

business

Bank of Japan cuts inflation, economic growth forecasts

Tokyo, Japan

Japan will fail to hit its two percent inflation target even by 2022, the central bank predicted yesterday as it also revised down its estimate for growth in the world's third-largest economy.

In its closely watched quarterly report, the Bank of Japan forecast inflation of 1.6 per cent in the fiscal year ending March 2022, meaning its years-long battle to reignite prices is far from won.

The BoJ lowered its inflation forecast for the year to March 2021 to 1.3 percent from 1.4 percent.

Japanese inflation currently stands below one percent, less than halfway to target, despite six years of aggressive monetary stimulus under BoJ Governor Haruhiko Kuroda.

Russia firm to take over Syria port for 49 years: Damascus

Damascus, Syria

A Russian firm is to take over Syria's largest port for 49 years and invest \$500 million in expanding it, the transport minister in Damascus said yesterday.

A deal would be signed for the "management, expansion and operation" of Tartous port with Russian company Stroytransgaz, Transport Minister Ali Hammoud was quoted as telling pro-government newspaper Al-Watan.

"The length of the contract -- 49 years -- was decided after a feasibility study" so both sides could reap benefits, it said.

Russia has been a key ally of President Bashar al-Assad's regime in Syria's eight-year civil war, providing it with crucial military backing.

The minister on Tuesday told Syrian state television that the port, which started operating in the 1960s, was not deep enough to allow heavy ships to dock.

"Tartous is an old port whose docks range between four and 13 metres (13 and 43 feet) deep," he said.

The current facilities are not suitable for ships heavier than 30-35 tonnes and "we needed to try to ensure very deep docks to accommodate cargoes of up to 100 tonnes."

The expansion works are expected to increase the eastern Mediterranean port's capacity from 4 million to 38 million tonnes a year, Hammoud said.

Oil nears six-month highs

Brent North Sea crude for delivery in June jumped to \$75.60 per barrel

AFP | London, United Kingdom

Oil prices closed in on six-month highs yesterday amid supply concerns stoked by the United States tightening the screws on sanctions-hit Iran.

Stock markets meanwhile mostly dropped, with European traders digesting news of the collapse of two mega-mergers in the supermarket and banking industries.

Wall Street meanwhile opened mixed amid a raft of US corporate giants releasing earnings reports, including positive news from Microsoft and Facebook.

"Brent crude oil has rallied above \$75 a barrel for the first time this year on the back of tighter sanctions on Iran, while gains in West Texas Intermediate (WTI) have been curtailed by a surge in US supply," noted Dean Popplewell, markets analyst at Oanda trading group. Brent North Sea crude for delivery in June jumped to \$75.60 per barrel, the highest level since the end of October, before falling back slightly.

West Texas Intermediate (WTI) prices reached \$66.28 per barrel -- just 0.03 cents away from its own six-month high -- before it dropped.

The US removal this week of waivers that allowed countries to buy oil from sanctions-hit Iran is expected to hit supplies,



Traders work after the opening bell at the New York Stock Exchange

Key figures around 1340 GMT

Oil - Brent Crude:	▲ 35 cents at \$74.92 per barrel
Oil - West Texas Inter:	▼ 14 cents at \$65.74 per barrel
London - FTSE 100:	▼ 0.8pc at 7,413.79 points
Frankfurt - DAX 30:	▼ 0.4pc at 12,265.62
Paris - CAC 40:	▼ 0.5pc at 5,546.29
EURO STOXX 50:	▼ 0.6pc at 3,482.60
Tokyo - Nikkei 225:	▲ 0.5pc at 22,307.58 (close)
Hong Kong - Hang Seng:	▼ 0.9pc at 29,549.80 (close)
Shanghai - Composite:	▼ 2.4pc at 3,123.83 (close)
New York - Dow:	▼ 0.8pc at 26,378.16
Euro/dollar:	▼ at \$1.1141 from \$1.1156 at 2200 GMT
Pound/dollar:	▼ at \$1.2893 from \$1.2902
Dollar/yen:	▼ at 111.70 yen from 112.13 yen

though analysts are keeping watch on the region and whether OPEC responds by opening up the taps.

Oil prices had already enjoyed a strong recovery this year, with output capped by Russia and the OPEC cartel as well as unrest in Venezuela and Libya.

Oil kingpin Saudi Arabia on Wednesday said it had no immediate plans to raise oil output to offset the move by Washington.

Iran's supreme leader Ayatollah Ali Khamenei called the end of oil sanction waivers by the US a "hostile measure" that "won't be left without a response".

Mergers collapse

In the stock markets, Asian equities stuttered after New York indices retreated Wednesday from record highs, with weak economic data around the world offsetting a forecast-beating earnings season.

While the mood on trading floors remains broadly positive after a blockbuster start to the year, there are lingering concerns that growth in most parts of the world is well off the pace of the United States.

There was further negativity in Asia, with South Korea on Thursday reporting its biggest quarterly contraction since late 2008. The 0.3pc drop was also its first fall since the last three months of 2017.

The data comes after investors have been on a buying spree for much of the year, fuelled by optimism that China and the US will hammer out a deal to end their trade war, as well as central bank dovishness.

Shanghai was the main loser Thursday, ending down 2.4pc on concerns the Chinese government could ease up on a recent run of mini stimulus measures that have supported the economy and equities.

European stock markets were solidly down, with shares in Deutsche Bank flattened and Commerzbank dropping 2.7pc after Germany's two biggest lenders ended merger talks.

British supermarket Sainsbury's meanwhile slid 4.4pc after the UK's competition watchdog blocked its proposed merger with Walmart-owned Asda.

In foreign exchange news, the euro dropped to \$1.1118, its lowest level since June 2017, before rebounding slightly.

"The euro is cheap, dragged down by weak growth, political uncertainty and two-year bond yields that are even lower than Japan's," said Kit Juckes, macro strategist at French bank Societe Generale.

Gulf Air unveils plans for Indian market



Gulf air officials and guests during a gala dinner held in New Delhi

TDT | Manama

Gulf Air, the national carrier of Bahrain, earlier this month conducted a visit to India unveiling a series of commercial dynamic plans for the Indian markets.

A gala dinner was held in New Delhi and attended by some of

India's top travel agency owners and directors as well as Abdulrahman Mohamed Al Gaoud, Bahrain's Ambassador to India and members of Bahrain's diplomatic mission in New Delhi as well as Indian government officials, media representatives and Gulf Air commercial teams from Bahrain and India stations.

Commenting, Gulf Air Chief Commercial Officer Vincent Coste said, "Gulf Air's relationship with India is longstanding -- dating back to our first flight to Mumbai in 1960. India remains a strategic and a key market for the airline."

"We are here to showcase our

5-year plan and new strategy and also to deepen the airline's partnerships with our stakeholders".

Gulf Air currently operating 75 weekly flights to eight destinations in India: Mumbai, Delhi, Chennai, Thiruvananthapuram, Cochin, Hyderabad, Calicut and Bangalore.

Biden asked Obama 'not to endorse' him for president

Washington, United States

Former US vice president Joe Biden, who launched his White House bid yesterday, said he asked old boss Barack Obama not to endorse him because Democrats should try to win the nomination on their own merits.

Shortly after Biden's announcement, a source familiar with Obama's thinking said he was "unlikely" to endorse this early, noting that the 44th president believed the robust primary debate in the run-up to 2008 had shaped him into a better candidate.

"I asked president Obama not to endorse," Biden told reporters in Wilmington, Delaware, adding: "Whoever wins this nomination should win it on its own merits."

Biden is the latest of 20 candidates seeking the Democratic nomination.