WEEKLY MARKET UPDATE

GLOBAL FINANCIAL OUTLOOK

June 13 — 17, 2016

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GLOBAL MARKETS

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AUSTRALIA

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Australian shares market ending this week down by 2.82%. Major story picks:

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- Australian stock exchange blocking IPO for music streaming company Guvera
- Virgin Australia seeking $628 million in cash call to cut debt as it eyes China growth
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- BP unlikely to invest in Saudi Aramco IPO—CEO
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in DEPTH

The June 23 BREXIT referendum dominated central bank decisions this week and pushed them to keep their policies unchanged for the meantime.

The U.S. Fed signaled for a delay in the next rate hike.

The Bank of England warned over potential global risks.

The Bank of Japan refrained from expanding its monetary stimulus despite the Yen's recent jump.

The Swiss National Bank said it will counter any surge in an already overvalued franc.

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STOCK MARKETS

INDEX	PRICE	1 W %	HIGH	LOW
DJIA	17,675.16	-1.06%	17,893.28	17,471.29
S&P 500	2,071.22	-1.19%	2,098.12	2,050.37
NASDAQ	4,800.34	-1.92%	4,894.85	4,778.78
ASX 200	5,162.66	-2.82%	5,312.60	5,141.00
EUROX 50	2,849.17	-2.13%	2904.67	2784.89
FTSE 100	6,021.09	-1.55%	6,115.76	5,899.97
DAX	9,631.36	-2.07%	9,755.23	9,432.87
CAC40	4,193.83	-2.62%	4,275.97	4,109.82
NIKKEI 225	15,599.66	-6.03%	16,335.38	15,395.98

FX & COMMODITIES

(vs US$)	PRICE	1 W %	HIGH	LOW
EUR	1.1277	0.23%	1.1303	1.1131
GBP	1.4358	0.71%	1.4388	1.4013
AUD	0.7387	0.19%	0.7446	0.7286
NZD	0.7049	-0.09%	0.7093	0.6964
JPY	104.16	2.63%	106.98	103.55
CHF	0.9600	0.51%	0.9687	0.9572
CAD	1.2894	-0.87%	1.3086	1.2726
GOLD	1298.65	1.92%	1315.71	1272.56
SILVER	17.50	0.97%	17.86	17.10
U.S. CRUDE	47.98	-2.22%	49.28	45.83
B. CRUDE	49.17	-2.71%	50.79	46.94

WEEKLY ECONOMIC CALENDAR

DAY	EVENT	EST.	PRIOR
Jun 21	AU RBA Minutes		
Jun 21	Eurozone ZEW Econ	5.1	6.4
Jun 21	Fed Chair Yellen Testifies		
Jun 22	Fed Chair Yellen Testifies		
Jun 22	Canada Retail Sales		-1.0%
Jun 23	BREXIT Referendum		
Jun 24	German Ifo Bus Climate	107.6	107.7
Jun 24	US Durable Goods	0.10%	0.50%

Source: Bloomberg

U.S. inflation rising less than expected

The cost of living in the U.S. excluding food and fuel rose in May, propelled by rising rents. The so-called core measure of the consumer price index rose 0.2% last month, the same as in April, a Labor Department report showed Thursday. The broader measure of consumer prices also climbed 0.2%. Federal Reserve policy makers project strengthening demand combined with more stable energy costs and less appreciation in the dollar will allow more businesses to regain pricing power in coming months. A separate report from the Labor Department showed applications for jobless benefits last week rose by 13,000 to a one-month high of 277,000. The gain was led by California and Pennsylvania, and may have resulted from the difficulty in adjusting the data for the Memorial Day holiday and school vacations, a government spokesman said. The gauge increased 1% in the 12 months ended in May, after a 1.1% year-over-year advance. The core CPI measure, which excludes volatile food and fuel costs, increased 2.2% from May 2015, after rising 2.1% in the prior 12-month period, matching the median forecast of economists surveyed.

U.K. inflation steady in May

U.K. inflation unexpectedly held at 0.3% in May as rising transport costs were offset by falls in the price of clothing and food. The rate, reported by the Office for National Statistics on Tuesday. Core inflation, which excludes volatile food and energy prices, remained at 1.2%. Bank of England officials meet this week amid expectations they will refrain from raising the benchmark interest rate from a record-low 0.5% until early 2017. Inflation has been below their 2% target for more than two years, and BOE forecasts are for a gradual pickup with the rate only returning to the goal in mid-2018. There is speculation that borrowing costs could even be cut to shore up the economy if Britain votes next week to leave the European Union. Upward pressure on inflation last month came from transport costs as motor fuel prices rose 2.7% compared with 1.9% a year earlier.

Canada's inflations slowing in May

Canada's annual inflation rate cooled in May on cheaper gasoline and a slowdown in price increases for food, but the Statistics Canada data was not expected to move monetary policymakers from the sidelines. The annual rate declined to 1.5% from April's 1.7%, Statistics Canada said on Friday. That was a tad short of economists' expectations for 1.6%. Inflation remained comfortably below the Bank of Canada's 2% target and gave policymakers room to remain accommodative. The annual core inflation rate, which strips out some volatile items, was closer to the midpoint of the central bank's 1% to 3% range, dipping to 2.1% from 2.2%. The Canadian dollar slightly trimmed its gains against the greenback immediately following the data, but investors were more focused on Britain's upcoming referendum.

U.K. unemployment rate lowest since 2005

Britain's unemployment rate dipped to its lowest level in over a decade and pay growth rose, showing the labour market was holding up despite a broader slowdown ahead of next week's vote on Britain's future in Europe. The number of unemployed fell 20,000 in the three months to April to 1.671 million, taking the unemployment rate to 5.0%, its lowest since the three months to October 2005, the Office for National Statistics said. The number of people in work rose by 55,000, keeping the employment rate at a record high of 74.2%. Britain's economy lost momentum in the first quarter of the year, hurt by uncertainty around the June 23 referendum, but the labour market has largely withstood the broader slowdown. Workers' earnings excluding bonuses rose by 2.3% year-on-year in the three months to April against expectations for a 2.1% rise and up from 2.2% in the three months to March. In April alone, regular pay growth jumped to 2.5% from 1.9% in March, the biggest rise since August last year. The ONS said the jump was partly due to the introduction of a new higher minimum wage in April, which particularly affected the retail sector.

German 10-yr yield turning negative for first time

The yield on the 10-year benchmark German bund fell into negative territory for the first time ever on Tuesday morning, amid global growth concerns and jitters over the U.K.'s upcoming referendum on its European Union membership. Bond prices and yields move in opposite directions and a negative yield implies that investors are effectively paying the German government for the privilege of parking their cash. By the end of the European trading day, the yield was still just in negative territory at -0.0020%. A spokesperson for the German Federal Debt Agency spoke immediately after the milestone was reached, stating that the tradability of federal securities is "still very high." "The federal debt-management strategy is long-term, therefore, the current absolute yield level plays only a subordinate role. Our target remains a sustainable balance between cost and planning security for the debt portfolio," the agency said in an email to CNBC. The move comes as the European Central Bank has ramped up its bond buying program in recent months as well as investor uncertainty over whether the U.K. will stay in the European Union.

Microsoft paying $26 billion to acquire LinkedIn

Microsoft Corp. is acquiring the professional social network LinkedIn Corp. for $26.2 billion, one of the largest technology-industry deals on record, as the maker of Windows software attempts to put itself at the center of people's business lives. The deal is a way for Microsoft, which largely missed out on the consumer Web boom dominated by the likes of Google and Facebook Inc., to sprint ahead in social tools — in this case, for professionals. While Chief Executive Officer Satya Nadella has drawn kudos for efforts to reshape the company and reignite sales growth, the board is urging an even faster shift toward software and services delivered over the Internet. Microsoft will pay $196 per share in an all-cash transaction, including LinkedIn's net cash, a 49.5% premium to LinkedIn's closing price Friday.

U.S. Fed keeping interest rates unchanged; signals fewer future rate hikes

The U.S. Federal Reserve kept interest rates unchanged on Wednesday and signaled it still planned to raise rates twice in 2016, though it said slower economic growth would crimp the pace of monetary policy tightening in future years. The central bank's decision to stick with its 2016 rate path, however, appeared shakier, with six of its 17 policymakers projecting just one increase this year. Only one Fed policymaker had done so when economic forecasts were last issued in March.

A sharp slowdown in U.S. hiring in May had fueled doubts about the strength of the labor market going into the Fed's two-day policy meeting. Fed Chair Janet Yellen acknowledged the need to see clear signs of economic strength before lifting rates. "We do need to make sure that there's sufficient momentum," Yellen told a news conference. The Fed also said the economy would grow only 2% this year and in 2017, 0.1%age point lower than previously forecast for each year. It also cut its longer-term view of the appropriate federal funds rate, its benchmark lending rate, by a quarter point to 3% and indicated it would be less aggressive in raising rates after the end of this year.

Yellen was not clear on whether a rate increase could come at the next policy meeting in late July or whether the central bank would wait for a slew of firmer data as it headed into its September meeting. "I'm not comfortable to say it's in the next meeting or two, but it could be," Yellen said. "It's not impossible that by July, for example, we would see data that led us to believe that we are in a perfectly fine course." Yellen said the U.S. economy appeared to have gained momentum since April, but that the labor market had lost some steam.

She acknowledged Britain's possible exit from the European Union was one of the factors in the latest rate decision, saying the June 23 referendum would have "consequences for economic and financial conditions in global financial markets." Financial markets all but priced out a rate increase this year after the Fed statement, and U.S. short-term interest rate futures contracts rose. U.S. stocks closed lower.

The rate decision was unanimous, with Kansas City Fed President Esther George, considered among the policymakers most eager to raise rates, voting with her colleagues on the Federal Open Market Committee (FOMC). George dissented at the prior two meetings. The Fed's benchmark overnight lending rate remains in a range of 0.25% to 0.50%. The central bank raised rates in December for the first time in nearly a decade and initially signaled four increases were likely for 2016. Concerns about a global economic slowdown and volatility in financial markets subsequently reduced that number to two. Worries about the health of the global economy have eased, however, and more recent U.S. data have indicated that last month's jobs report may have been a blip.

Bank of England saying Brexit would pose risks to global economy

Bank of England policy makers intensified their warnings about the risks of leaving the European Union, saying the damage could extend to global markets and the world economy.

Just one week before the U.K. votes on its membership of the 28-nation bloc, the Monetary Policy Committee -- led by Governor Mark Carney -- said uncertainty was already having an impact and this could heighten if Britain quits. That may mean a "materially lower path for growth and a notably higher path for inflation" as well as a rise in unemployment, officials said in a statement on Thursday that accompanied their decision to keep the key interest rate at a record-low 0.5%.

Policy makers also added a new dimension to their caution, highlighting the international threats stemming from the vote. With polls showing the "Leave" campaign is ahead. "The outcome of the referendum continues to be the largest immediate risk facing U.K. financial markets, and possibly also global financial markets," the committee said. A vote to leave could have "adverse spillovers to the global economy" through "financial market and confidence channels," they said. In the event of a vote to leave, policy makers said they would face a "trade-off between stabilizing inflation on the one hand and output and employment on the other." They said the would take "whatever action was needed" to ensure inflation expectations remain anchored.

The nine-member MPC's interest-rate decision was unanimous. During the meeting, the committee was briefed on contingency planning for the referendum to ensure financial stability, including: Intensive supervision of banks to ensure they have enough liquidity - BOE's additional liquidity operations - Access to liquidity from other central banks - Swap lines with other central banks - Other tools that the Financial Policy Committee could wield.

On the economy, the BOE said little had changed since its May Inflation Report, noting subdued core inflation and weak productivity growth. It said a pickup in inflation depended on "both a lessening drag from external factors and an increase in domestic cost growth." "The main focus of the committee's policy discussion this month concerned the difficulty in identifying underlying momentum in the domestic economy, amidst the influence on activity of uncertainty related to the EU referendum," it said.

Bank of Japan refraining from expanding its stimulus

The Bank of Japan refrained from expanding monetary stimulus ahead of the U.K. vote on Brexit next week that could roil global markets, and before a domestic election in which the political opposition has made the bank's negative interest-rate policy an issue. With the yen soaring to its strongest in almost two years after the decision Thursday, Governor Haruhiko Kuroda reiterated in a press conference in Tokyo that the central bank won't hesitate to take action if needed. He also said the central bank was carefully monitoring moves in financial markets and was in touch with counterparts including the Bank of England, amid Brexit concerns that he said had had an impact in the bond market. Japan's bond yields slid to record lows amid demand for haven assets. The governor also reiterated his expectation for inflation to hit policy makers' 2% target as forecast in the fiscal year through March 2018, saying Japan's economy continues to expand gradually and citing solid plans for business investment. Even so, he said "I'm well aware if the yen rises excessively, it could well have a big impact on inflation pace."

"Speaking of the strengthening yen, we think it's not favorable that the yen rises and volatility increases without reflecting economic fundamentals," Kuroda said after the yen climbed through 104 per dollar for the first time since 2014. "We want to carefully watch and pay attention to the international financial market, including the foreign exchange." He reiterated his position that "we don't decide monetary policy based on currency moves." The BOJ earlier held its key interest rate at minus 0.1% and kept the annual target for expanding the monetary base at 80 trillion yen ($764 billion).

Swiss National Bank will act when necessary

Switzerland's central bank will counter any surge in an already overvalued franc should Britain vote next week to leave the European Union, SNB officials said on Thursday, leaving open the option to cut record-low rates deeper into negative territory. As widely expected, the Swiss National Bank kept its policy rates on hold, keeping its powder dry should Brexit spark a flood of funds into the safe-haven franc. The market gave a muted reaction to the rate decision. Central bank Chairman Thomas Jordan said Brexit was not the SNB's base scenario, even if the prospects for such an outcome had risen of late. He told reporters central banks were holding intense exchanges on market developments ahead of the vote. SNB board member Andrea Maechler said the SNB had a team following Brexit developments 24 hours a day.

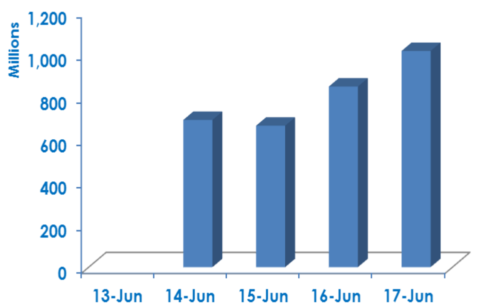
STOCK MARKET TOP MOVERS

ASX / SP 200	Price	1 W %
	5,162.66	-2.82%
GAINERS		
CROWN RESORTS LTD	12.900	10.73%
CSR LTD	3.680	9.52%
SAI GLOBAL LTD	3.540	5.67%
SARACEN MINERAL HOLDINGS	1.450	5.45%
DUET GROUP	2.460	4.24%
LOSERS		
BEACH ENERGY LTD	0.605	-15.38%
PROGRAMMED MAINTENANCE	1.565	-14.25%
COVER-MORE GROUP LTD	1.270	-14.19%
ST BARBARA LTD	2.870	-11.15%
MANTRA GROUP LTD	3.400	-10.76%

TOP AVERAGE DAILY VOLUMES

ASX / SP 200	804,821,232
TELSTRA CORP LTD	30,306,901
MEDIBANK PRIVATE LTD	25,801,177
ST BARBARA LTD	25,597,972
SARACEN MINERAL HOLDINGS	22,930,621
SOUTH32 LTD	18,866,140

DAILY VOLUMES TRADED



Source: Bloomberg

Australia plans A$1 billion fund to protect Great Barrier Reef

Australia's government plans a A$1 billion ($736 million) fund to protect the Great Barrier Reef from the effects of climate change and declining water quality. Warming waters are bleaching the reef's coral, while run-off from the land such as farm fertilizer is harming water quality, Prime Minister Malcolm Turnbull said at a news conference in Queensland Monday, less than three weeks out from a general election. The reef, a UNESCO world heritage site, is "unique, it's gigantic, it's an enormous economic driver here in north Queensland and it's one that we are committed to protect for our children, grandchildren and many generations to come," he said. Bottom of Form The reef is the largest living structure on the planet, stretching 2,300 kilometers (1,430 miles) along Australia's north-eastern coastline, and is home to more than 1,600 types of fish and more than 30 species of whales and dolphins, according to the Great Barrier Reef Marine Park Authority. The reef supports almost 70,000 full-time jobs and is worth more than A$5 billion a year to the Australian economy through the tourism industry alone, according to the government. Turnbull faces an election on July 2, with the latest Newspoll showing his Liberal-National coalition tied with the main opposition Labor Party. The Reef Fund announced would be administered by the Clean Energy Finance Corp. and provide up to A$1 billion over 10 years in investment finance for projects that deliver clean energy, reduce emissions and improve water quality.

Exxon, BHP considering sale of Australia oil and gas assets

Exxon Mobil Corp and BHP Billiton Ltd said on Wednesday that they are considering selling depleting energy assets in Australia, including Kingfish, the country's largest ever discovered oil field. The resource giants are looking to market 13 fields, licenses and associated infrastructure held in the Gippsland Basin Joint Venture. The venture in Australia's Victoria state began operations in 1969, according to BHP's website. "We are seeking to identify interested parties with proven experience and strength to operate and capture the remaining potential in these licenses," a spokesman for Esso Australia, which operates the venture, told Reuters. BHP and Esso Australia each hold a 50% share of the joint venture.

ASX blocking IPO for music streaming company Guvera

Australia's stock exchange took on Friday the rare step of rejecting an initial public offering, telling loss-making music streaming company Guvera Ltd it would not accept its shares. In a statement on Friday, ASX Ltd said it "exercised its discretion to refuse admission, based on material contained in Guvera's application for admission". It said the specific reasons for the refusal were confidential. Guvera said in a statement it was reviewing its legal options and obligations and would offer more information to the market when it was more informed. It also said that the ASX has offered a meeting next week to discuss its decision. The Australian music streamer, which competes with Apple Inc, Spotify Ltd and Pandora Media Inc, said on June 1 that it planned to raise up to A$80 million ($59 million) in a listing to bankroll an ambitious expansion in developing markets. A listing would have made Guvera the biggest Australian player in the global music streaming industry, which it said is forecast to grow revenue by more than 10% a year until at least 2019, and which has traditionally been dominated by U.S. heavyweights.

Virgin Australia seeking $628 million in cash call to cut debt as it eyes China growth

Virgin Australia, the country's second-biggest airline, is tapping investors in a cash call worth more than 80% of its market value, aiming to cut debt and cover restructuring costs as it targets lucrative Chinese tourist traffic. The airline said on Wednesday it would ask shareholders to subscribe to a fully underwritten rights issue worth A$852 million ($628 million), compared with an existing market capitalization of about A$1 billion. Shares tumbled as the dilutive impact sank in. The move should ease a debt pile built up during a costly battle for customers with market leader Qantas Airways. It also comes as Chinese investors close in on control of nearly 40% of the airline, stoking debate on foreign ownership.

Crown Resorts shares jumping on break-up plan

Australia's No. 1 casino firm Crown Resorts Ltd won support from investors and analysts on Thursday for a plan to split the business, reigniting speculation billionaire owner James Packer may take part of the company private. Ending months of speculation, Crown said late Wednesday it plans to spin off its overseas assets to protect Australian investors from the effects of a Chinese gambling crackdown that has ravaged Macau casinos for two years.

Australian watchdog filing suit against health insurer Medibank

Australia's consumer watchdog has filed a lawsuit in the Federal Court against the country's largest private health insurer, Medibank Private Ltd, alleging it failed to notify customers in advance about a move to limit benefits for pathology and radiology services while in hospital. The Australian Competition and Consumer Commission (ACCC) said Medibank decided not to give advance notice about the policy change in 2014 because its members might have opted to switch to other providers and that might have hurt its initial public offering.

STOCK MARKET TOP MOVERS

	Price	1 W %
ATHEX COMPOSITE (GREECE)	**586.550**	**-5.19%**
KLEEMANN HELLAS S.A.	1.730	4.22%
EUROPEAN RELIANCE GEN INSURA	1.920	3.78%
IKTINOS HELLAS S.A.-REG	0.998	3.74%
VIOHALCO SA	1.300	-12.75%
CENTRIC MULTIMEDIA SA	0.112	-11.81%
HALCOR S.A.	0.311	-10.89%
GENERAL MARKET INDX (CYPRUS)	**68.780**	**-1.45%**
FARMA HATZIOANNOU	0.002	100.00%
LEPTOS CALYPSO HOTELS PLC	0.070	11.11%
ERMES DEPARTMENT STORES PLC	0.105	9.38%
CYPRUS FOREST INDUSTRIES LTD	0.306	-25.37%
LOUIS PLC	0.034	-10.53%
INTERFUND INVESTMENTS PLC	0.090	-10.00%

GREEK GOVERNMENT BONDS

	LAST	Δ 1 WEEK	HIGH	LOW
2 y	**9.612**	1.501	*12.569*	*7.743*
10 y	**8.159**	0.668	*8.364*	*7.500*
15 y	**8.076**	0.505	*8.207*	*7.560*
20 y	**7.929**	0.421	*8.093*	*7.499*

MONTHLY ECONOMIC CALENDAR

DAY	EVENT	ACT	PRIOR
Jun 1	GR—Manufacturing PMI	**48.4**	**49.7**
Jun 2	CY—CPI MoM	**0.62%**	**0.16%**
Jun 2	CY—CPI YoY	**-2.13%**	**-2.47%**
Jun 9	GR—Unemployment Rate	**24.10%**	**24.20%**
Jun 9	GR—Industrial Prod YoY	**2.80%**	**-4.00%**
Jun 9	GR—CPI YoY	**-0.90%**	**-1.30%**
Jun 9	CY—GDP QoQ	**0.90%**	**0.90%**
Jun 9	CY—GDP YoY	**2.60%**	**2.60%**
Jun 21	GR—Current Account Bal		**-708m**
Jun 30	GR—Retail Sales YoY		**-4.30%**

Source: Bloomberg

Greece could lift capital controls by year-end

Greece could lift most or all capital controls imposed at the height of the euro zone crisis by the end of the year, the head of the country's banking association said on Saturday. The controls, which restricted the amount of cash that can be withdrawn from banks to 420 euros a week, were imposed last June to halt a flight of deposits that threatened to wreck the banking system as Greece was embroiled in acrimonious bailout talks with its international lenders. More than 50 billion euros left banks from November 2014 to July last year on fears that the country could crash out of the euro, forcing them to resort to emergency borrowing from the European Central Bank and the Bank of Greece. "Personally, I believe that the biggest part of the restrictions, if not all of them, can be lifted this autumn and toward the end of the year," Louka Katseli, who also chairs National Bank, Greece's second biggest lender, told Greek state TV. Katseli said one of the conditions for this to happen had already been met after Greece successfully concluded a first review of its bailout reforms this month, helping to restore investor confidence in the country. The next immediate step would be for the ECB to give Greek banks access to cheap funding by accepting Greek bonds as collateral, she said.

Greece's aid payment approved

Euro-area finance ministers approved the payment of 7.5 billion euros ($8.5 billion) of aid for Greece, ending months of wrangling over the nation's economic reforms. The finance chiefs endorsed the disbursement at a meeting of the European Stability Mechanism, the 19-nation bloc's firewall fund, in Luxembourg on Thursday. The payout will cover Greece's debt-servicing needs as well as the clearing of some arrears. The financial aid is part of the 86 billion-euro bailout agreed to between Greece and the euro area last year. The installment comes after the Greek government pushed through a series of austerity measures and tax and pension reforms as well as steps to reduce the number of non-performing loans on bank balance sheets. "This will bring real oxygen to the Greek economy," European Union Economic Affairs Commissioner Pierre Moscovici told reporters after the resolution. "This government is making difficult, courageous reforms, but needed reforms in order to have a more sustainable and stronger economy."

Greek Jan-May central govt budget surplus beating target

Greece's central government registered a primary budget surplus of 2.26 billion euros ($2.53 billion) in the first five months of the year, helped by lower spending, finance ministry data showed on Thursday. The central government surplus excludes the budgets of social security organizations and local administrations and is different from the figure monitored by Greece's EU/IMF lenders, but indicates the state of the country's finances. The government's target was for a primary budget deficit - which excludes debt-servicing costs - of 820 million euros for the five-month period. Net tax revenues came in at 17.25 billion euros, 759 million euros above target, while spending was 2.36 billion euros below target.

Greece postpones deadline for Kasteli airport bids to July

Greece has extended to end-July the deadline for bids to build and operate a new airport on the island of Crete. The government, which signed up to a third international bailout last year, had initially set a February deadline for submission of binding bids for the build-operate transfer (BOT) project worth an estimated 850 million euros ($967 million). "The binding financial offers for the new international airport of Heraklion, Crete, in Kasteli will be submitted in late July," Prime Minister Alexis Tsipras said in a speech on Thursday. A source familiar with the matter said the tender had been pushed back because the terms on which investors will submit their bids were not ready yet. The Crete Kasteli airport project is expected to be the fourth-biggest airport in Greece in terms of traffic and would replace the ageing Heraklion airport now struggling to handle nearly 2.6 million tourists a year. Tsipras said the project would bring "multiple benefits to many sectors of the island economy, besides tourism." Greece has made several fruitless attempts to build the facility since 2010, with its debt crisis scaring investors away.

Greek civil aviation workers suspending strike

Greek civil aviation workers suspended a five-day strike planned for June 20-25 to protest against the development of the country's regional airports after receiving assurances from the government their jobs were not at risk. Greece's privatization agency published an invitation on Monday to hire an adviser to work out whether some 23 regional airports could be further developed. In response, civil aviation workers union OSYPA called the strike fearing that such a move would result in job losses or hurt workers' labour rights. The walkout would have disrupted air traffic at airports on some of Greece's popular islands at the start of its peak tourism season.

Greece's jobless rate rising to 24.9% in first quarter

Greece's jobless rate rose to 24.9% in January-to-March from 24.4% in the last year's final quarter, data from the country's statistics service showed on Thursday. The highest unemployment rate was recorded in the first quarter of 2014, when joblessness hit 27.8%. About 70.3% of Greece's 1.19 million jobless are long-term unemployed, meaning they have been out of work for at least 12 months, the figures showed. Athens has already published monthly unemployment figures through March, which differ from quarterly data because they are based on different samples and are seasonally adjusted. Quarterly figures are not seasonally adjusted. The debt crisis and a six-year austerity imposed by the EU/IMF lenders in exchange for Greece's bailouts have wiped out about a quarter of the country's economic output, driving the jobless rate to record highs. Greece's economy shrank by 0.5% in the first quarter, at a slightly faster pace than previously estimated, weighed by weaker consumer spending and net exports.

STOCK MARKETS				
INDEX	PRICE	1 W %	HIGH	LOW
K.S.A	6,542.64	-0.97%	6,647.17	6,534.18
ABU DHABI	4,322.18	-1.35%	4,390.62	4,313.01
DUBAI	3,307.72	-1.88%	3,371.00	3,299.12
QATAR	9,791.65	-0.46%	9,833.74	9,683.31
OMAN	5,808.07	-1.32%	5,886.06	5,808.07
EGYPT	7,420.39	-4.33%	7,756.30	7,386.68
KUWAIT	5,394.84	-0.29%	5,423.09	5,375.74
BAHRAIN	1,116.93	-0.24%	1123.30	1115.78

Source: Bloomberg

Abu Dhabi levying airport, hotel taxes to boost revenues

Abu Dhabi is introducing taxes on airline passengers and hotel guests as it seeks to compensate for a hit to government revenues from low oil prices. Airline passengers departing from or transiting through Abu Dhabi International Airport will be charged an airport tax of 35 dirhams ($9.53) from June 30, said the Abu Dhabi government's official gazette, seen on Thursday. "Airlines will be responsible for collecting the fee and shall transfer the proceeds to Abu Dhabi Airports Company," it said.

Qatar to lure overseas money with ownership and tax incentives

Qatar is seeking to draw in more foreign investors and cut its dependence on gas revenues by setting up special economic zones that will allow for 100% overseas ownership. The world's top LNG exporter is one of the richest countries per capita but faces a projected 46.5 billion riyal ($12.8 billion) budget deficit this year and like other Gulf states has had to borrow abroad to shore up its finances. A draft law approved by Qatar's cabinet allows for the creation of an airport or sea port in the economic zones which will allow companies "unrestricted transfer of capital out of the country", state news agency QNA reported on Thursday.

Bahrain launching $100 million liquidity fund

Bahrain has launched a $100 million (Dh367.3 million) liquidity fund to enhance depth in its illiquid stock markets, its state-run news agency said on Wednesday. The Bahrain Liquidity Fund is supported by a number of market participants and has been vested with $100 million of assets in cash and shares. The fund will act as a market maker, providing two way quotes on most of the listed stocks with a reasonable spread to allow the investors to actively trade their stocks, a report on Bahrain News Agency said.

Egypt raising rates by 100 bps, highest level in years

Egypt's central bank raised its key interest rates by 100 basis points on Thursday to their highest levels in years, in a move economists said was intended to rein in surging inflation and ease downward pressure on the Egyptian pound. The Monetary Policy Committee (MPC) raised the overnight deposit rate from 10.75% to 11.75%, its highest level in over a decade. It hiked the overnight lending rate from 11.75% to 12.75%, its highest since 2008.

Solar, wind costs could fall up to 59% by 2025, study says

The average cost of electricity generated by solar and wind energy could fall by up to 59% by 2025 if the right policies are in place, a report by the International Renewable Energy Agency (IRENA) said on Wednesday. Since 2009, solar photovoltaic (PV) module prices have fallen by 80% and wind turbine prices have fallen by around 30-40% as renewable energy capacity has grown to record levels and technologies have improved. Solar and wind technologies can continue to fall in price to 2025 and beyond if governments set policies to minimise transaction costs and to streamline administrative procedures and approval processes, the report said.

BP unlikely to invest in Saudi Aramco IPO—CEO

Oil major BP Plc is unlikely to invest in Saudi Aramco's IPO, Chief Executive Bob Dudley told reporters at the St Petersburg International Economic Forum on Thursday. "It's unlikely we would be a financial investor in Saudi Aramco," he said. Dudley also said the global oil industry needed to readjust its costs based on an oil price of around $50 per barrel.

Italy's Fincantieri signing 4 billion euro deal to build ships for Qatar

Fincantieri has signed a deal worth almost 4 billion euros ($4.47 billion) to build seven ships for Qatar, the Italian state-controlled shipbuilder said on Thursday. Fincantieri will supply the Gulf state with four corvette warships, two support vessels and an amphibious landing platform dock, and will provide support services in Qatar for 15 years after delivery, the company said in a statement. All the ships will be built in Italian shipyards, with construction beginning in 2018. Italy's defense company Leonardo-Finmeccanica will supply electronics and weapons systems for the ships and will receive around a third of the value of the deal, or more than 1 billion euros, a company official said. The deal was signed in Rome by Fincantieri Chief Executive Giuseppe Bono and Qatari naval commander Mohammed Nasser Al Mohannadi, in the presence of Italian Defence Minister Roberta Pinotti and her Qatari counterpart Khalid bin Mohammed Al Attiyah.

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