sales remain enviable, growth has stalled. Meanwhile, money Apple takes in from selling services or digital content has climbed.

The Cupertino-based company recently stopped disclosing iPhone sales numbers with quarterly earnings releases and has taken to stressing the money-making potential of selling services, apps, music, movies and more to the millions of people using its devices.

The new service will be "a pivotal step for Cupertino in further driving its services flywheel and entering the 'streaming content arms race' which is clearly starting to take form," said Daniel Ives of Wedbush Securities in a research note.

Ives said he believes Apple's services business will be "worth roughly $400 billion on a standalone basis."

Crowded stage

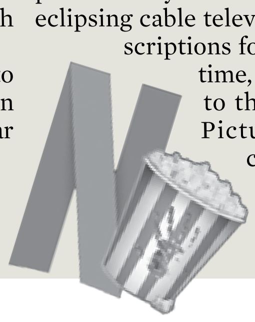
In streaming, Apple is taking on not just Netflix and Amazon but some of the biggest names in the media-entertainment world.

Walt Disney Co. has announced its new streaming service Disney+ will launch this year, as will another from WarnerMedia, the newly acquired media-entertainment division of AT&T.

The new entrants, with more expected, could launch a formidable challenge to Netflix, which has some 140 million paid subscribers in 190 markets, and to other services such as Amazon and Hulu.

These rivals are coming into the segment which has been transformed by the spectacular growth of Netflix and a growing movement by consumers to on-demand television delivered over internet platforms.

Subscriptions to online video services globally climbed 27 percent last year to 613 million, eclipsing cable television subscriptions for the first time, according to the Motion Picture Association of America.



What's new in news?

Apple is also widely believed to be set to launch a subscription news service described as a "Netflix for news" with partners in the media world.

A New York Times report said the Wall Street Journal would be part of the Apple service likely to cost $10 a month, but that many other news organizations including the prestigious New York daily and the Washington Post were balking due to Apple's demand for a 50 percent slice of revenue.

According to Bloomberg News, the website Vox would also be part of the Apple News effort.

The move comes amid deepening woes for the news sector facing a difficult transition to the digital world where few people want to pay for information and advertising is problematic.

Along with investing some of its considerable war chest in original shows, Apple could try to spice up its streaming service by adding in benefits such as access to its music library or online storage capacity at iCloud.

Saudi stocks retreat

- Petrochemicals and banks weigh on Saudi index
- SHUAA Capital surges on merger talks
- Banking shares fall in Abu Dhabi

Reuters | Dubai

Traders on the floor of Saudi Stock market (Courtesy of Amazons)

Saudi Arabia's stock market closed lower yesterday, along with other Gulf markets, having ended the previous week at its highest in nearly four years after inclusion in the FTSE Russell's emerging-market index.

Saudi's Tadawul index will have a weighting of 2.9 per cent in the FTSE Emerging All Cap Index and this year will join the MSCI emerging market benchmark.

The Saudi index dropped 0.7pc yesterday, dragged down by petrochemical and banking shares.

Petrochemical companies Saudi Basic Industries and Saudi Kayan closed 1.1pc and 4.6pc down respectively. Sipchem lost 0.9pc after its chief executive Ahmad al-Ohali resigned following his appointment as Governor of the General Authority for Military Industries.

National Commercial Bank retreated by 1.1pc, Al Rajhi Bank eased by 0.4pc and Riyad Bank lost 1.1pc.

Closing Bell

SAUDI	▼ 0.7 pc to 8,647 pts
ABU DHABI	▼ 0.6 pc to 5,095 pts
DUBAI	▼ 0.4 pc to 2,619 pts
QATAR	▼ 0.6 pc to 9,890 pts
EGYPT	▲ 0.4 pc to 14,841 pts
KUWAIT	▲ 0.5 pc to 5,920 pts
OMAN	▼ 0.6 pc to 4,127 pts
BAHRAIN	▼ 0.3 pc at 1,423 pts

In Dubai, the main index dipped by 0.4pc, extending Thursday's losses, with the Dubai Islamic Bank falling 1pc and Emirates NBD losing 0.6pc.

Developers DAMAC Properties and Emaar Properties lost 2.1pc and 0.4pc respectively.

SHUAA Capital surged 15pc after announcing it was in talks with Abu Dhabi Financial Group on a potential merger. It said each party had formed a working group to review the commercial potential of a deal.

The Abu Dhabi index closed 0.6pc down, with First Abu Dhabi Bank and Abu Dhabi Commercial Bank losing 0.9pc and 0.7pc respectively.

Qatar's index was off 0.6pc as Qatar National Bank gave up 1pc, Industries Qatar lost 0.8pc, and Commercial Bank fell by 1.9pc.

In Egypt, the index firmed by 0.4pc, helped by a 0.5pc gain for manufacturer Eastern Co and a 1.5pc rise for Commercial International Bank.

El Sewedy Electric Co also gained 1.5pc.

Arqaam Capital said in a note that it sees an increasing chance of a 50-100bps interest rate cut in Egypt because of a more dovish stance in the United States, strengthening the Egyptian pound, and continued portfolio inflows.

Abu Dhabi aims to lure start-ups with new technology hub

Reuters | Abu Dhabi

Abu Dhabi will commit up to 1 billion dirhams ($272 million) to support technology start-ups, it said yesterday, in a dedicated hub as part of efforts to diversify its economy.

US tech giant Microsoft will be a strategic partner, providing technology and cloud services to the businesses that join the hub as the capital of the United Arab Emirates continues its push to reduce reliance on oil revenue.

Abu Dhabi derives about 50 per cent of its real gross domestic product and about 90pc of central government revenue from the hydrocarbon sector, according to ratings agency S&P.

General view of Abu Dhabi

The emirate launched a 50 billion dirham ($13.6 billion) stimulus fund, Ghadan 21, in September last year to accelerate economic growth. Ghadan means tomorrow in Arabic.

The new initiative, named Hub 71, is linked to Ghadan will also involve the launch of a 500 million dirham fund to invest in start-ups, said Ibrahim Ajami, head of Mubadala Ventures, the technology arm of Mubadala Investment Co.

The goal is to have 100 companies over the next three to five years, Ajami said. "The market opportunities in this region are immense," he added.

Mubadala, with assets of $225 billion and a big investor in tech companies, will act as the driver of the hub, located in the emirate's financial district.

Malaysia threatens EU fighter jet boycott over palm oil

- French lawmakers recently voted to remove palm oil from the country's biofuel scheme starting from next year

Kuala Lumpur, Malaysia

Malaysia may retaliate against an EU plan to curb palm oil use by purchasing new fighter jets from China instead of European arms companies, its leader said yesterday.

The Southeast Asian country is the world's second largest palm oil producer after neighbouring Indonesia, and recently threatened to challenge the bloc's plan to phase out its use in biofuels at the World Trade Organization. Both Malaysia and Indonesia have been at loggerheads with EU lawmakers over the crop's cultivation, which has caused rampant deforestation and destruction of wildlife.

In his strongest statement yet on the proposed curbs, Malaysian Prime Minister Mahathir Mohamad said his country could look elsewhere to upgrade its ageing air force fleet of Russian Mig-29 fighters -- in effect abandoning plans to purchase France's Rafale jet or the Eurofighter Typhoon.

"If they keep on taking action against us, we will think of buying airplanes from China or any other country," he was quoted as

Palm oil trees at the Malaysian Palm Oil Board (MPOB) research station in Bukit Lawiang in southern Johor state

saying by the official Bernama news agency. But the premier said he was not "declaring war" on the EU as his country needed goods from the bloc, many members of which are among Malaysia's top trading partners.

Mahathir's remarks come ahead of a five-day international defence exhibition starting Monday on the resort island of Langkawi, where representatives of global weapons manufacturers have gathered.

Any EU palm oil curbs could seriously hurt farmers who represent an important voter base in both Malaysia and Indonesia.

Both countries are struggling to spur demand in palm oil, which is used in everything from soap to chocolate.

Prime Minister Mahathir Mohamad