GLOBAL FINANCIAL OUTLOOK

January 25 — 29, 2016

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in DEPTH

The effect of global economic slowdown was clearly shown this week in another set of central bank decisions.

Although it kept rates unchanged on Wednesday, the U.S. Fed showed concerns over recent market turmoil, thus raising speculations about the timing of its second rate hike.

On the other hand, the Bank of Japan shocked the markets on Friday with its new negative rates policy.

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STOCK MARKETS				
INDEX	PRICE	1 W %	HIGH	LOW
DJIA	16,271.12	1.10%	16,297.80	15,863.72
S&P 500	1,910.05	0.17%	1,918.14	1,872.70
NASDAQ	4,552.80	-0.84%	4,590.44	4,447.50
ASX 200	5,005.52	2.91%	5,009.50	4,909.40
EUROX 50	3,017.68	-0.18%	3055.38	2945.31
FTSE 100	6,019.26	2.02%	6,053.38	5,771.37
DAX	9,753.01	-0.12%	9,905.08	9,563.64
CAC40	4,389.88	1.23%	4,403.68	4,224.45
NIKKEI 225	17,518.30	3.30%	17,638.93	16,652.26

FX & COMMODITIES				
(vs US$)	PRICE	1 W %	HIGH	LOW
EUR	1.0827	0.29%	1.0968	1.0790
GBP	1.4209	-0.39%	1.4413	1.4174
AUD	0.7080	1.11%	0.7141	0.6919
NZD	0.6473	-0.31%	0.6543	0.6418
JPY	121.36	-2.17%	121.69	117.66
CHF	1.0239	-0.77%	1.0257	1.0111
CAD	1.4066	0.38%	1.4326	1.3948
GOLD	1117.88	1.82%	1128.16	1097.35
SILVER	14.28	1.07%	14.574	14.0245
U.S. CRUDE	33.52	4.13%	34.82	29.25
B. CRUDE	34.39	6.87%	35.84	29.27

WEEKLY ECONOMIC CALENDAR			
DAY	EVENT	EST.	PRIOR
Feb 1	China Manufact PMI	49.6	49.7
Feb 1	U.K. Manufact PMI	51.8	51.9
Feb 1	Eurozone Manufact PMI	52.3	52.3
Feb 1	US ISM Manufact PMI	48.6	48.2
Feb 2	AU RBA Policy Decision		
Feb 3	AU Trade Balance		-2.91B
Feb 3	US ADP Nonfarm Emp		257k
Feb 4	UK BoE Policy Decision		
Feb 5	AU Retail Sales		0.40%
Feb 5	Canada Jobs Report		
Feb 5	Canada Trade Balance		-2.0B
Feb 5	US Jobs Report		
Feb 5	US Trade Balance		-42.4B

Source: Bloomberg

=> Report data are updated as at Jan 29—16:00 GMT

U.K.'s growth slowing to weakest in almost 3 years

Britain's economy ended 2015 on a soft note after the annual pace of growth slowed to its weakest in nearly three years as the global economic slowdown weighed on its previously rapid expansion. Fourth-quarter gross domestic product grew by 0.5%, up slightly from 0.4% in the three months to September, the Office for National Statistics said on Thursday, and in line with economists' forecasts. Output in the three months to December was 1.9% higher than a year earlier, down from 2.1% in the third quarter and the smallest increase since early 2013. The figures are likely to ease worries that Britain is facing a sharp economic slowdown, as domestic demand appears to have remained resilient. But they suggest that the robust growth of the past two years will not return until the world economy regains strength. Bank of England Governor Mark Carney said last week that he wanted to see above-average growth and a pick-up in wages before raising rates, and economists now do not expect the central bank to move until the tail end of this year.

Russian economy shrinking most since 2009

Russia's economy, facing renewed pressure from plunges in energy prices and the ruble, contracted the most since 2009 last year on oil's decline and sanctions over the conflict in Ukraine that curbed access to international financing. Gross domestic product fell 3.7% after growth of 0.6% in 2014, the Federal Statistics Service said Monday on its website, citing preliminary estimates. A separate release of consumer data for December showed spending continued to decline as real wages and disposable incomes fell further. The economy of the world's largest energy exporter is facing a second year of contraction after crude prices resumed their slump at the start of 2016, sending the ruble tumbling to a record. Monetary-policy makers, meeting Friday to discuss interest rates, have limited room to trim borrowing costs with inflation at more than three times their medium-term target. The central bank has held its benchmark at 11% for three meetings. The ruble has lost more than 7% against the dollar this year, the worst performer among 24 emerging-market currencies tracked by Bloomberg. Oil has fallen about 15% in 2016 as volatility in global markets adds to concern over swollen U.S. stockpiles and the prospect of increased Iranian exports. Bank of Russia Governor Elvira Nabiullina has said the regulator is "vigilantly" monitoring the situation and is ready to step in. The central bank hasn't sold foreign currency since late 2014 after shifting to a free float of the ruble. Officials have warned that Russia must cut spending to avoid running down the reserves it built up when oil prices were higher.

Eurozone inflation jumping in January

Euro zone headline inflation jumped as expected in January while the core measure, which excludes energy and first estimate from the European Union's statistics office Eurostat showed on Friday. Eurostat said consumer prices in the 19 countries sharing the euro rose 0.4% year-on-year in January, after a 0.2% increase in December. But core inflation, which the European Central Bank (ECB) pays close attention to in its monetary policy, rose to 1.0% from 0.9% in December, driven by more expensive services, and industrial goods. Energy prices fell 5.3% year-on-year in January, less steeply than the December decline of 5.8% or November's 7.3%. Unprocessed food prices grew more slowly at 1.8% annually against a 2.0% rise in December. The ECB wants to keep headline inflation below, but close to 2% and has been buying billions of euros of euro zone government bonds to inject more cash into the economy and in this accelerate price growth.

Canada inflation rate rising in December

Canada's annual inflation rate rose in December as food prices surged, Statistics Canada data showed on Friday, suggesting the impact from the lower Canadian dollar was being felt. The annual inflation rate rose to 1.6%, shy of economists' expectations for an increase to 1.7%. Core inflation, which strips out volatile items such as fruit and vegetables and is watched by the Bank of Canada, slipped to 1.9% from 2.0%, was below forecasts and at its lowest since July 2014. Canadians paid 3.7% more for food compared to December a year ago. Prices for food purchased at stores were up 4.1%, with the acceleration mainly attributable to more expensive fresh fruit and vegetables. With C$8 ($5.64) cauliflower making international headlines recently, consumers have been bracing for the impact of the depreciation of the Canadian dollar, which has been hit hard by falling oil prices. Overall, prices were higher in all eight of the consumer price index's major components, including shelter, which rose 1.1% from a year earlier. The transportation index, which includes gasoline, posted its first year-over-year increase since October 2014, gaining 0.6% as gasoline managed a smaller annual decrease.

RBNZ saying further easing may be needed to boost inflation

New Zealand's central bank said it may need to cut interest rates further as falling oil prices and a weaker global growth outlook prolong a period of low inflation. "Some further policy easing may be required over the coming year to ensure that future average inflation settles near the middle of the target range," Reserve Bank Governor Graeme Wheeler said Thursday in Wellington after leaving the official cash rate at 2.5%. Inflation will take longer to reach the bank's 1-3% target than previously expected, he said. Wheeler has scope to cut borrowing costs to a fresh record low after consumer prices fell in the fourth quarter, pushing the inflation rate down to 0.1%, the weakest since 1999. Slumping prices for dairy products, New Zealand's biggest export, have also curbed economic growth. Fonterra Cooperative Group forecast its 2016 payout to farmers will fall to a 9-year low.

U.S. Fed showing concerns over global economic slowdown

Fed officials left interest rates unchanged and said they still expect to raise borrowing costs at a "gradual" pace while watching to see how the global economy and markets impact the US outlook. The FOMC is "closely monitoring global economic and financial developments and is assessing their implications for the labor market and inflation, and for the balance of risks to the outlook," the bank said in a statement following a 2-day meeting. The Fed omitted a line from the previous statement in Dec saying the risks to the outlook were "balanced."

Chair Janet Yellen and her Fed colleagues, explaining their unanimous decision to leave the target range for their benchmark federal funds rate at 0.25% to 0.5%, said that recent information "suggests that labor market conditions improved further even as economic growth slowed late last year." Reiterating the interest-rate outlook from the December statement, the FOMC said that it "expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate." Household spending and business fixed investment have been growing at "moderate rates in recent months," the FOMC said, after labeling such gains "solid" in the December statement. The Fed stuck to its projection that the pace of price gains will rise to 2% over the medium term but stated that inflation "is expected to remain low in the near term, in part because of the further declines in energy prices." Market-based measures of inflation expectations have "declined further," while survey-based measures were "little changed" in recent months, the FOMC said.

U.S. economic growth slowing sharply in Q4

U.S. economic growth braked sharply in the Q4 as businesses stepped up efforts to reduce an inventory glut and a strong dollar and tepid global demand weighed on exports. GDP increased at a 0.7% annual rate, the Commerce Department said on Friday, also as lower oil prices continued to undermine investment by energy firms and unseasonably mild weather cut into consumer spending on utilities and apparel. The economy grew 2.4% in 2015. Excluding inventories and trade, the economy grew at a 1.6% pace.

In Q4, businesses accumulated $68.6 billion worth of inventory. While that is down from $85.5 billion in the Q3, it was a bit more than economists had expected, suggesting inventories could remain a drag on growth in the Q1. The small inventory build subtracted 0.45% from the first estimate of Q4 GDP growth.

Consumer spending (accounts for more than 2/3 of U.S. economic activity,) increased by 2.2%. With gasoline prices around $2 per gallon, a tightening labor market gradually lifting wages and house prices boosting household wealth, economists believe the slowdown in consumer spending will be short-lived.

The dollar, which has gained 11% against the currencies of the U.S. trading partners since last January, likely remained a drag on exports, leading to a trade deficit that subtracted 0.47% from GDP growth in the Q4. The downturn in energy sector investment put more pressure on business spending on nonresidential structures. Spending on mining exploration, wells and shafts plunged at a 38.7% rate after dropping at a 47.0% pace in the Q3.

Investment in mining exploration, wells and shafts fell 35% in 2015, the largest drop since 1986. Business spending on equipment contracted at a 2.5% rate last quarter after rising at a 9.9% pace in the Q3. Investment in residential construction remained a bright spot, rising at a 8.1% rate.

U.S. durable goods orders plunge in December

New orders for long-lasting U.S. manufactured goods tumbled in December as lower oil prices and softer global demand put more pressure on factories, the latest sign that economic growth weakened significantly at the end of 2015. The Commerce Department said on Thursday that durable goods orders declined 5.1% last month after slipping 0.5% in November.

Bank of Japan surprising the markets with "negative" interest rates

The Bank of Japan unexpectedly cut a benchmark interest rate below zero on Friday, stunning investors with another bold move to stimulate the economy as volatile markets and slowing global growth threaten its efforts to overcome deflation. Global equities jumped, the yen tumbled and sovereign bonds rallied after the BOJ said it would charge for a portion of bank reserves parked with the institution, an aggressive policy pioneered by the European Central Bank (ECB).

"What's important is to show people that the BOJ is strongly committed to achieving 2% inflation and that it will do whatever it takes to achieve it," BOJ Governor Haruhiko Kuroda told a news conference after the decision.

In adopting negative interest rates Japan is reaching for a new weapon in its long battle against deflation, which since the 1990s have discouraged consumers from buying big because they expect prices to fall further. Deflation is seen as the root of two decades of economic malaise.

Kuroda said the world's third-biggest economy was recovering moderately and the underlying price trend was rising steadily. "But there's a risk recent further falls in oil prices, uncertainty over emerging economies, including China, and global market instability could hurt business confidence and delay the eradication of people's deflationary mindset," he said. "The BOJ decided to adopt negative interest rates ... to forestall such risks from materializing."

Kuroda said as recently as last week he was not thinking of adopting a negative interest rate policy for now, telling parliament that further easing would likely take the form of an expansion of its massive asset-buying program. The central bank said in a statement announcing the decision it would cut interest rates further into negative territory if necessary, in its battle against deflation.

Japan inflation still near Zero

Japan's economy ended 2015 with a bust, as everything from household spending to industrial production and exports tumbled in December. Output from the nation's industries slid 1.4% last month from November, worse than any of the forecasts, a government report showed. Spending among households, when compared with a year earlier, fell the most in nine months. Exports last month dropped the most since 2012. A core gauge of consumer prices remained far from the BOJ's target. The weakening came before this month's global financial turmoil and worries about China's slowdown, which threaten to unsettle Japanese businesses' plans for investment and spending.

Japan December jobless rate steady at 3.3%

Japan's seasonally adjusted unemployment rate held steady in December at 3.3%, matching economists' median forecast, data by the Ministry of Internal Affairs and Communications showed on Friday. The jobs-applicants ratio rose to a 24-year high of 1.27 in December, versus the median forecast of a 1.26 in a Reuters poll of economists, separate data by the labour ministry showed.

Japan's annual trade deficit narrowing

Japan's annual trade deficit narrowed almost 80% from a record as energy import costs fell and the weaker yen helped spur a modest increase in exports. The balance has been negative for 49 of the 58 months since the March 2011 earthquake and tsunami. Fuel imports soared after the disaster devastated a nuclear power plant and prompted Japan to shut down its atomic reactors for extended periods. More recently, the slowdown in China and weakness in the global economy have hurt exports, even as declines in the yen makes Japanese goods more competitive overseas. The trade balance, which swung back to a surplus of 140.2 billion yen ($1.2 billion) in December, was in deficit for nine months in 2015. Exports declined 8% in value last month and imports fell 18%. The annual trade deficit was 2.8 trillion yen. In December compared with a year earlier, Japan's exports to China fell 8.6% and were down 3.4% to the U.S.

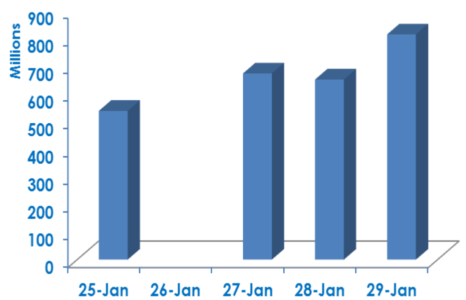
STOCK MARKET TOP MOVERS

ASX / SP 200	Price	1 W %
	5,005.52	1.82%
GAINERS		
AWE LTD	0.515	56.06%
SANTOS LTD	3.160	11.27%
FORTESCUE METALS GROUP LTD	1.730	12.70%
AUSTAL LTD	1.305	8.75%
OIL SEARCH LTD	6.500	6.21%
LOSERS		
G.U.D. HOLDINGS LTD	6.510	-14.79%
SELECT HARVESTS LTD	5.320	-6.83%
BLACKMORES LTD	190.570	-9.20%
NORTHERN STAR RESOURCES LTD	2.960	-8.07%
BREVILLE GROUP LTD	6.080	-7.74%

TOP AVERAGE DAILY VOLUMES

ASX / SP 200	668,254,576
FORTESCUE METALS GROUP LTD	34,052,200
TELSTRA CORP LTD	23,428,190
MEDIBANK PRIVATE LTD	22,431,530
SOUTH32 LTD	18,933,350
ALUMINA LTD	17,218,900

DAILY VOLUMES TRADED



Source: Bloomberg

China sovereign wealth fund joining $6.3 billion bid for Asciano

Australian port operator Qube Holdings Ltd said on Thursday a Chinese sovereign wealth fund was taking part in its A$8.9 billion ($6.3 billion) bid for rail giant Asciano Ltd, potentially complicating regulatory approval amid a political backlash against Chinese investors. Qube revealed the participation of China Investment Corp (CIC) as it made the binding cash -and-share offer for Australia's largest rail freight network, which narrowly bests an offer from Canadian infrastructure giant Brookfield Asset Management Inc. Qube also set out a plan to split Asciano's business if the deal is approved: Qube would have most of the ports business while its offshore co-investors - CIC, the Canada Pension Plan Investment Board and Global Infrastructure Management - would own the rail business.

Fortescue iron ore shipments climbing 3.8% as costs decline

Fortescue Metals Group Ltd., the world's fourth-biggest iron ore exporter, said second-quarter shipments rose 3.8%, beating analyst estimates, as costs fell to a record and net debt declined. Shipments were 41.4 million metric tons in the three months ended Dec. 31, compared with 39.9 million tons a year ago, the Perth-based producer said in a statement on Thursday. Total shipments, including third-party material, were 42.1 million tons from 41.1 million tons. Producers are racing to cut costs as iron ore is trading at less than a quarter of its 2011 peak and last month plunged to the lowest level in more than six years as the economic slowdown in China slows demand growth in the biggest user. Fortescue's output costs were lowered for the eighth consecutive quarter, Chief Executive Officer Nev Power said in the statement, dropping to $15.80 a wet metric ton.

BHP Billiton set to fund Aston Bay's Storm copper project

The Canadian arm of mining giant BHP Billiton has signed a letter of intent to help fund exploration at Aston Bay Holdings Ltd's Storm copper project, Aston Bay said on Thursday. Under terms of the preliminary deal, BHP could earn a 75% interest in Storm, located in Canada's far north territory of Nunavut, if it spends a minimum of C$40 million on exploration over the next few years. Vancouver-based Aston Bay, a small exploration company, will have no required exploration expenses for four years from the date a definitive agreement is signed. The two sides expect to finalize a deal in the second quarter, said Aston Bay.

Indonesia's Salim buying huge Australian coal project from Rio Tinto

Global miner Rio Tinto Plc has agreed to sell one of its remaining coal mines in Australia to a group owned by Indonesia's third-richest man, Anthoni Salim, continuing an exit from coal as it battles a sharp slump in prices. MACH Energy Australia, set up by the Indonesian conglomerate Salim Group, said on Wednesday it would buy the Mount Pleasant thermal coal assets, which have 474 million tonnes of marketable reserves, for $224 million plus royalties.

Chi-X saying J.C. Flowers to buy Australia, HK, Japan subsidiaries

Market operator Chi-X Global Holdings LLC said on Monday that U.S. private equity firm J.C. Flowers & Co had agreed to buy its Australian, Hong Kong and Japanese subsidiaries for an undisclosed amount. The deal is expected to close by the end of March, pending regulatory clearances, Chi-X said in a statement.

Drillsearch shareholders approving merger with Beach Energy

Drillsearch Energy Limited reported Wednesday that its shareholders have approved the scheme of arrangement to proceed with the proposed merger with Beach Energy Limited. The all-scrip tie-up received the support of 94% of shareholders. Kerry Stokes' investment vehicle Seven Group Holdings holds a 19.85 stake in both Drillsearch and Beach Energy, which operate in the Cooper Basin in South Australia and Queensland. Drillsearch chairman Jim McKerlie said the deal was highly attractive and welcomed the vote result. The merger, is expected to deliver $20m in synergies.

STOCK MARKET TOP MOVERS	Price	1 W %
ATHEX COMPOSITE (GREECE)	**552.830**	**3.46%**
INTRACOM HOLDINGS SA-REG	0.340	18.47%
AS COMPANY SA	0.373	13.72%
EUROCONSULTANTS SA	1.590	11.97%
REDS SA	0.309	-8.85%
AUTOHELLAS SA	10.110	-7.67%
IASO S.A.	0.476	-4.23%
GENERAL MARKET INDX (CYPRUS)	**67.410**	**1.08%**
FARMA HATZIOANNOU	0.005	150.00%
CCC TOURIST ENTERPRISES PLC	0.044	18.92%
SALAMIS TOURS HOLDINGS PLC	0.210	16.67%
AIANTAS INVESTMENTS LTD	0.005	-28.57%
LOUIS PLC	0.032	-5.88%
STADEMOS HOTELS PLC	0.500	-1.96%

GREEK GOVERNMENT BONDS

	LAST	Δ 1 WEEK	HIGH	LOW
2 y	13.678	0.030	15.385	12.941
10 y	9.575	0.357	9.887	9.215
15 y	9.283	0.169	9.725	9.106
20 y	9.040	0.095	9.524	8.918

MONTHLY ECONOMIC CALENDAR

DAY	EVENT	ACT	PRIOR
Jan 4	GR—Manufacturing PMI	50.2	48.1
Jan 7	GR—Unemployment Rate	24.5%	24.5%
Jan 7	CY—CPI MoM	-0.70%	0.04%
Jan 7	CY—CPI YoY	-1.23%	-2.12%
Jan 8	GR—Industrial Prod YoY	1.80%	-1.90%
Jan 13	GR—CPI YoY	-0.20%	-0.70%
Jan 20	GR—Current Account Bal	-1217m	314m
Jan 29	GR—Retail Sales YoY	-5.50%	-2.80%

Source: Bloomberg

Greek c.bk chief says Greek economy can recover in 2016

Greece's economy will continue to contract in the first half of this year but has the potential to rebound afterwards if there is a speedy conclusion of the country's first bailout review, Bank of Greece chief Yannis Stournaras said on Monday. Stournaras has urged the leftist-led government to implement reforms agreed with the country's lenders, warning that backtracking would entail risks the economy could not withstand. "It is estimated that, at least for the first half of 2016, GDP will remain in negative territory because of the carry over negative impact of 2015," Stournaras said in a speech to the Hellenic American Chamber of Commerce. "In the second half of 2015 and due to the impact of capital controls and the tax burden on households and businesses, it is estimated that economic activity declined, leading to a small 0.2% recession for 2015 as a whole," he said. Stournaras reiterated that a successful review would help restore confidence, improve the banking system's liquidity and further loosen capital controls, paving the way for an economic recovery in the second half of this year.

Lenders to start Greek reform review next week—EU exec

Greece's international lenders will begin a review of the country's reforms next week, the European Commission said on Friday, bringing Athens a step closer to the start of talks on a re-profiling of its public debt. Greece's international lenders are the IMF and the euro zone bailout fund. The reforms that Greece has to implement in exchange for loans are reviewed also by the European Central Bank and the European Commission. "Mission chiefs will arrive in Athens during the weekend," Commission spokesman Margaritis Schinas told a regular news briefing. "Talks could start as of early next week," he said. To secure a positive progress review, Greece needs to reform pensions, set up a new privatization fund and find measures to achieve primary budget surpluses for 2016-2018.

Greek bank deposits rising 2% in December

Greek bank deposits rose in December after a two-month drop, data released by the country's central bank showed on Friday. Business and household deposits increased by 2.48 billion euros, or 2.05% month-on-month to 123.38 billion euros ($134.6 billion), their lowest level since November 2003. They had dropped slightly to 120.9 billion euros in November. A two-month rise in August and September that followed a 10-month decline was halted in October as deposits dropped. Greece saw a 42 billion euro deposit outflow from December to July. Capital controls imposed on June 28 helped contain the flight, which sharply increased Greek banks' dependence on emergency liquidity assistance (ELA) from the Bank of Greece.

Greek retail sales falling 4.5% YoY in November

Greek retail sales by volume fell 4.5% in November compared to the same month a year ago, led lower by fuels, lubricants, home appliances and supermarkets, statistics service ELSTAT said on Friday. Data on gross domestic product have shown some resilience in Greek consumer spending, which declined by only 1.0% in the Q3 when the economy shrank by 0.9% quarter-on-quarter. Tax hikes and capital controls, imposed at the end of June to stem a flight of cash from banks by depositors unnerved by a stalemate in talks with international lenders, have weighed on the sector. The biggest fall in retail sales last year was recorded in July at 7.2%.

Fairfax CEO seeing investment potential in Greece, says reforms must go on

Fairfax Financial Holdings Chief Executive Prem Watsa said on Friday that he sees investment opportunities in Greece if the crisis-hit country proceeded with reforms. Watsa made the statements after meeting Greek Prime Minister Alexis Tsipras, to discuss the economy and Greece's fiscal progress ahead of the country's first bailout review. Fairfax has invested in Greek companies including Eurobank , Eurolife Insurance and Grivalia Properties and Praktiker.

Eldorado seeing up to $1.6 billion charge from Greece write-down

Eldorado Gold Corp said it expects to write down the value of its assets in Greece by $1.2 billion-$1.6 billion, after the Canadian miner suspended majority of mine construction and development in the European country. The company also forecast 2016 gold production of 565,000-630,000 ounces on Monday, much lower than the estimated 723,532 ounces it produced last year. Eldorado Gold said earlier this month it would suspend construction at its Skouries project and warned that it would do the same at its Olympias project if it did not receive a permit by the end of March. It has halted development work its Perama Hill and Sapes projects but could restart at a later date.

Greece relaunching railway company sale to attract more offers

Greece said on Wednesday it will relaunch a tender to sell its railway company TRAINOSE to allow more investors to bid for it. "The goal is to raise investors' interest in TRAINOSE, which currently operates as the sole provider of rail services in Greece," the privatisation agency HRADF said in a statement. The decision to relaunch the sale was taken at a board meeting on Jan. 20, it said. Investors should express interest from Feb. 1 and must submit their binding bids by April 26.

STOCK MARKETS

INDEX	PRICE	1 W %	HIGH	LOW
K.S.A	5,879.98	7.62%	5,882.52	5,469.24
ABU DHABI	3,910.44	4.64%	3,922.19	3,763.87
DUBAI	2,857.24	8.97%	2,857.24	2,641.77
QATAR	9,272.01	8.01%	9,272.01	8,661.88
OMAN	5,016.51	3.07%	5,016.46	4,868.76
EGYPT	5,986.78	4.79%	6,001.86	5,799.00
KUWAIT	5,010.39	1.30%	5,019.15	4,916.17
BAHRAIN	1,171.63	0.53%	1,173.17	1,149.44

Source: Bloomberg

UAE lowering February gasoline, diesel prices

The United Arab Emirates will lower domestic prices for gasoline and diesel in February, the ministry of energy said on Thursday. The price of a litre of octane 95 gasoline will fall to 1.47 ($0.4003) dirhams at the start of February from 1.58 dirhams in January, the ministry said in a statement. The domestic diesel price will fall 15% to 1.37 dirhams in February from 1.61 dirhams in January, the ministry said. In July, the UAE said it was shifting from a system of fixed, subsidised fuel prices to adjusting prices monthly in response to global trends. It did not reveal details of its new formula nor say whether subsidies would be removed entirely, but announced that fuel prices would be "based on the average global prices with the addition of operating costs".

UAE's Etihad Rail suspending stage two tendering, reviews investment

Etihad Rail , the state-backed firm building a railway network in the United Arab Emirates, on Tuesday said it had suspended the tendering process for stage two of the project as it reviewed the investment. The company was reviewing the options for the timing and delivery of that phase of the project, it said in a statement. Stage two of Etihad Rail involves the construction of a rail network in Abu Dhabi by connecting its borders with Saudi Arabia and Oman, as well as connecting other areas within the UAE. The UAE government has begun to slow some spending and review construction plans in some areas as low oil prices hit state finances.

Egypt raising cap on forex deposits for imports of essential goods

Egypt's central bank raised the cap on foreign currency deposits at banks fivefold to $250,000 on Tuesday to help relieve a dollar shortage that has seen imports of essential goods piling up at ports. The central bank imposed a cap of $50,000 a month on deposits at banks almost a year ago in an effort to crush a black market for dollars that ballooned as pressure to devalue the Egyptian pound mounted. Importers and manufacturers alike criticized the original limits, which made it more difficult to open letters of credit and left cargoes stuck at ports.

Saudi Aramco CEO expecting to see oil prices pick up by end-year

National oil giant Saudi Aramco expects to see oil prices pick up by the end of this year, the company's chief executive Amin Nasser said on Tuesday. Speaking at a business conference, Nasser said current low prices, with Brent crude around $30 a barrel, were not sustainable and there were signs of demand increasing, which would start to close a supply/demand gap. "It will definitely be better than what we are currently seeing," Nasser said. He did not specify which level he thought prices would reach by the end of this year, but said they would not return to $100 for the foreseeable future.

Airbus signing Iran deal for 118 planes worth $27 billion

Iran agreed on Thursday to buy 118 Airbus jets worth $27 billion at list prices, including a dozen A380 superjumbos, after international sanctions were lifted against Tehran this month. The planemaker said the deal, signed amid a raft of others during a visit by President Hassan Rouhani, was conditional on getting U.S. export licenses because more than 10% of Airbus jetliner parts come from the United States. The order for 73 wide-body and 45 narrow-body jets allows Airbus to steal a march on US rival Boeing as Iran seeks to renovate and expand its worn-out fleet of 225 planes.

Vodafone Qatar to review costs after loss widens

Vodafone Qatar plans to review its costs in an effort to maintain margins, it said after reporting widening losses for a fifth straight quarter on Tuesday. The telecoms operator has yet to make a quarterly profit, more than six years since ending state-controlled Ooredoo's monopoly in 2009. The Vodafoneaffiliate had been moving steadily towards breaking even, but its performance has worsened over the past 18 months as rival Ooredoo has cut prices.

Ooredoo Oman Q4 net profit rising 10.8%

Ooredoo Oman, the sultanate's No.2 telecom operator, reported a 10.8% increase in Q4 net profit on Wednesday, its sixth rise in eight quarters. The firm, majority-owned by Qatar's Ooredoo , made a net profit of 9.2 million rials ($23.90 million) in the three months to Dec. 31, up from 8.3 million rials in the year-earlier period, it said in a bourse statement. Gulf Baader Capital Markets had forecast Ooredoo Oman would make a quarterly profit of 12.5 million rials. Q4 revenue was 65.2 million rials. This compares with 60.5 million rials a year earlier.

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