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Japan to launch $990bn stimulus package to soften economic blow

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SLOWING COVID-19 TOLL: Page 10

QSE jumps 222 points on across-the-board buying support

Qatar banks post 13% jump in domestic credit to QR1tn at end of February: QCB

By Santhosh V Perumal
Business Reporter

Loans to the trading and services sectors were in the overdrive, helping Doha's commercial banks witness more than 13% year-on-year jump in domestic credit to QR1tn at the end of February 2020, according to the Qatar Central Bank (QCB).

The banks' credit to the trading sector witnessed a stupendous 64.71% year-on-year surge to QR149.8bn, or 15% of the total domestic loans in February 2020.

Of the QR149.8bn credit to trading, as much as QR55.5bn was extended to the commercial agencies, QR39.79bn to non-specified segments, QR9.09bn to automobiles and spare parts, QR6.51bn to food, QR6.27bn to machinery and equipment, QR5.5bn to chemicals and allied products, QR4.76bn to petroleum products and QR4.16bn to building materials and gypsum.

The services sector saw a 36.55% yearly growth in credit to QR296.57bn, which was 30% of the total domestic loans this February.

The Credit to the general services witnessed a 34.33% yearly increase to QR266.59bn, or almost 90% of the total credit to the services sector.

Within the general services, credit to air transport was QR85.05bn, real estate QR74.1bn, others QR29.53bn and hotels QR27.33bn at the end of February 2020.

In the case of financial services, it registered an impressive 60.15% growth to QR29.98bn at the end of February this year. The credit to investment companies stood at QR17bn, investment firms at QR6.64bn and insurance QR1.5bn.

The consumption credit grew 8.69% year-on-year to QR138.03bn, which constituted about 14% of the total domestic credit in February 2020.

The consumption credit to nationals reported 10.36% yearly increase to QR123.28bn; while those to non-Qataris fell 3.38% to QR14.85bn in the review period.

However, the credit offtake in the real estate sector saw a 4.55% year-on-year contraction to QR194.3bn, which was 19% of the total domestic loans in February 2020.

The credit to the industrials sector witnessed a yearly 2.56% contraction to QR25.93bn, which was 3% of the total domestic credit in the period in review.

Within the sector, credit to the heavy industry stood at QR10.16bn, followed by natural gas at QR8.23bn, industrial manufacturing at QR5.21bn and oil at QR2.33bn.

The credit to the public sector saw a marginal dip year-on-year to QR338.03bn, which was about 34% of the total domestic loans in February 2020.

Within the public sector, loans to the government institutions witnessed 22.81% yearly growth to QR177.22bn; while those to semi government entities shrank 21.51% to QR18.5bn and government by 16.5% to QR146.3bn at the end of February this year.

The contracting sector saw a 2.46% fall in credit to QR36.05bn or about 4% of the total domestic loans in the review period.

The banks' credit to the trading sector witnessed a stupendous 64.71% year-on-year gain to QR149.8bn, or 15% of the total domestic loans in February 2020, according to QCB data. **PICTURE:** Nasar K Moidheen

LNG vessel, 'Al Jasra' had successfully conducted the first such operation while discharging at the Niigata LNG Terminal in October 2019

Qatargas utilises boil-off gas to power LNG vessels

Qatargas has successfully initiated a programme to utilise LNG boil-off gas to power its chartered conventional LNG vessels during unloading operations at Japanese LNG terminals.

The programme is being implemented with the co-operation of Qatargas' Japanese buyers.

LNG vessel, 'Al Jasra' had successfully conducted the first such operation while discharging at the Niigata LNG Terminal in October 2019.

LNG tankers are designed to carry natural gas in liquid form at a temperature of – 163°C, close to the vapourisation temperature. This natural evaporation, known as boil-off, is unavoidable and has to be removed from the tanks in order to maintain the cargo tank pressure.

Using the boil-off natural gas instead of conventional fuel oil significantly reduces greenhouse gas and other harmful emissions over the course of the discharge operation.

Qatargas said it is committed to minimising emissions of greenhouse gas and other pollutants by use of natural gas, the cleanest fossil fuel, in one of its critical operations.

Oil negotiators race for pact with US role in balance

Russia, Saudi Arabia and other large oil producers are racing to negotiate a deal to stem the historic price crash as diplomats said some progress was made on Sunday, reports Bloomberg.

The talks still face significant obstacles: a meeting of producers from Opec+ and beyond – delayed once – is only tentatively scheduled for Thursday. Russia and Saudi Arabia want the US to join in, but US President Donald Trump has so far shown little willingness to do so.

Oil diplomats are trying to stitch together a meeting of G20 energy ministers for Friday, part of an effort to bring the US on board, according to two people familiar with the situation. Even the International Energy Agency, which represents industrialised energy-consuming nations, is calling for action.

"We see a huge oversupply in the oil market," Fatih Birol, the head of the IEA, said in an interview on Sunday. "There's a need for the G20 in the driving seat."

Progress is being made towards an agreement between the world's top oil producers, but the lack of participation by the US could prove to be a stumbling block, said Amrita Sen, chief oil analyst at Energy Aspects.

Crude prices have fallen 50% this year, as the economic effects of the coronavirus pandemic have knocked out about a third of global demand. The price crash is so dramatic that it's threatening the stability of oil-dependent nations, the existence of US shale producers, and poses an extra challenge to central banks. Industry officials say that if a deal to cut supply in an orderly way isn't reached, the market will simply force producers to slash output as storage space runs out.

UK startup seen to provide innovative technology for 2022 FIFA World Cup

By Peter Alagos
Business Reporter

A sports tech startup from the UK is producing unique immersive contents that could be useful for sports audiences, broadcasters, and sponsors during large scale events, such as the 2022 FIFA World Cup.

Sponix Tech is a content and technology provider company with years of international experience producing exciting, entertaining, and dynamic video content for high-profile clients in business and elite sport.

Led by its founder and CEO Mohamed Ali Abbaspour and business development director Mohsen Rajabi, Sponix was chosen from among 500 companies to be part of the Qatar SportsTech (QST) programme, which works with beIN Sports and the World Cup Committee 2022 to develop new sports technologies.

Sponix has developed a software-based technology that is able to create the players' point of view (PoV) shots from sport events, Abbaspour said.

"Our software applies algorithms and models to create a point of view angle using only the broadcast footage. Our PoV content is leveraging the power of video to reach customers, increase brand visibility and create high quality, shareable content, whether in a B2B environment or engaging directly with sport fans.

"The unique PoV immersive content is game changer for targeted customers like clubs, leagues, federations, broadcasters, and TV shows. They are so interested in the service because our solution produces immersive contents, increases fan engagement, changes fan experience, and creates new era of sponsorship," Abbaspour told *Gulf Times*.

Sponix also developed a unique method to create Digital Billboard Replacement (DBR) "for any sports matches." This method does not require any additional equipment, special cameras, billboards or sensors to be installed in the stadium.

The cameras within the stadium are sufficient to create the DBR, Abbaspour said.

"The technology contains virtual ads, virtual signage, 3D sponsor logos, multi-regional ads, banner replacement, and virtual mats (3D Carpet). Right now, production of similar content requires huge investment in infrastructure installed within the stadiums, like cameras, sensors, and special billboards.

"We have developed software to be able to create DBR using only the broadcast footage. For live events, we capture the footage and place any form of ads in or around the field, for live matches or replays. Our DBR technology creates value through changing fan experience and creating new era of sponsorship," he said.

QST managing director Heba Q al-Masri said, "With Qatar gearing up for the 2022 FIFA World Cup, sports tech startups like Sponix can undoubtedly provide various innovative technologies to local media and broadcasting companies, to enhance the presence of sponsors, provide tailored content for audiences worldwide, and engage fans with a fascinating in-game technology."

Asked about the current progress of Sponix's work at QST, Abbaspour said: "We started our journey in Qatar with QST from January 12, 2020. In recent weeks, we had many useful sessions and workshops. Also we introduced our novel technologies through QST connections. Another point is we registered our Qatari company under the Qatar Financial Centre, which is one of the strategic partners of the QST programme.

"QST is a great opportunity to introduce our unique technologies to main players of the industry like FIFA, the World Cup Committee, beIN Sports, and big clubs. QST is facilitating partnerships between the startups like Sponix Tech and leading brands and organisations."

Sponix Tech founder and CEO Mohamed Ali Abbaspour and business development director Mohsen Rajabi.

'S Africa economy may shrink as much as 4%'

Bloomberg
Johannesburg

South Africa's economy could contract by 2% to 4% this year due to the coronavirus pandemic and measures to curb its spread, according to the Reserve Bank.

A 21-day nationwide lockdown aimed at slowing the spread of the pandemic will reduce the rate of change in gross domestic product for this year by 2.6 percentage points, the central bank said in its six-monthly Monetary Policy Review yesterday. The monetary policy committee projected in March that the economy will contract by 0.2%, but that was before the lockdown was announced.

"Some growth now becomes irrecoverable," according to the Reserve Bank.

South Africa's economy is stuck in its longest downward cycle since World War II, with rolling blackouts and poor business and consumer sentiment weighing on growth. Uncertainty and downward shocks to economic prospects posed by the coronavirus mark "an inauspicious start to a new decade after the serial disappointments of the 2010s," the central bank said.

The past decade was the worst for South African growth, with total output expanding by only 15.9% between the first quarter of 2010 and the final quarter of 2019, compared 18.9% and 16.7% in the 1980s and 1990s, central bank data show. The 1980s and 1990s were marred by uncertainty when the former all-white government renewed a state of emergency and the country prepared for its first democratic elections.

While the MPC cut its benchmark interest rate by the biggest margin in more than a decade last month to cushion the impact of the virus on an already fragile economy and to support the spending power of companies and households, monetary stimulus alone can't make up for South Africa's "significant preexisting growth constraints," the central bank said. "Better long-term growth prospects will therefore require a range of interventions, many of them outside the domain of the central bank."

The coronavirus crisis could push the budget deficit to wartime levels by sapping revenue and potentially increasing spending requirements if the lockdown doesn't effectively contain the rate of infections, the central bank said.

Dollar squeeze worsens in Lebanon as govt seeks aid

Bloomberg
Beirut

Lebanon's foreign-exchange crisis is intensifying, prompting another appeal by the government for financial aid after its debt default last month.

Local banks have reduced the amount of dollars customers can withdraw from their accounts and even forced them to accept conversions into the local currency in some instances. Two of the largest have almost stopped dispensing foreign exchange entirely, while the central bank has greatly cut its supply, said senior bankers, who didn't want to be named.

The shortages of hard currency have already led to a deep recession and crippled many businesses as they struggle to import essential goods. The coronavirus pandemic and a nationwide lockdown to stop its spread are adding to the problems, with Lebanese lenders having closed most of their branches.

The country has suffered net capital outflows every month since July, according to government data, as the large diaspora that used to prop up the banking system stops sending remittances. Some lenders' correspondent banks are cutting back on services as dollars run dry, according to the bankers.

The central bank didn't respond to a request for comment.

Lebanon's default on $31bn of Eurobonds removed one of the last remaining sources of foreign exchange for local banks. Many of them relied on the interest and principal from those to service their clients' dollar demands.

The government has yet to begin formal restructuring talks with creditors. It decided against repaying a $1.2bn bond last month to save what's left of its reserves for imports such as food, medicine and fuel.

Lebanon's president and prime minister said on Monday external financing was vital for economic reforms.

"Our reform programme needs external financial aid, especially from the friendly countries and from the International Support Group to help our balance of payments and develop our vital sectors," President Michel Aoun said. The ISG is a United Nations-led grouping that includes the US and France.

The Lebanese pound has plunged almost 25% on the black market this year to 2,800 per dollar, according to lebaneselira.org, a local website. It's now 46% weaker than the official rate of around 1,510, which has been pegged for decades.

That's causing inflation to accelerate and it could reach 25% this year, the government said in a presentation last month. The economy may contract by 12% from 2019, it said.

While the central bank hasn't said whether the peg will be formally removed, it instructed lenders last week to pay depositors with up to $3,000 in pounds at a so-called market rate, rather than the official one.

Lebanese politicians have long said the peg helps guarantee social stability by allowing the country to import food and other goods cheaply. Anti-government protesters took to the streets en masse in October, partly because of falling living standards and rising prices. They forced the resignation of then-Prime Minister Saad Hariri.

"An official devaluation looks increasingly likely," said Carla Slim, a Standard Chartered economist for the Middle East, North Africa and Turkey. "Restructured debt would be assessed in the context of the new" exchange rate, she said.

The new rule for small dollar deposits is positive as it will reduce banks' foreign-currency liabilities, according to Morgan Stanley.

"Measures on de-dollarisation on small deposits at the market rate, as opposed to the official rate, indicate that the authorities will embrace a weaker FX rate," said Jaiparan Khurana, a Morgan Stanley strategist in London. "If larger deposits are also de-dollarised, but at around the official rate, significant fiscal savings can be achieved."

The government has asked the International Monetary Fund for technical advice. But most senior politicians are against a loan from the Washington-based lender, given that Lebanon would probably be required to raise taxes and cut subsidies.

Without some form of external funding, the ability of Lebanese banks to meet their foreign-currency obligations "is in serious doubt," according to Fitch Ratings.

A man walks past a closed bank office in Beirut (file). The shortages of hard currency have already led to a deep recession and crippled many businesses as they struggle to import essential goods.

'Lebanese banks set 2,600 pounds to dollar rate for small accounts'

Reuters
Beirut

Lebanese banks will apply an exchange rate of 2,600 pounds per dollar for withdrawals from accounts of up to 5mn Lebanese pounds, a central bank source said yesterday, in the first implementation of new central bank circular.

Lebanon is still applying an official peg of 1,507.5 pounds to the dollar for bank transactions and critical imports.

But the circular issued on Friday said deposits of $3,000 or less could be withdrawn in Lebanese pounds at a "market" rate, allowing small depositors to cash out despite tight banking controls.

It also allowed the same rate to be applied when deposits of 5mn Lebanese pounds or less are paid out, with the funds converted into US dollars at the official rate and then switched back into pounds and paid out at the new rate.

A senior banking source said the 2,600 rate had been set for this week and would be reviewed on a weekly basis, pending the establishment of a unit that would centralise the price of the dollar for money-changers. "It is a gift for small depositors," the banking source said.

The move is expected to reduce the number of bank accounts as small depositors cash out.

The Lebanese pound, pegged at 1,507.5 pounds to the dollar for more than two decades, has weakened by close to 50% since the country was tipped into a major financial crisis some six months ago.

One foreign currency dealer said dollars were being bought at 2,800 on Monday in the parallel market and sold at 2,850 pounds.

Another banking source said requests were being received from customers wishing to cash out their accounts at the new rate and it should not take long to work out the implementation process.

Europe natural gas options market signals falling prices could be nearing the floor

Bloomberg
London

As European gas prices trade near record lows, the options market is signaling some light at the end of the tunnel for producers.

Demand for options that pay out on higher Dutch gas prices has been on the rise, seen in the increasing volume of outstanding call options. The ratio of put open interest versus calls is now the smallest since October.

"Prices have fallen so much it doesn't make sense to hedge the downside," said Jan Kresnik, a portfolio manager at Belektron, a brokerage in Ljubljana, Slovenia. "We are near the floor – it makes more sense to hedge the upside."

Dutch front-month gas, a European benchmark, has fallen for three weeks in a row as measures to deal with the coronavirus crisis curb economic output and sap demand for fuel. Demand was already low before the virus hit due to an unusually mild winter, exacerbating a glut that helped drive prices to record lows.

Price levels are expected to stay weak through the summer as the market struggles to digest an oversupply equivalent to 4%, or 50bn cubic meters, of the overall size of the global gas market, yet they could rebound in the fourth quarter, according to analysts at Citigroup Inc. including Anthony Yuen.

Here are a few reasons to be bullish on gas prices:

There's an outside chance Russia will curtail exports, Citigroup said in a note. Under this bullish scenario, fourth quarter Dutch prices could be 28% higher than in the January-March period. Russia could reduce its pipeline exports by 20bcm-30bcm.

European coal-to-gas switching could probably lift demand by about 20bcm.

About 10.3bcm of LNG production could be shut in, or export terminals could extend maintenance programmes. US LNG export curtailment seems inevitable, said Citigroup.

Russia's rival Norway also has cut supply, albeit temporarily. That indicates it's "probably not so interested to sell as much gas," said Guillermo Baena Gomez, a senior market analyst at Energy Exemplar. "When the market has many suppliers at a war, prices can go too low."

Workers walk underneath a section of connected pipework in the yard at the Gazprom Atamanskaya compressor station, part of the Power of Siberia gas pipeline, near Svobodny, in the Amur region, Russia (file). There's an outside chance Russia will curtail exports, Citigroup said in a note.

Banks globally plunge to record lows versus overall market

Bloomberg
London

If the world's banks are in much better shape this time round, it's little consolation for their shareholders nursing historic losses.

As the coronavirus pandemic sparks corporate defaults, interest rate cuts and trading losses, investors have been punishing the sector with an intensity reminiscent of the global financial crisis.

Developed bank equities have plunged to a record low versus the wider market. US lenders have sunk below 2008 levels compared with their large-cap peers. Institutions in the eurozone have traded at a 70% discount to book value – worse than the dark days of the euro debt debacle.

Sure, central bankers have boosted bank liquidity, capital and funding, deposits are in rude health and post-crisis regulations have eased systemic risks. But thanks to the epic collapse in aggregate demand, the sector is offering little upside despite cheap valuations while dividend cuts leave its core investor base reeling.

No wonder the marginal buyer is vanishing.

Just ask Guy de Blonay, who first launched a financial-sector fund in the heyday of banks after the dot-com bubble burst. Two decades on, even the Jupiter Asset Management portfolio manager finds himself more enamored with the likes of Visa Inc and PayPal Holdings Inc than the storied names of financial intermediation.

"Having to face shutdowns of the economy around the globe is obviously going to affect banks more than any other sector," he said from London. "You got share prices that have gone down even further, pricing in Armageddon."

The Covid-19 pandemic imperils nearly every line in banks' results due next week, from defaults that drive up impairments to demand for corporate deals, loans and payment processing. The unprecedented wave of monetary easing is also further squeezing net-interest margins.

In de Blonay's 430mn pound ($529mn) Jupiter Financial Opportunities Fund, banks only made up 6% of its holdings as of March.

The fund has handily beaten its benchmark over the past five years. One reason: It holds not a single lender from the euro area or UK and just a few in the US and Switzerland.

Another challenge was laid bare last Wednesday when UK banks plunged 10% after collectively canceling share buybacks and dividends thanks to regulatory pressure. With policy makers tightening the screw on payouts, Europe's dividend futures have collapsed even more than stock benchmarks. To Barry Norris, who runs the hedge fund Argonaut Capital Partners LLP, it confirms his long-held view that Western European banks are uninvestable. "In a lot of these sunset industries, the only way investors get hooked on the equity story is for dividends because there's very little growth, very little terminal value and there's not really a narrative," he said from London. "That's just proven to be a complete illusion."

Norris hasn't owned a single stock among them in at least a decade and is shorting the Bank of Ireland.

Over in the US, the virus now looks set to cut earnings estimates across the sector. Under new accounting rules that took effect in January, the biggest US banks also have to recognise potential loan losses more quickly, a shift that means share buybacks are unlikely for at least the rest of the year.

"Shareholders are taking a back seat to customers (fee waivers, forbearance), employees (the largest banks suspended layoffs), communities (more donations), and regulators (suspension of buybacks for the largest banks)," Wells Fargo Securities analysts led by Mike Mayo wrote in a note that reduced profit forecasts.

Even the market volatility of late isn't much helping trading revenues for the large Wall Street institutions overall. In Europe, a lost decade in bank earnings has left capital concerns and non-performing loans in its wake. But it's also boosted the relative standing of American banks along the way.

Pierre Mouton, head of long-only strategies at Notz Stucki & Cie, for one is happy to hold JPMorgan Chase & Co – which has famously emerged stronger since the crisis – but no banks from Europe even before the pandemic.

It's not all gloom. In contrast to stocks, banks' riskiest debt known as Additional Tier 1 notes have rebounded since late March, a counterpoint to those concerned about capital ratios. And rock-bottom valuations are piquing Patrick Kaser's interest at Brandywine Global Investors. He's been adding large banks the likes of Wells Fargo & Co and Bank of America Corp.

"Even in a bad outcome the stocks are meaningfully mispriced and meaningfully undervalued," the portfolio manager said.

But for all that, de Blonay at Jupiter Financial isn't sure there's a bullish case for banks overall. The ability to adapt to a low-rates world will differentiate the winners from losers, he said.

"Taking into account the rise in cost of risk, the uncertainty of where we're going with this pandemic – and the fact that we don't have dividends there to support share prices – it's difficult to say outright that it's cheap," he said.

Gold bugs finally see their predictions of doom coming true

Bloomberg
Frankfurt

Freshly cast gold ingot bars sit in the foundry at the JSC Krastsvetmet non-ferrous metals plant in Krasnoyarsk, Russia. As the coronavirus brings economies around the world to a standstill, gold is rivalling Treasuries and the dollar as the best-performing major asset this year.

For years, gold bugs were relegated to the fringes of financial markets. Often viewed by mainstream investors as tinfoil-hat conspiracists with basements full of beans and bottled water, their warnings sounded apocalyptic: A coming collapse in financial assets, widespread devaluation of paper money and global disasters that erode civil liberties.

As the coronavirus brings economies around the world to a standstill, gold is rivalling Treasuries and the dollar as the best-performing major asset this year. The metal proved its haven status with a 6% rally as almost $16tn was wiped off global stock markets and oil plunged.

There's also been a scramble for physical metal as investors in exchange-traded funds build the biggest stockpile in history and dealers say they're struggling to find gold to sell.

"We've been trying to warn people that something like this would happen," said Jim Rickards, the author of several books that predicted a coming financial reset. Rickards, who spoke from a New England mountain compound, has long recommended holding gold as a precaution for wealth preservation.

"I've been saying it for years," he said. "I'm not happy about being right."

There's echoes of many of the typical gold bug predictions in today's crisis. Besides the obvious economic and financial-market upheaval, social interaction has become taboo and in some places soldiers are telling people not to leave their homes.

Even the so-called paper market for gold is showing cracks and a squeeze last month on New York's Comex, the largest gold futures exchange, added fuel to another of the prophecies: That when the crisis came, there wouldn't be enough gold to go around. "We have written more than 3,000 pages of research about gold and mining stocks in the last 14 years and it is pleasing to see that many of our theories have come true," said Ronald-Peter Stoeferle, managing partner at Incrementum AG, a Liechtenstein-based investment and asset-management company.

"We're seeing lots of interest because we've been pounding the table for gold as a portfolio stabiliser, it's a defender of your portfolio and gold did its job really perfectly."

Of course, some of the predictions were always a bit vague. The Armageddon survivalists see gold more as the ultimate haven against generalised risk. As a hard asset, it acts as an inflation hedge. It has deep, liquid markets in which to trade, has kept its value over centuries, and, most importantly, physical metal stored in a vault has no counterparty that can default, not even a government or central bank.

"Central banks have officially lost control of their most powerful policy tools," said Roy Sebag, chief executive officer and founder of Goldmoney Inc, a precious-metal investment firm with $2bn in assets. "It is against this macroeconomic sea change that gold will thrive as the money par excellence."

Gold rose for a sixth straight quarter in the three months through March and spot prices traded around $1,612 an ounce on Friday. While that's still well shy of the record $1,921.17 reached in 2011, predictions are mounting that the metal will scale new highs in the coming years. Even those in the mainstream are climbing on board. Analysts at Citigroup see gold climbing to a record above $2,000 an ounce in 2021. Merk Finck chief strategist Robert Greil predicts it will rise to $1,750, and Cesar Perez Ruiz, who manages 236 billion Swiss francs ($243bn) at Pictet Wealth Management, has been buying metal on dips near $1,500.

"Gold might be one of the few things that diversify your portfolio," said Chief Investment Officer Ruiz. "It's moved quite fast very recently, so I'm waiting for a pause." It hasn't only been one-way traffic for gold. As in the 2008 crisis, prices have fallen during days of acute stress in the broader market as investors faced margin calls and sold liquid assets to raise cash. Still, the declines have been largely short-lived.

Analysts turn less gloomy amid signs of virus peak in Europe

Bloomberg
London

Few predict anything less than turbulence for global markets in the coming week. But those who think the worst has passed are finding their voice. Commentators from Morgan Stanley to Eaton Vance are turning less gloomy. They're encouraged by a combination of unprecedented government and central bank stimulus efforts, declining volatility and – crucially – signs that the coronavirus pandemic is peaking in parts of Europe.

"There is light at the end of the tunnel but it's still a long tunnel," Erik Nielsen, UniCredit SpA's London-based chief economist, wrote in a note on Sunday.

None of which means markets will gain much traction on Monday. The S&P 500 Index dropped 1.5% Friday, which is likely to put Asian markets on the back foot as the new week gets underway, while the dollar rose and US 10-year Treasury yields slipped back below 0.6%.

That came after data showed a plunge in US hiring last month, underscoring the economic damage inflicted by the virus lockdowns. Middle East markets were mixed on Sunday after Russia and Saudi Arabia delayed a meeting aimed at ending their oil-price war.

In Sydney trading yesterday, major currencies were also mixed, with the euro gaining versus the dollar on signs of a possible respite in fatalities in some regions hit hard by the coronavirus.

Following are comments on what may be in store for markets:

Eric Stein, the Boston-based co-director of global fixed income at Eaton Vance: "Given the actions of the Fed and other major central banks, many but not all of those acute financial stresses are behind us".

"However, we are not nearly out of the woods yet as investors, I think, have either moved or are transitioning to the start to focus on fundamentals".

"The selloff broadly last week was more market pessimism about both the duration of the economic downturn and potential shallowness of the recovery than the issues in repo markets, dollar funding markets, and Treasury markets".

"All eyes will clearly be on Covid-19 and the fallout each country is feeling as well as the" policy responses.

Mike Wilson, Morgan Stanley's chief US equity strategist, in New York:

"With the forced liquidation of assets in the past month largely behind us, unprecedented and unbridled monetary and fiscal intervention led by the US, and the most attractive valuations we have seen since 2011, we stick to our recent view that the worst is behind us for this cyclical bear market that began two years ago, not last month".

"Current levels in equity and credit markets should prove to be good entry points on a 6-12-month horizon. Bear markets end with recessions, they don't begin with them, making the risk/reward more attractive today than it's been in years".

Edward Bell, senior director for market economics at Emirates NBD: "That oil prices could gain so much on Thursday and Friday and it not be the dominant driver for financial markets suggests that attention remains fixated on the economic damage being wrought by the coronavirus pandemic."

President Donald Trump's plan, "where he 'hoped' that Saudi Arabia and Russia would cut production by as much as 10 million barrels a day, may not even be large enough to offset the enormous build in inventories this quarter" resulting from a collapse in energy demand.

Climate sceptic Herro's firm adopts greener investment reforms

Bloomberg
New York

Harris Associates, a multibillion-dollar asset manager that has touted responsible investing, agreed to enact a series of investor-driven measures after it was disclosed that one of its top managers helped fund groups that question the consensus on climate change.

Brunel Pension Partnership, one of Britain's largest retirement pools, said it looked into Harris's investment practices following a February 14 report by Bloomberg regarding deputy chairman David Herro, one of Harris's two chief investment officers.

Herro—in his personal capacity—directed hundreds of thousands of dollars to three think-tanks in the UK and US, either as a fundraiser or through his own donations, according to US tax filings.

Brunel, which is pushing financial firms to address climate change, said that while it concluded Herro's activities didn't affect how Harris invested, it asked the asset manager to adopt a suite of new measures. They include hiring a "responsible investment professional" who reports directly to senior management, creating a climate change policy and appointing a shareholder advisory firm to identify climate risks. Anne O'Reilly, a spokeswoman for Harris, which managed $120bn at the end of last year, said the plan has "been approved by the board and will be enacted over the course of the year."

In the past, Herro has publicly questioned the underpinnings of global warming. He has also said his personal philanthropy has nothing to do with his firm. Brunel focused on Herro's role with the Global Warming Policy Foundation, the main UK think tank lobbying against greenhouse gas regulations. Herro served as treasurer of its US fundraising arm and helped raise about $590,000 for the organisation over a three-year period, tax filings show.

"We will hold Harris to account for the delivery of these changes in our monitoring and ongoing management, as we do for all our investment managers, and will continue to challenge them rigorously on their analysis and assessment of climate change-related risks within their investment practices and processes,'' said Brunel, which manages about 30bn pounds ($37bn) for local UK governments. Harris also agreed to join the Transition Pathway Initiative, a global program backed by asset managers that assesses company preparedness for the transition to a low carbon economy. Additionally, the Chicago-based asset manager will appoint Institutional Shareholder Services to perform scenario analysis and help with reporting on carbon footprints, and build a new webpage dedicated to responsible investment.

Herro: Investor-driven measures.

Herro, 59, made his name in the value-investing discipline pioneered by Warren Buffett. A self-described libertarian, in 2018 he donated a combined $150,000 to two conservative US groups that lobby against climate laws tied to the energy industry, the Competitive Enterprise Institute and the Heartland Institute, tax filings show.

When asked in February whether he still supported or helped fund climate skeptic groups like GWPF, Herro responded that "given the importance of ESG, one must listen to all sides of any argument."

In 2015, Herro told the *Financial Times* that man-made global warming remains unproven, and that corporate executives who promise to tackle it are "appeasing environmental extremism and zealotry" and putting "pop science" ahead of shareholder value.

Brunel hired Harris in December along with four other money managers to run its "Global High Alpha portfolio," which had 2.6bn pounds at its start. While Harris and Herro declined to comment on his financial support for groups opposed to climate regulation, another Harris investor, UK pension pool LGPS Central Ltd, said in an e-mailed statement that Herro "fully accepts the damaging impact of climate change" and had "ceased all involvement with the GWPF before any press coverage on the subject."

Herro didn't respond to requests for comment on LGPS's statement. GWPF co-founder Benny Peiser also didn't return requests seeking comment.

"Active Global Equity Sub Fund." LGPS oversees about 45bn pounds, and like Brunel, manages local government pension plans. Two years ago, Harris formulated a responsible investment policy, and then last year signed up to the Principles for Responsible Investment, a United Nations-backed initiative that promotes ESG investment by the asset management industry.

The PRI is considering requiring firms that sign up to its principles to disclose information about their executives' donations to groups that seek to influence government policy, a person with knowledge of PRI's work said in February. A decision may be made later this year.

Retirement funds including Japan's Government Pension Investment Fund, the world's largest, and California State Teachers' Retirement System are increasingly scrutinising where their money is going as the climate crisis worsens. Brunel said in January that it would fire money managers who fail to curb their exposure to climate change or invest in a low-carbon economy.

In February, Faith Ward, chief responsible investment officer for Brunel, was asked whether it's a conflict for asset managers who oversee ESG strategies to personally support or donate to climate skeptic groups.

The HSBC Holdings headquarters building in the central district of Hong Kong. HSBC's decision to scrap dividends has created an uproar among retail investors in Hong Kong who have banded together to push for an extraordinary general meeting to reverse the move.

HSBC dividend cut stirs outrage among HK shareholders

Bloomberg
Hong Kong

HSBC Holdings Plc's decision to scrap dividends has created an uproar among retail investors in Hong Kong who have banded together to push for an extraordinary general meeting to reverse the move.

Organising on Facebook and enlisting a local asset manager to lead the effort, investors are pressuring the bank to restore payouts that have been an important reason to own HSBC shares in the city.

While its stock price has lagged the Hang Seng Index by more than 600 percentage points since 1986, the total return has been more than double the benchmark's once dividends are included, according to data compiled by Bloomberg.

The challenge from retail investors emphasises the difficult spot chief executive Noel Quinn finds himself in just weeks after being named to the top job. Though headquartered in London, HSBC draws about half its revenue from Asia and has outlined $4.5bn in cost reductions at underperforming units in the US and Europe. It cancelled dividends under pressure from the UK regulator, something lenders in Hong Kong and mainland China have been free of even as they're called on to cushion the fallout from the coronavirus.

"This decision is clearly against the management's previous promise to pay dividends and a departure from its usual dividend policy," the group said in a statement handed out in Hong Kong yesterday. "This also disappoints the expectation of shareholders and represents an affront to the normal operations of the stock market."

HSBC's shares have been battered by the dividend move, and are down 36% this year in Hong Kong.

The investor group, which calls itself the HSBC Shareholders Alliance, said it has been in contact with more than 3,000 owners, representing about 2% of the outstanding shares. It urged others to join in the effort to clear the 5% hurdle to call a meeting.

The alliance wants the bank to issue a scrip dividend to cover the lost payout from 2019 and demanded a suspension of management's remuneration for at least a year. In a letter to Hong Kong investors on Friday, HSBC's Quinn said "we profoundly regret the impact this will have on you, your families and your businesses."

"The board will review our stance on dividends once the economic impact of the pandemic is better understood," he said. Europe's biggest lender, created 155 years ago as a merchant bank in Hong Kong, warned last month that it expects to book higher credit losses because of the pandemic and estimated in February that the virus would result in losses of $200mn to $500mn in the first quarter alone.

David Webb, a long-time Hong Kong investor and corporate governance activist, said the group stands little chance in reversing the dividend decision because the board was acting within its legal powers, also calling a scrip dividend "a pointless exercise." "Also, remember that the retained profits will still be distributable as dividends or for share buybacks in the future," he said in a comment on the group's Facebook page.

The controversy has also rekindled a debate over HSBC's headquarters. Hong Kong's government, which has made no move to limit dividends of the banks it regulates, said it would welcome HSBC returning its headquarters to the city, according to a report in the South China Morning Post. "The regulations and business opportunities in Hong Kong are very good," Secretary for Financial Services and the Treasury James Lau told the Hong Kong-based newspaper.

Hong Kong's authorities understand that individual and institutional investors in the city are affected by the dividend halt, while HSBC has to comply with rules set by UK regulators, Lau said yesterday at a Legislative Council meeting. The city's financial regulators are in contact with their overseas counterparts, he said, without giving more details.

The Bank of England declined to comment. The lender, which moved its headquarters to London from Hong Kong in 1993, recommitted its plans to remain in the UK capital in 2016 after securing concessions on regulations and taxes. The bank deliberated for 10 months over whether to move its headquarters, deciding finally between Hong Kong and London.

One shareholder at yesterday's press event for the retail investor group said the dividend halt would make it impossible for her to pay her annual insurance premiums. Identifying herself only as Ms Wong, she said the bank was lying to small shareholders and that she depended on the dividends for a living.

The bank has offered at least HK$30bn ($3.9bn) in credit relief to business customers in Hong Kong, easing borrowing terms to help companies battered by the coronavirus outbreak.

Asian markets boosted by hopes on virus battle

AFP
Hong Kong

Asian markets rose yesterday as some of the world's worst-hit countries reported falling death rates, providing some much-needed hope in the battle against the coronavirus, though oil prices dipped after a meeting of top producers was delayed.

While the disease continues its deadly sweep across the planet, with more than 1.25mn now infected and nearly 70,000 dead, news out of Europe that fatalities were easing has lifted spirits on trading floors.

Italy reported its lowest daily toll in two weeks, while Spanish officials said deaths fell for the third straight day and France reported its lowest daily toll in a week.

Meanwhile, South Korea saw its fewest new cases in six weeks, Australian new infections were also dropping and Donald Trump said the US was showing signs of stabilising, despite the number of cases there passing 335,000 — the highest in the world.

"Focus in markets will now turn to the path out of lockdown and to what extent containment measures can be lifted without risking a second wave of infections," said National Australia Bank's Tapas Strickland.

Lindsey Piegza, at Stifel Nicolaus & Co, told Bloomberg TV she was hopeful the crisis could be brought under control and the US economy reopened "by the end of April, early May".

"If that does occur, it's likely that we're able to control the downturn from a depressionary scenario into a recessionary scenario".

The relatively upbeat news lifted Asian markets, which shrugged off data Friday showing a massive drop in US jobs in March that added to news that millions of people had applied for unemployment benefits.

Tokyo, Sydney and Manila all rose more than 4%, while Seoul, Singapore and Jakarta gained almost 4%.

Hong Kong jumped 2.2%.

Taipei added 1.6%, while Shanghai was closed for a holiday.

London, Paris and Frankfurt all rallied out of the blocks in early trade.

However, observers remain cautious as the US enters what Trump said would be "a time that's going to be very horrendous" with "some really bad numbers". The country's Surgeon General Jerome Adams warned on Fox News: "This is going to be our Pearl Harbor moment, our 9/11 moment."

Erik Nielsen, of UniCredit SpA, said: "There is light at the end of the tunnel but it's still a long tunnel."

Attention this week will be on a planned meeting of Opec and other key crude producers aimed at easing a supply glut that has sent oil prices crashing.

Both main contracts soared last week as Trump said Saudi Arabia and Russia would hold talks on ending their price war, while it also emerged Opec would be holding a teleconference.

However, investors were dealt a blow over the weekend when the meeting was delayed to Thursday, while analysts said there were doubts that the US would take part in them, which could be a major sticking point for Moscow and Riyadh.

"If the Americans don't take part, the problem which existed before for the Russians and Saudis will remain — that they cut output while the US ramps it up, and that makes the whole thing impossible," Fyodor Lukyanov, a Kremlin adviser, said.

But even if a deal is reached, there is widespread scepticism that suggested cuts of 10mn barrels a day will be enough to help the oil market, owing to a collapse in demand caused by the pandemic.

"The likelihood of a deal being done is extremely low," Daniel Hynes, at Australia & New Zealand Banking Group, said. "Certainly the type of agreement you'd need to stabilise the market is a long shot given how much demand has been hit."

Prices fell Monday, though they managed to pare early losses.

On currency markets the pound faced early pressure after news broke that British Prime Minister Boris Johnson had been admitted to hospital as a "precautionary step" as he had failed to shake off coronavirus symptoms after 10 days.

However, the unit recovered as the day wore on with officials insisting he was "still very much in charge of the government".

In Tokyo, the Nikkei 225 closed up 4.2% to 18,576.30 points; Hong Kong — Hang Seng ended up 2.2% to 23,749.12 points and Shanghai closed for a holiday.

Emerging equities cheer on slowdown in Covid-19 toll

Reuters
London

Most developing world stocks rose yesterday and European currencies gained as investors took heart from a slowdown in coronavirus-related deaths and new cases in Europe.

The death toll from the virus appeared to be slowing across several European countries and the rate of new cases in Italy — the worst-hit country in Europe — also dipped.

MSCI's index of emerging market stocks added some 1.3%, while Hungary's forint, the Czech koruna and the Polish zloty all rose between 0.3% to 0.8% against the euro.

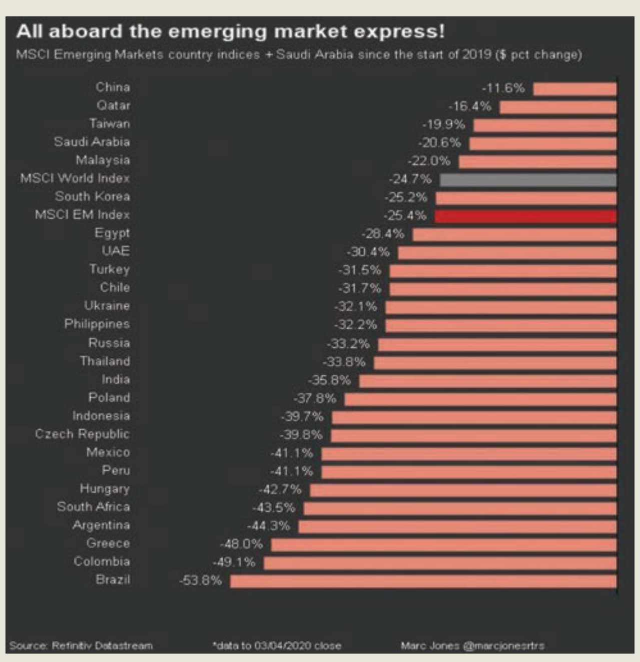
Still, with a deep global recession on the horizon as more countries curb economic activity to combat the virus, the day's gains were a smidgen of what has been lost over the past month.

"A fall in the number of new cases in some European countries is giving rise to hope.

Only that the FX market is not the place to trade epidemiological hopes; the only thing that matters here are the economic effects," Commerzbank analysts wrote in a note.

"And as far as that is concerned things are still not looking great in Europe."

South African stocks jumped more than 4%, leading gains among their peers, while Turkish and Russian bourses added about



1.5% and 1% respectively. All three indexes had marked multi-year lows in March, and were a far cry from levels seen prior to the outbreak.

Russia's rouble was steady despite further weakness in oil prices, as markets held out for a possible production deal between the country and Saudi Arabia.

Oil prices retreated on the day after Saudi-Russian talks were postponed to later in the week.

Data in India showed that the country's services sector unexpectedly shrank in March — another economic casualty of the virus. While Indian markets were closed for a holiday, the rupee had ended last week within spitting distance of a record low to the dollar, as economic activity ground to a halt amid a 21-day lockdown to combat the virus.

Broader emerging market currencies remained on the back foot, with a holiday in China also prompting languid trade.

MSCI's index of developing world currencies inched lower for the day, hovering around three-year lows.

The index had marked its worst quarter in about five years.

Rupiah may drop to 20,000 by year-end

Bloomberg
Tokyo

Indonesia has just raised the stakes for rupiah traders. The currency may slide as far as 20,000 per dollar if the worst materialises and the economy contracts under the weight of the virus pandemic, according to Finance Minister Sri Mulyani Indrawati. That level is more than 15% weaker than the all-time low of 16,950 reached during the Asian financial crisis.

Whether the government is simply preparing markets for the worst or signaling that it's preparing to scale down intervention, the prospect of a sharp fall has opened up the possibility of the currency reaching a level that was previously unthinkable.

The Finance Ministry's line in the sand could invite speculators targeting further weakness in the rupiah while others line up bets that the level will never will be reached. Options traders are pricing in a one-in-three chance that the rupiah will drop to 20,000 by year-end.

"While it remains vulnerable on the external debt front, Bank Indonesia is still in a good position to lean against IDR weakness," said Chang Wei Liang, a macro strategist at DBS Bank Ltd in Singapore. "Indonesia's import coverage ratio is comfortable. Its reserves to gross external financing ratio has also improved compared to the 2013 taper tantrum period."

The rupiah may fall to as low as 17,500 this year and 20,000 in the worst-case scenario, Indrawati said last week, adding that the authorities will prevent the currency from sliding to 20,000.

Bank Indonesia sees the current exchange level as appropriate and is committed to ensuring the rupiah's stability, Governor Perry Warjiyo said.

The finance ministry's 17,500-20,000 rupiah range estimate is for the purpose of pre-emptive action, he added.

After Indrawati's comments, the currency tumbled to 16,458. It crashed to 16,625 last week, the weakest since June 1998.

The rupiah's decline may accelerate in the coming days if policy makers step back from supporting the currency to preserve their holdings of the dollar.

"Policy makers are taking a realistic approach," said Mitul Kotecha, senior emerging markets strategist at TD Securities in Singapore. "They do not want to expend all their ammunition and as with most central banks in Asia, have learned that it cannot be sustained against significant external pressures."

Foreign-exchange reserves data for March due next week may highlight the extent of the authorities' intervention. Holdings stood at $130.4bn in February, near the record high of $132bn reached in January 2018 and 20% above the level deemed as appropriate by the International Monetary Fund.

An employee counts Indonesian rupiah banknotes at a money changer's office in Jakarta. The currency may slide as far as 20,000 per dollar if the worst materialises and the economy contracts under the weight of the virus pandemic, according to Finance Minister Sri Mulyani Indrawati.

QATAR

Company Name	Lt Price	% Chg	Volume
Zad Holding Co	14.20	1.43	8,420
Widam Food Co	5.25	2.92	491,289
Vodafone Qatar	0.97	7.99	4,811,911
United Development Co	1.09	4.10	5,621,115
Salam International Investme	0.24	2.09	2,801,921
Qatar & Oman Investment Co	0.42	0.00	524,833
Qatar Navigation	5.00	2.33	265,435
Qatar National Cement Co	3.49	1.01	509,480
Qatar National Bank	18.03	1.69	2,099,954
Qatar Islamic Insurance Grou	6.30	0.49	52,078
Qatar Industrial Manufactur	2.54	3.59	102,473
Qatar International Islamic	8.05	5.30	1,056,049
Qatari Investors Group	1.23	4.15	938,839
Qatar Islamic Bank	15.00	3.09	866,104
Qatar Gas Transport(Nakilat)	2.13	2.16	8,971,100
Qatar General Insurance & Re	1.96	0.00	-
Qatar German Co For Medical	0.45	5.62	3,596,956
Qatar Fuel Qsc	16.60	1.47	505,439
Qatar First Bank	0.90	1.80	2,371,299
Qatar Electricity & Water Co	14.15	1.14	727,680
Qatar Exchange Index Etf	8.96	5.41	3,700
Qatar Cinema & Film Distrib	2.44	10.00	44,500
Al Rayan Qatar Etf	1.96	3.21	441,330
Qatar Insurance Co	2.20	2.62	838,014
Qatar Aluminum Manufacturing	0.55	3.94	9,873,430
Ooredoo Qpsc	6.11	2.02	2,267,725
National Leasing	0.64	0.95	4,491,055
Mazaya Qatar Real Estate Dev	0.55	0.73	2,233,497
Mesaieed Petrochemical Holdi	1.93	7.83	8,744,040
Al Meera Consumer Goods Co	15.37	1.05	1,258,591
Medicare Group	6.20	0.00	1,111,403
Mannai Corporation Qsc	3.00	-0.10	340,051
Masraf Al Rayan	3.75	1.73	6,218,994
Al Khalij Commercial Bank	1.25	2.04	160,081
Industries Qatar	7.17	1.70	1,665,646
Islamic Holding Group	1.34	0.22	748,951
Investment Holding Group	0.40	-0.25	3,827,013
Gulf Warehousing Company	4.37	1.39	70,703
Gulf International Services	1.02	2.20	5,525,823
Ezdan Holding Group	0.53	1.35	20,497,086
Doha Insurance Co	1.05	0.00	-
Doha Bank Qpsc	1.97	1.81	2,438,205
Dlala Holding	0.44	1.14	300,020
Commercial Bank Psqc	3.99	2.86	1,905,464
Barwa Real Estate Co	3.20	4.10	6,110,873
Al Khaleej Takaful Group	1.40	3.40	1,743,306
Al Ahli Bank	0.55	-2.12	20,735,925

KUWAIT

Company Name	Lt Price	% Chg	Volume
Sultan Center Food Products	48.00	4.35	10
Kuwait Foundry Co Sak	212.00	-13.47	45,040
Kuwait Financial Centre Sak	91.00	1.11	315,525
Ajial Real Estate Entmt	129.00	0.00	-
Kuwait Finance & Investment	45.90	3.15	10
National Industries Co Ksc	166.00	0.00	-
Kuwait Real Estate Holding C	31.40	0.00	-
Securities House/The	30.10	-4.44	62,016
Boubyan Petrochemicals Co	461.00	1.32	529,506
Al Ahli Bank Of Kuwait	165.00	-0.60	343,585
Ahli United Bank (Almutahed)	252.00	0.80	661,926
National Bank Of Kuwait	709.00	0.71	7,415,075
Commercial Bank Of Kuwait	500.00	0.00	-
Kuwait International Bank	193.00	-3.02	6,676,487
Gulf Bank	202.00	1.00	8,392,507
Al-Massaleh Real Estate Co	33.40	0.00	-
Al Arabiya Real Estate Co	23.00	3.14	21,100
Kuwait Remal Real Estate Co	15.80	1.94	145,102
Alkout Industrial Projects C	850.00	0.00	-
A'ayan Real Estate Co Sak	60.00	0.00	-
Investors Holding Group Co.K	9.00	2.27	8,515,464
Al-Mazaya Holding Co	50.50	0.00	-

KUWAIT

Company Name	Lt Price	% Chg	Volume
Al-Madar Finance & Invt Co	85.50	0.00	-
Gulf Petroleum Investment	12.70	-2.31	1,689,536
Mabanee Co Sakc	635.00	2.92	798,862
Inovest Co Bsc	55.70	-0.54	48,543
Al-Deera Holding Co	20.00	0.00	-
Mena Real Estate Co	23.50	0.00	55,694
Amar Finance & Leasing Co	45.90	-4.97	15,827
United Projects For Aviation	452.00	0.00	-
National Consumer Holding Co	46.50	-4.12	8,040
Amwal International Investme	40.00	0.00	-
Equipment Holding Co K.S.C.C	13.50	0.00	-
Arkan Al Kuwait Real Estate	79.10	0.00	-
Gfh Financial Group Bsc	45.10	-3.43	482,960
Energy House Holding Co Kscp	14.50	-11.04	19,540
Kuwait Co For Process Plant	266.00	0.76	5,000
Al Maidan Dental Clinic Co K	1,220.00	0.00	-
National Shooting Company	8.70	0.00	-
Al-Ahleia Insurance Co Sakp	385.00	0.00	-
Wethaq Takaful Insurance Co	21.80	-4.80	10,000
Salbookh Trading Co Kscp	28.00	-6.35	56,110
Aqar Real Estate Investments	69.00	-1.29	9,690
Hayat Communications	50.00	0.00	14,600
Soor Fuel Marketing Co Ksc	101.00	0.30	209,085
Tamkeen Holding Co	5.20	0.00	-
Alargan International Real	96.40	0.00	-
Burgan Co For Well Drilling	75.90	0.00	-
Kuwait Resorts Co Kscc	43.00	-2.93	25,046
Oula Fuel Marketing Co	99.00	0.20	10
Palms Agro Production Co	56.60	0.00	-
Mubarrad Holding Co Ksc	55.00	-3.34	70,501
Shuaiba Industrial Co	128.00	0.00	-
Aan Digital Services Co	9.50	-3.06	101,986
First Takaful Insurance Co	41.40	-4.83	6,500
Kuwaiti Syrian Holding Co	30.50	0.00	-
National Cleaning Company	55.10	-0.72	51,338
United Real Estate Company	55.80	-3.79	50
Agility	585.00	0.00	3,526,926
Kuwait & Middle East Fin Inv	82.90	3.63	16
Fujairah Cement Industries	41.40	0.00	-
Livestock Transport & Trading	168.00	0.00	-
International Resorts Co	0.00	0.00	-
National Industries Grp Hold	147.00	0.00	5,285,428
Warba Insurance Co	70.00	5.11	795
First Dubai Real Estate Deve	32.40	5.19	42,000
Al Arabi Group Holding Co	198.00	0.00	-
Kuwait Hotels Sak	100.00	0.00	-
Mobile Telecommunications Co	472.00	0.43	5,016,579
Effect Real Estate Co	20.50	0.00	-
Tamdeen Real Estate Co Ksc	315.00	0.00	-
Al Mudon Intl Real Estate Co	15.90	0.00	-
Kuwait Cement Co Ksc	159.00	0.00	-
Sharjah Cement & Indus Devel	42.20	0.00	-
Kuwait Portland Cement Co	850.00	0.00	301
Educational Holding Group	250.00	0.00	360
Bahrain Kuwait Insurance	200.00	0.00	-
Asiya Capital Investments Co	33.30	0.00	-
Kuwait Investment Co	100.00	-0.99	327,336
Burgan Bank	200.00	0.00	982,995
Kuwait Projects Co Holdings	164.00	-0.61	457,945
Al Madina For Finance And In	9.80	0.00	1,199,650
Kuwait Insurance Co	365.00	0.00	-
Al Masaken Intl Real Estate	29.50	-4.84	1,000
Intl Financial Advisors	37.50	4.17	50,040
First Investment Co Kscc	26.90	-0.37	946,882
Al Mal Investment Company	8.40	0.00	21,976
Bayan Investment Co Kscc	34.50	0.29	50
Egypt Kuwait Holding Co Sae	334.00	0.00	-
Coast Investment Development	27.50	0.00	749,999
Privatization Holding Compan	42.90	5.15	2,800
Injazzat Real State Company	67.50	0.00	-
Kuwait Cable Vision Sak	14.00	0.00	-
Sanam Real Estate Co Kscc	34.00	0.00	-
Ithmaar Holding Bsc	22.30	0.00	-
Aviation Lease And Finance C	147.00	0.00	480,504
Arzan Financial Group For Fi	30.40	1.33	4,566,999
Ajwan Gulf Real Estate Co	10.10	-0.98	8,113
Kuwait Business Town Real Es	29.00	-3.01	1,893,003
Future Kid Entertainment And	89.40	0.00	-
Specialities Group Holding C	58.50	-5.03	24,950
Abyaar Real Eastate Developm	5.20	0.00	-
Dar Al Thuraya Real Estate C	60.00	5.26	6
Kgl Logistics Company Kscc	26.50	0.00	152,159
Combined Group Contracting	188.00	1.62	59,676
Jiyad Holding Co Ksc	29.50	-3.28	1,260
Warba Capital Holding Co	55.50	1.83	146,530
Gulf Investment House Ksc	49.00	14.75	11
Boubyan Bank K.S.C	517.00	1.57	2,709,238
Ahli United Bank B.S.C	202.00	-0.98	11,084,458
Osos Holding Group Co	98.20	-1.80	79,663

KUWAIT

Company Name	Lt Price	% Chg	Volume
Al-Eid Food Ksc	73.20	0.00	-
Qurain Petrochemical Industr	193.00	-2.53	724,850
Advanced Technology Co	700.00	0.00	-
Ekttitab Holding Co Sak	11.60	-2.52	6,001
Real Estate Trade Centers Co	28.80	0.00	-
Acico Industries Co Kscc	105.00	0.00	-
Kipco Asset Management Co	69.50	-1.42	12,454
National Petroleum Services	1,100.00	0.00	-
Alimtiaz Investment Group	84.60	0.00	1,286,460
Ras Al Khaimah White Cement	65.00	0.00	-
Kuwait Reinsurance Co Ksc	185.00	0.00	-
Kuwait & Gulf Link Transport	46.00	0.22	21,460
Humansoft Holding Co Ksc	2,250.00	0.18	88,254
Automated Systems Co Kscc	61.00	0.00	-
Metal & Recycling Co	43.70	0.00	-
Gulf Franchising Holding Co	62.70	-5.00	4,949
Al-Enma'a Real Estate Co	53.60	0.00	-
National Mobile Telecommuni	585.00	-0.34	32,721
Sanad Holding Co Kscc	0.00	0.00	-
Unicap Investment And Financ	39.70	3.12	5
Al Salam Group Holding Co	19.70	1.03	2,611,500
Al Aman Investment Company	57.00	0.00	-
Mashaer Holding Co Ksc	60.00	0.00	-
Manazel Holding	27.70	-4.81	5,000
Tijara And Real Estate Inves	37.60	-4.57	1
Jazeera Airways Co Ksc	500.00	0.40	64,908
Commercial Real Estate Co	93.00	3.33	1,062,809
National International Co	67.70	9.90	200
Taameer Real Estate Invest C	14.40	-10.56	7,232,280
Gulf Cement Co	37.90	0.00	-
Heavy Engineering And Ship B	361.00	0.28	35,600
National Real Estate Co	64.30	-1.08	50,495
Al Safat Energy Holding Comp	15.10	-0.66	1,600
Kuwait National Cinema Co	761.00	0.00	-
Danah Alsafat Foodstuff Co	10.80	5.88	169,130
Independent Petroleum Group	437.00	-4.79	6,989
Kuwait Real Estate Co Ksc	75.00	-1.83	200,050
Salhia Real Estate Co Ksc	374.00	0.00	-
Gulf Cable & Electrical Ind	459.00	-1.29	379,213
Kuwait Finance House	621.00	0.16	8,052,623
Gulf North Africa Holding Co	54.40	-2.86	93,000
Hilal Cement Co	69.60	-4.92	5,000
Osoul Investment Kscc	89.40	0.00	-
Gulf Insurance Group Ksc	630.00	0.00	-
Umm Al Qaiwain General Inves	66.70	0.00	-
Aayan Leasing & Investment	34.90	-2.24	6,682,320
Alrai Media Group Co Ksc	36.90	0.00	-
National Investments Co	96.50	-1.13	98,200
Commercial Facilities Co	198.00	0.00	365,641
Yiaco Medical Co. K.S.C.C	707.00	0.00	-
Dulaqan Real Estate Co	350.00	0.00	-
Real Estate Asset Management	90.00	0.00	-

OMAN

Company Name	Lt Price	% Chg	Volume
Voltamp Energy Saog	0.15	0.00	1,000
Vision Insurance Saoc	0.09	0.00	-
United Power/Energy Co- Pref	1.00	0.00	-
United Power Co Saog	1.65	0.00	-
United Finance Co	0.09	0.00	-
Ubar Hotels & Resorts	0.13	0.00	-
Takaful Oman	0.12	0.00	470
Taageer Finance	0.10	0.00	-
Sweets Of Oman	0.55	0.00	-
Sohar Power Co	0.06	0.00	-
Sohar International Bank	0.08	5.00	5,952
Smn Power Holding Saog	0.07	0.00	-
Shell Oman Marketing - Pref	1.05	0.00	-
Shell Oman Marketing	1.10	0.00	100
Sharqiyah Desalination Co Sa	0.20	0.00	-
Sembcorp Salalah Power & Wat	0.13	-1.54	10,000
Salalah Port Services	0.60	0.00	-
Salalah Mills Co	0.50	0.00	100,000
Salalah Beach Resort Saog	1.38	0.00	-
Sahara Hospitality	3.12	0.00	-
Renaissance Services Saog	0.37	0.00	-
Raysut Cement Co	0.34	0.00	300
Phoenix Power Co Saoc	0.05	0.00	658
Packaging Co Ltd	2.21	0.00	-
Ooredoo	0.39	1.03	129,227
Ominvest	0.32	0.00	-
Oman United Insurance Co	0.29	5.45	7,000
Oman Telecommunications Co	0.56	0.00	1,700
Oman Refreshment Co	1.00	0.00	-
Oman Qatar Insurance Co	0.08	0.00	-

OMAN

Company Name	Lt Price	% Chg	Volume
Oman Packaging	0.30	0.00	-
Oman Oil Marketing Company	0.80	0.00	-
Oman National Engineering An	0.09	0.00	5,000
Oman Investment & Finance	0.09	1.16	19,238
Oman Intl Marketing	0.52	0.00	-
Oman Flour Mills	0.58	0.00	200
Oman Fisheries Co	0.08	0.00	-
Oman Europe Foods Industries	1.00	0.00	-
Oman Education & Training In	0.22	0.00	-
Oman Chromite	3.64	0.00	-
Oman Chlorine	0.32	0.00	-
Oman Ceramic Company	0.42	0.00	-
Oman Cement Co	0.22	-0.46	98,500
Oman Cables Industry	0.54	0.00	-
Oman & Emirates Inv(Om)50%	0.05	0.00	-
Natl Aluminium Products	0.17	0.00	-
National Real Estate Develop	5.00	0.00	-
National Mineral Water	0.09	0.00	-
National Life & General Insu	0.32	0.00	-
National Gas Co	0.19	0.00	-
National Finance Co	0.14	0.00	200
National Detergent Co Saog	0.60	0.00	-
National Biscuit Industries	3.92	0.00	-
National Bank Of Oman Saog	0.16	0.00	3,144
Muscat Thread Mills Co	0.08	0.00	-
Muscat Insurance Co Saog	0.49	0.00	-
Muscat Gases Company Saog	0.17	0.00	-
Muscat Finance	0.05	0.00	206
Muscat City Desalination Co	0.11	0.00	300
Majan Glass Company	0.18	0.00	200
Majan College	0.16	0.00	-
Hsbc Bank Oman	0.11	0.00	250
Hotels Management Co Interna	1.25	0.00	-
Gulf Stone	0.12	0.00	-
Gulf Mushroom Company	0.31	0.00	-
Gulf Investments Services	0.05	8.00	180,629
Gulf Invest. Serv. Pref-Shar	0.11	0.00	-
Gulf International Chemicals	0.09	0.00	-
Gulf Hotels (Oman) Co Ltd	4.31	-9.93	1,500
Global Fin Investment	0.06	0.00	-
Galfar Engineering&Contract	0.05	0.00	329,566
Galfar Engineering -Prefer	0.39	0.00	-
Financial Services Co.	0.18	0.00	-
Financial Corp/The	0.10	0.00	-
Dhofar Tourism	0.49	0.00	-
Dhofar Poultry	0.18	0.00	-
Dhofar Intl Development	0.30	0.00	-
Dhofar Insurance	0.15	0.00	-
Dhofar Generating Co Saoc	0.19	0.00	8,300
Dhofar Fisheries & Food Indu	1.28	0.00	-
Dhofar Cattlefeed	0.12	0.00	-
Dhofar Beverages Co	0.26	0.00	-
Construction Materials Ind	0.03	0.00	100
Computer Stationery Inds	0.26	0.00	-
Bankmuscat Saog	0.31	-1.29	641,706
Bank Nizwa	0.09	0.00	-
Bank Dhofar Saog	0.09	0.00	-
Arabia Falcon Insurance Co	0.10	0.00	-
Aloula Co	0.08	0.00	-
Al-Omaniya Financial Service	0.08	-8.99	10,200
Al-Hassan Engineering Co	0.02	0.00	-
Al-Fajar Al-Alamia Co	0.75	0.00	-
Al-Anwar Ceramic Tiles Co	0.13	0.00	-
Al Suwadi Power	0.05	0.00	97,000
Al Sharqiya Invest Holding	0.06	5.17	20,000
Al Maha Petroleum Products M	0.74	0.00	-
Al Maha Ceramics Co Saoc	0.19	-0.53	20,000
Al Madina Takaful Co Saoc	0.06	0.00	-
Al Madina Investment Co	0.02	0.00	-
Al Kamil Power Co	0.35	0.00	-
Al Jazerah Services -Pfd	0.55	0.00	-
Al Jazeera Steel Products Co	0.10	0.00	5,000
Al Jazeera Services	0.14	0.00	200
Al Izz Islamic Bank	0.05	0.00	-
Al Buraimi Hotel	0.88	0.00	-
Al Batinah Power	0.05	2.04	228,000
Al Batinah Hotels	1.13	0.00	-
Al Batinah Dev & Inv	0.07	0.00	-
Al Anwar Holdings Saog	0.07	4.35	538,040
Al Ahlia Insurance Co Saoc	0.37	0.00	-
Ahli Bank	0.13	0.00	-
Acwa Power Barka Saog	0.60	0.00	-
Abrasives Manufacturing Co S	0.05	0.00	-
A'saffa Foods Saog	0.60	0.00	-
OMan Oil Marketing Co-Pref	0.25	0.00	-
#N/A Invalid Security	0.00	0.00	-
#N/A Invalid Security	0.00	0.00	-

LATEST MARKET CLOSING FIGURES

Virus peril may make April cruellest month for EMs

Bloomberg
Singapore

Emerging markets are about to find out just how much rougher April will be for them than developed economies.

The signals are in the price swings anticipated by traders.

The gap between a JPMorgan Chase & Co gauge of expected swings in developing-nation currencies and a similar Group-of-Seven measure is the widest since June, after evaporating in March. Likewise, the spread between the Cboe Emerging Markets Volatility Index and the VIX gauge for US stocks has grown to 1.4 percentage points from a discount of as much as 10 basis points last month.

Indeed, the Mexican peso had a torrid day in Asia yesterday despite US equity futures climbing. An economic plan unveiled on Sunday by President Andres Manuel Lopez Obrador to counter the coronavirus fallout was "underwhelming," said Alberto Ramos, chief Latin America economist at Goldman Sachs Group Inc. Mexican authorities "seem to be underestimating the economic impact of the viral pandemic and the need for a deeper re-orientation of fiscal policy," Ramos said.

Oil's newfound vigour also hangs in the balance as a row between Saudi Arabia and Russia threatens to scupper a possible deal among global producers to curb supply. The lack of such an accord would hit the world's two largest crude exporters and other energy-dependent economies including Mexico, Colombia, Nigeria and Angola. Brent crude fell 2.5% to $33.25 a barrel in London.

Developing-nation central banks, meanwhile, have already used up much of the monetary arsenal needed to support their currencies and economies in the face of the virus. With interest rates in emerging economies at multi-year lows – and near zero in the case of nations such as South Korea and Israel – the carry returns that attract foreign funds are diminishing.

"Uncertainty around both the supply-side and demand-side for oil should continue to effect volatility," said Marshall Stocker, a money manager at Eaton Vance Corp. in Boston, which oversees about $520bn of assets. "Policy adventurism can be expected at the country level as there is no history from which to identify an orthodox policy response. Therefore there will be health, fiscal, and monetary-policy mistakes and achievements made this coming and in future weeks."

A pedestrian wearing a protective mask walks along a street in Tijuana, Mexico. "Mexican authorities seem to be underestimating the economic impact of the viral pandemic and the need for a deeper re-orientation of fiscal policy," says Alberto Ramos, chief Latin America economist at Goldman Sachs.

Government spending pledges in some emerging markets dwarf what's ever come before. Even so, they pale in comparison with the trillions of dollars promised in Europe and America. That discrepancy threatens to set the asset class back and is partly to blame for the record $83bn sucked out of developing-nation stocks and bonds in March alone.

South Korea will decide on its benchmark interest rate on Thursday, with Bloomberg Economics forecasting it will remain on hold following an emergency cut of 50 basis points in March.

"The economy is set to contract and inflation is moving further away from the central bank's 2% target," Bloomberg Economics said in a note. "Even so, the Bank of Korea may conserve its policy ammunition at this meeting as it assesses the impact of emergency monetary and fiscal stimulus".

Poland will likely to keep benchmark borrowing costs unchanged on Wednesday. Serbia will decide the following day.

Czech lawmakers are expected to approve a new law on the central bank, which will give it an option to start asset purchases.

The Russian rouble and Peruvian sol outperformed other emerging-market peers last week as Brent crude rebounded 37% on hopes that global producers will decide to make historic output cuts. The Opec+ meeting was initially expected yesterday, but got delayed to April 9 as Riyadh and Moscow trade barbs about who's to blame for the collapse in oil prices. A failure to come to an agreement would likely cause prices to slide again.

IHS Markit's March services PMI index for India fell to 49.3 from 57.5 in February, data released yesterday showed. The composite PMI index dropped to 50.6 from 57.6

The Philippines and Thailand will both publish inflation data today, with the former's reading forecast to slow for a second month. Taiwan will report its inflation figures on Wednesday, while China's headline rate is also expected to slow in Friday's data.

Inflation in Russia probably accelerated to 2.7% in March from 2.3% as the rouble declined along with oil prices. But price pressure will abate as the pandemic weighs on demand, creating room for the central bank to look through temporary ruble weakness and resume easing once financial markets stabilise, according to Bloomberg Economics.

Indonesia, Taiwan, the Philippines, China and Malaysia are all due to report March foreign reserves today. These will give an indication about the extent of local currency defenses across the region -- after Korea's reserves fell by the most since 2008 in March.

Still, Malaysia may be reluctant to show a number below $100bn, making it likely that much of Bank Negara's intervention to support the ringgit was undertaken through FX forwards.

The same will be true of China's more distant but psychologically important $3tn figure. Its central bank is also likely to use other means to defend the currency.

Brazil's February retail sales figures, set for release today, are expected to show growth from a year prior. An economic activity reading for the same month will also probably be positive, though both figures reflect a period largely before the coronavirus hit. March IPCA numbers should flag low inflation, according to Bloomberg Economics

Mexico's inflation decelerated in March, data today are expected to show. Traders will also eye industrial production numbers on Wednesday for clues to the economic toll of the virus.

BUSINESS

DJIA

Company Name	Lt Price	% Chg	Volume
Apple Inc	253.77	5.12	3,763,377
American Express Co	82.20	11.68	612,588
Boeing Co/The	137.52	10.44	2,482,105
Caterpillar Inc	119.33	4.06	347,279
Cisco Systems Inc	40.56	3.84	2,499,163
Chevron Corp	77.71	3.46	967,886
Walt Disney Co/The	97.04	3.37	1,213,354
Dow Inc	30.03	7.37	608,851
Goldman Sachs Group Inc	155.99	6.17	259,088
Home Depot Inc	188.31	5.38	382,837
Intl Business Machines Corp	112.43	5.73	359,856
Intel Corp	56.96	5.23	2,476,143
Johnson & Johnson	136.88	2.02	893,059
Jpmorgan Chase & Co	88.52	5.32	1,380,344
Coca-Cola Co/The	46.07	5.11	1,933,465
Mcdonald's Corp	170.33	6.24	626,847
3M Co	138.48	3.51	390,991
Merck & Co. Inc.	78.64	3.13	624,279
Microsoft Corp	161.21	4.79	5,932,379
Nike Inc -Cl B	83.53	5.92	651,395
Pfizer Inc	33.86	0.65	2,235,514
Procter & Gamble Co/The	116.34	1.09	711,175
Travelers Cos Inc/The	98.46	4.87	165,349
Unitedhealth Group Inc	240.18	4.66	408,994
United Technologies Corp	0.00	0.00	-
Visa Inc-Class A Shares	163.52	7.69	1,024,985
Verizon Communications Inc	56.09	2.54	1,234,795
Walgreens Boots Alliance Inc	41.93	2.97	725,763
Walmart Inc	123.90	3.70	1,195,609
Exxon Mobil Corp	40.09	2.24	3,162,559

FTSE 100

Company Name	Lt Price	% Chg	Volume
Anglo American Plc	1,297.40	6.55	3,763,054
Associated British Foods Plc	1,850.50	6.41	1,512,919
Admiral Group Plc	2,175.00	-1.14	648,554
Ashtead Group Plc	1,750.00	9.00	1,936,406
Antofagasta Plc	765.40	1.08	1,551,383
Auto Trader Group Plc	392.00	5.38	8,759,691
Aviva Plc	246.00	5.31	22,835,781
Astrazeneca Plc	7,184.00	0.56	2,313,834
Bae Systems Plc	516.60	3.32	5,961,857
Barclays Plc	86.56	7.88	91,458,731
British American Tobacco Plc	2,962.00	0.75	2,919,660
Barratt Developments Plc	447.40	16.42	5,424,693
Bhp Group Plc	1,278.80	3.03	6,580,373
Berkeley Group Holdings/The	3,780.00	11.64	681,052
British Land Co Plc	335.10	6.55	4,896,257
Bunzl Plc	1,566.50	1.06	1,218,565
Bp Plc	335.85	-0.43	50,531,248
Burberry Group Plc	1,330.00	6.40	1,359,506
Bt Group Plc	117.00	5.12	34,707,926
Coca-Cola Hbc Ag-Di	1,836.00	10.17	1,285,038
Carnival Plc	716.00	16.46	4,634,005
Centrica Plc	31.48	-1.13	40,589,733
Compass Group Plc	1,150.00	4.55	7,779,420
Croda International Plc	4,244.00	3.19	281,967
Crh Plc	2,241.00	4.96	3,028,989
Dcc Plc	5,026.00	2.13	459,365
Diageo Plc	2,553.50	3.89	5,118,341
Direct Line Insurance Group	278.00	8.38	6,507,213
Evraz Plc	232.40	1.93	3,372,427
Experian Plc	2,177.00	2.98	1,388,768
Easyjet Plc	552.40	16.29	5,000,227
Ferguson Plc	4,753.00	6.81	730,644
Fresnillo Plc	663.40	4.31	2,059,203
Glencore Plc	130.18	8.48	35,679,164
Glaxosmithkline Plc	1,509.40	1.34	8,162,353
Gvc Holdings Plc	573.20	18.50	4,007,207
Hikma Pharmaceuticals Plc	2,348.00	3.03	846,704
Hargreaves Lansdown Plc	1,317.00	3.13	754,827
Halma Plc	1,848.50	-2.17	1,254,434
Hsbc Holdings Plc	414.70	4.41	54,711,514
Hiscox Ltd	880.00	4.71	630,445
Intl Consolidated Airline-Di	226.40	14.34	30,383,694
Intercontinental Hotels Grou	3,175.00	11.76	1,189,388
3i Group Plc	734.60	6.71	2,419,098
Imperial Brands Plc	1,552.00	-0.74	2,002,581
Informa Plc	391.50	7.64	7,178,790
Intertek Group Plc	4,518.00	1.35	565,730
Itv Plc	58.66	7.79	25,847,912
Johnson Matthey Plc	1,786.50	6.12	746,317
Kingfisher Plc	140.40	3.85	12,886,257
Land Securities Group Plc	545.00	5.91	2,988,813
Legal & General Group Plc	186.30	16.66	26,326,815
Lloyds Banking Group Plc	29.94	7.99	294,659,789
London Stock Exchange Group	7,064.00	-1.89	1,178,690
Micro Focus International	370.20	14.76	1,992,861
Marks & Spencer Group Plc	100.10	6.49	10,436,629
Mondi Plc	1,281.50	4.74	1,500,022
Melrose Industries Plc	88.72	17.88	32,423,838
Wm Morrison Supermarkets	182.40	-1.78	8,023,106
National Grid Plc	866.00	2.87	9,047,909
Nmc Health Plc	938.40	0.00	-
Next Plc	3,777.00	11.42	1,098,656
Ocado Group Plc	1,389.00	1.80	1,984,735
#N/A Invalid Security	0.00	0.00	-
Prudential Plc	1,021.00	10.95	7,822,611
Persimmon Plc	1,827.00	12.60	1,536,882
Pearson Plc	478.70	0.19	3,005,986
Reckitt Benckiser Group Plc	6,160.00	-1.47	1,114,924
Royal Bank Of Scotland Group	107.05	5.21	24,092,128
Royal Dutch Shell Plc-A Shs	1,478.80	0.53	7,285,528
Royal Dutch Shell Plc-B Shs	1,436.40	1.27	11,317,535
Relx Plc	1,742.00	3.29	3,312,160
Rio Tinto Plc	3,776.50	0.41	2,729,627
Rightmove Plc	472.30	7.34	2,933,417
Rolls-Royce Holdings Plc	297.70	18.32	20,190,233
Rsa Insurance Group Plc	388.20	4.61	3,641,577
Rentokil Initial Plc	384.30	0.26	4,106,345
Sainsbury (J) Plc	206.10	-3.42	16,082,127
Schroders Plc	2,373.00	2.24	382,293
Sage Group Plc/The	565.40	1.29	3,470,864
Segro Plc	766.00	2.76	2,837,239
Smurfit Kappa Group Plc	2,306.00	6.56	402,519
Standard Life Aberdeen Plc	208.20	7.93	6,996,378
Ds Smith Plc	273.90	7.54	4,717,237
Smiths Group Plc	1,087.00	2.50	1,956,955
Scottish Mortgage Inv Tr Plc	572.50	6.31	4,231,316
Smith & Nephew Plc	1,432.50	5.10	2,340,192
Spirax-Sarco Engineering Plc	7,710.00	-1.91	214,784
Sse Plc	1,131.50	5.45	6,064,387
Standard Chartered Plc	421.10	3.62	5,261,003
St James's Place Plc	735.20	3.58	2,018,712
Severn Trent Plc	2,207.00	2.70	825,111
Tesco Plc	221.60	-1.03	25,393,243
Tui Ag-Di	333.30	4.88	1,919,926
Taylor Wimpey Plc	117.00	15.27	15,902,063
Unilever Plc	4,136.00	2.45	1,811,930
United Utilities Group Plc	826.20	-2.78	3,823,413
Vodafone Group Plc	116.56	4.99	69,077,099
John Wood Group Plc	189.85	10.57	3,353,414
Wpp Plc	513.00	6.06	5,610,718
Whitbread Plc	2,569.00	3.97	1,077,711

TOKYO

Company Name	Lt Price	% Chg	Volume
Japan Airlines Co Ltd	1,782.00	2.83	6,822,700
Recruit Holdings Co Ltd	2,458.50	4.55	12,593,600
Softbank Corp	1,387.00	7.02	12,700,900
Kyocera Corp	6,046.00	3.30	1,101,400
Nissan Motor Co Ltd	341.40	8.21	28,681,600
T&D Holdings Inc	892.00	4.69	3,706,800
Toyota Motor Corp	6,580.00	6.21	10,567,200
Kddi Corp	3,278.00	5.78	9,710,200
Nitto Denko Corp	4,785.00	3.24	893,500
Hitachi Ltd	3,064.00	4.38	5,817,300
Takeda Pharmaceutical Co Ltd	3,342.00	5.49	7,310,300
Jfe Holdings Inc	685.00	3.95	5,336,100
Sumitomo Corp	1,171.50	2.45	5,704,700
Canon Inc	2,250.50	2.90	5,036,900
Eisai Co Ltd	7,388.00	3.04	1,076,900
Nintendo Co Ltd	42,920.00	2.48	1,537,100
Shin-Etsu Chemical Co Ltd	10,665.00	8.27	1,945,600
Mitsubishi Corp	2,195.00	2.62	6,478,400
Smc Corp	46,500.00	2.72	258,600

WORLD INDICES

Indices	Lt Price	Change
Dow Jones Indus. Avg	22,122.00	+1,069.47
S&P 500 Index	2,611.52	+122.87
Nasdaq Composite Index	7,741.06	+367.97
S&P/Tsx Composite Index	13,421.50	+483.20
Mexico Bolsa Index	34,427.31	+1,351.90
Brazil Bovespa Stock Idx	74,843.50	+5,305.90
Ftse 100 Index	5,582.39	+166.89
Cac 40 Index	4,346.14	+191.56
Dax Index	10,075.17	+549.40
Ibex 35 Tr	6,844.30	+262.70
Nikkei 225	18,576.30	+756.11
Japan Topix	1,376.30	+51.17
Hang Seng Index	23,749.12	+513.01
All Ordinaries Indx	5,323.60	+216.66
Nzx All Index	1,607.95	-27.39
Bse Sensex 30 Index	27,590.95	-674.36
Nse S&P Cnx Nifty Index	8,083.80	-170.00
Straits Times Index	2,470.59	+81.30
Karachi All Share Index	22,022.22	-493.37
Jakarta Composite Index	4,811.83	+188.40

TOKYO

Company Name	Lt Price	% Chg	Volume
Nidec Corp	5,154.00	2.28	1,865,800
Isuzu Motors Ltd	671.70	4.46	6,842,600
Unicharm Corp	4,149.00	2.65	1,687,100
Nomura Holdings Inc	438.80	7.00	18,710,800
Daiichi Sankyo Co Ltd	7,050.00	4.15	1,889,500
Subaru Corp	1,803.00	5.13	6,397,900
Sumitomo Realty & Development	2,560.50	4.60	1,304,600
Ntt Docomo Inc	3,369.00	6.78	7,357,900
Sumitomo Metal Mining Co Ltd	2,287.00	4.45	1,329,000
Orix Corp	1,186.50	-0.13	12,419,500
Asahi Group Holdings Ltd	3,385.00	1.59	1,843,500
Keyence Corp	35,210.00	3.07	610,000
Mizuho Financial Group Inc	120.30	2.73	123,047,500
Sumitomo Mitsui Trust Holdin	3,121.00	2.40	1,331,500
Japan Tobacco Inc	1,970.00	3.06	5,943,800
Sumitomo Electric Industries	1,036.50	2.22	3,412,900
Daiwa Securities Group Inc	433.10	7.36	6,541,400
Softbank Group Corp	4,016.00	7.61	34,559,400
Panasonic Corp	811.50	3.72	9,367,700
Fujitsu Ltd	9,635.00	3.58	1,009,500
Central Japan Railway Co	16,895.00	3.43	662,200
Nitori Holdings Co Ltd	14,410.00	-3.93	751,500
Ajinomoto Co Inc	1,869.50	2.75	2,793,900
Daikin Industries Ltd	13,175.00	2.13	1,102,600
Mitsui Fudosan Co Ltd	1,937.50	5.50	5,948,900
Ono Pharmaceutical Co Ltd	2,519.50	3.98	1,742,200
Toray Industries Inc	450.80	3.99	7,169,000
Bridgestone Corp	3,165.00	2.29	2,111,700
Sony Corp	6,550.00	4.63	9,035,200
Astellas Pharma Inc	1,683.50	4.44	5,243,100
Hoya Corp	9,464.00	2.00	1,004,400
Nippon Steel Corp	899.40	5.05	4,918,600
Suzuki Motor Corp	2,597.50	3.96	2,343,000
Nippon Telegraph & Telephone	2,646.00	5.71	6,730,100
Jxtg Holdings Inc	384.70	3.72	18,731,100
Murata Manufacturing Co Ltd	5,435.00	5.80	3,869,000
Kansai Electric Power Co Inc	1,119.50	1.59	2,497,500
Denso Corp	3,492.00	7.35	2,754,600
Sompo Holdings Inc	3,484.00	1.46	1,507,800
Daiwa House Industry Co Ltd	2,449.00	2.88	2,050,200
Dai-Ichi Life Holdings Inc	1,314.00	4.29	6,409,400
Mazda Motor Corp	539.00	5.48	6,946,300
Komatsu Ltd	1,771.00	2.61	7,288,800
West Japan Railway Co	7,301.00	3.05	618,100
Kao Corp	8,900.00	5.35	2,152,700
Mitsui & Co Ltd	1,488.50	3.62	6,448,300
Daito Trust Construct Co Ltd	9,906.00	-0.15	374,100
Otsuka Holdings Co Ltd	4,223.00	5.18	1,141,000
Oriental Land Co Ltd	13,750.00	2.88	1,508,700
Sekisui House Ltd	1,716.50	2.63	2,789,700
Secom Co Ltd	8,894.00	2.35	677,100
Tokio Marine Holdings Inc	5,023.00	2.38	2,831,200
Aeon Co Ltd	2,221.50	8.66	5,533,100
Asahi Kasei Corp	742.80	3.21	8,725,100
Kirin Holdings Co Ltd	2,108.50	1.32	3,837,000
Marubeni Corp	506.80	1.56	11,168,200
Mitsubishi Ufj Financial Gro	403.40	4.29	74,806,800
Mitsubishi Chemical Holdings	632.90	2.84	7,504,000
Fanuc Corp	14,200.00	2.01	1,452,400
Fast Retailing Co Ltd	42,500.00	2.24	1,453,600
Ms&Ad Insurance Group Holdin	3,053.00	1.56	2,114,800
Kubota Corp	1,290.00	1.22	5,217,800
Seven & I Holdings Co Ltd	3,688.00	4.77	3,461,600
Inpex Corp	672.00	6.30	16,171,200
Resona Holdings Inc	327.00	6.00	10,303,800
Fujifilm Holdings Corp	6,166.00	6.97	19,533,400
Yamato Holdings Co Ltd	1,905.00	5.19	4,131,500
Chubu Electric Power Co Inc	1,464.00	1.70	1,996,500
Mitsubishi Estate Co Ltd	1,659.50	5.63	6,677,500
Mitsubishi Heavy Industries	2,620.50	4.26	2,160,500
Sysmex Corp	7,698.00	0.76	706,900
Shiseido Co Ltd	6,254.00	0.84	2,497,000
Shionogi & Co Ltd	5,378.00	4.22	1,214,400
Terumo Corp	3,653.00	2.84	2,935,500
Tokyo Gas Co Ltd	2,584.50	0.60	1,666,700
Tokyo Electron Ltd	20,915.00	6.68	2,034,400
East Japan Railway Co	7,845.00	4.18	1,855,700
Itochu Corp	2,102.50	1.50	4,803,700
Ana Holdings Inc	2,295.50	4.46	7,106,100
Mitsubishi Electric Corp	1,288.50	2.83	6,835,400
Sumitomo Mitsui Financial Gr	2,632.50	3.24	7,580,300

SENSEX

Company Name	Lt Price	% Chg	Volume
Adani Ports And Special Econ	244.80	0.00	7,210,453
Asian Paints Ltd	1,520.90	-5.13	2,925,847
Axis Bank Ltd	325.45	-9.26	41,317,685
Bajaj Finance Ltd	2,207.50	-0.53	6,172,683
Bharti Airtel Ltd	423.95	0.62	14,153,710
Bharti Infratel Ltd	156.40	0.84	8,125,477
Bajaj Auto Ltd	2,033.75	-0.85	692,220
Bajaj Finserv Ltd	4,510.75	0.20	722,316
Bharat Petroleum Corp Ltd	317.15	4.69	14,320,952
Cipla Ltd	449.20	8.57	17,906,777
Coal India Ltd	137.75	-1.22	10,937,172
Dr. Reddy's Laboratories	3,146.80	1.67	1,173,674
Eicher Motors Ltd	12,680.05	-2.47	180,698
Gail India Ltd	80.90	6.80	19,035,356
Grasim Industries Ltd	454.70	-4.50	1,470,237
Hcl Technologies Ltd	405.80	-1.87	8,166,456
Housing Development Finance	1,499.55	-5.30	10,149,442
Hdfc Bank Limited	813.85	-1.90	17,499,063
Hero Motocorp Ltd	1,582.05	-3.51	1,592,848
Hindalco Industries Ltd	88.80	-3.11	8,216,768
Hindustan Petroleum Corp	184.20	0.11	9,509,089
Hindustan Unilever Ltd	2,154.10	-1.17	4,121,462
Icici Bank Ltd	286.65	-7.87	57,330,285
Indiabulls Housing Finance L	96.65	-2.72	14,992,859
Indusind Bank Ltd	313.20	-8.49	23,015,160
Infosys Ltd	585.70	-2.84	10,221,890
Indian Oil Corp Ltd	79.50	0.70	17,006,294
Itc Ltd	177.90	6.91	62,868,085
Jsw Steel Ltd	140.70	-1.61	18,559,602
Kotak Mahindra Bank Ltd	1,140.85	-3.45	10,111,593
Larsen & Toubro Ltd	774.65	0.04	4,268,501
Mahindra & Mahindra Ltd	280.70	2.88	6,961,905
Maruti Suzuki India Ltd	4,011.50	-5.53	1,724,863
Ntpc Ltd	79.55	-1.79	18,319,674
Oil & Natural Gas Corp Ltd	69.85	6.24	39,761,221
Power Grid Corp Of India Ltd	156.20	1.03	11,850,094
Reliance Industries Ltd	1,077.45	-0.28	18,912,044
State Bank Of India	175.50	-5.92	64,455,937
Sun Pharmaceutical Indus	375.95	9.43	28,550,650
Tata Steel Ltd	253.75	-4.73	12,528,030
Tata Consultancy Svcs Ltd	1,654.20	-3.19	5,735,529
Tech Mahindra Ltd	520.90	1.90	5,826,215
Titan Co Ltd	862.80	-7.83	4,951,957
Tata Motors Ltd	65.30	-3.90	35,346,490
Upl Ltd	298.10	-2.50	3,265,474
Ultratech Cement Ltd	3,041.60	-3.15	406,173
Vedanta Ltd	62.80	0.24	24,226,287
Wipro Ltd	180.00	-5.01	6,573,737
Yes Bank Ltd	24.10	0.63	45,326,980
Zee Entertainment Enterprise	124.35	2.85	7,888,049

The German share price index DAX graph is pictured at the Frankfurt Stock Exchange. The DAX 30 jumped 5.8% to 10,075.17 points yesterday.

European stock markets surge as virus crisis eases

AFP
London

Global equity markets strongly rebounded yesterday as some of the world's worst-hit countries reported falling coronavirus death rates, while oil prices sank after a meeting of top producers was delayed.

"Global equities are soaring higher as early signs suggest curve flattening is happening in Europe and that US could be a couple of weeks behind them," said Edward Moya, an analyst at OANDA.

Key eurozone markets were 5% or more higher at the close.

London's FTSE 100 was up 3.1% to 5,582.39 points, Frankfurt's DAX 30 jumped 5.8% to 10,075.17 and Paris's CAC 40 rose 4.6% to 4,346.14 points yesterday.

"Investors are shrugging off the pessimism," said AvaTrade analyst Naeem Aslam. "They are focused on more optimistic things: the slowing death rate caused by coronavirus.

Italy, Spain, France, and Germany have all seen declining numbers."

On Wall Street, the Dow Jones index also posted strong gains in the late New York morning, winning more than 1,000 points over Friday's close.

After news of slowing death cases in Europe, US investor optimism was also fuelled by "early signs that the virus' intensity in the epicenter of New York may be hitting an apex," said analysts at Charles Schwab.

London gains were capped by a stronger pound, apparently little affected by news that British Prime Minister Boris Johnson was hospitalised for precautionary tests after suffering "persistent" coronavirus symptoms for ten days.

But even as traders were feeling more optimistic, European governments were reaching for superlatives to describe the economic damage of the pandemic.

The French finance minister said his country was headed for its worst recession since World War II, while German leader Angela Merkel said the virus outbreak was the biggest challenge ever for the European Union.

"The coronavirus may trigger annual GDP declines among the worst seen in the last 100 years," analysts at Oxford Economics said.

Meanwhile, the commodities' markets attention was on a planned meeting of Opec and other key crude producers aimed at easing a supply glut that had sent oil prices crashing.

Both main contracts had soared last week as Trump said Saudi Arabia and Russia would hold talks on ending their price war, while it also emerged Opec would be holding a teleconference on Monday.

However, investors were dealt a blow over the weekend when the meeting was delayed to Thursday.

Analysts warned there were doubts that the US would take part in them, which could be a major sticking point for Moscow and Riyadh.

But even if a deal is reached, there is scepticism that suggested cuts of 10mn barrels a day will be enough to help the oil market, owing to a collapse in demand caused by the pandemic.

Meanwhile, the British pound steadied against the dollar yesterday, recovering from a slight dip overnight on expectations that British Prime Minister Boris Johnson will "shortly" be back at work after being taken to hospital with persistent coronavirus symptoms.

The bounce back came after housing minister Robert Jenrick said Johnson was "doing well" and was expected to be back at 10 Downing Street, his official residence, shortly.

The British currency had hovered near one-week lows overnight after the British leader was taken to hospital for tests on Sunday evening.

"Markets were initially quick to jump to the worst possible conclusion and assume that the PM's illness would create a degree of dysfunctioning within the UK government, which was not the case given that there were measures in place to deal with such a scenario," said Viraj Patel, global FX and macro strategist at Arkera.

Foreign minister Dominic Raab would take over charge from Johnson if the prime minister was no longer able to continue his duties, he noted.

"What we're seeing now is the pound retracing this unusual move lower as details emerge that we're far from the worst-case scenario of the UK government being plunged into disarray," Patel said.

By 1525 GMT sterling was trading 0.2% higher at $1.2286 . Against the euro, it also gained 0.2% to trade at 88.02 pence.

The pound remains down against both the euro and the dollar since the start of the year, by around 4% and 7% respectively.

Sterling has recovered some ground against the dollar in the past three weeks as demand for the US currency has eased globally after central banks adopted massive stimulus measures to combat the economic impact of the coronavirus pandemic.

However, analysts have said the fundamental outlook for the currency remains weak as a ramp-up in government spending threatens to worsen the UK's current account deficit.

That, along with weak economic data due to the pandemic and the backdrop of ongoing Brexit trade talks, are among reasons analysts say the currency appears vulnerable.

Britain's construction sector last month saw its sharpest fall in activity since the financial crisis more than a decade ago, despite facing much less pressure than other industries to shut down operations due to the coronavirus pandemic.

British consumer confidence recorded its biggest fall in more than 45 years, another survey showed yesterday.

A group representing Britain's car industry cut its sales forecast for this year by 23% to 1.73mn vehicles because of the impact of the coronavirus crisis.

"Economic data are beginning to show the scale of the impact of the pandemic on the UK and this comes on top of existing concerns about how the UK will cope with a new set of post-Brexit trade rules, assuming that the (Brexit) transition period ends at the back end of this year," Jane Foley, FX strategist at Rabobank, said in a research note titled 'GBP – Grim and Grimmer?'

"Generally speaking, any perceived weakening of domestic fundamentals is likely to be more reflected in a currency where there is a current account deficit than otherwise."

Speculators trimmed their net long positions on the pound in the week to Tuesday, March 31, CFTC data showed on Friday.

HONG KONG

Company Name	Lt Price	% Chg	Volume
Ck Hutchison Holdings Ltd	55.80	6.29	11,769,045
Hang Lung Properties Ltd	15.98	3.23	5,287,946
Ck Infrastructure Holdings L	44.55	5.44	3,342,011
Hengan Intl Group Co Ltd	63.55	4.10	6,092,342
China Shenhua Energy Co-H	14.26	0.85	17,414,089
Cspc Pharmaceutical Group Lt	15.50	1.57	16,525,923
Hang Seng Bank Ltd	138.80	3.43	3,978,135
China Resources Land Ltd	32.25	1.57	8,560,933
Ck Asset Holdings Ltd	44.95	3.21	8,147,828
Sino Biopharmaceutical	10.70	1.52	23,480,025
Henderson Land Development	31.20	3.83	4,784,680
Aia Group Ltd	70.85	0.93	23,422,269
Ind & Comm Bk Of China-H	5.20	0.97	214,958,872
Want Want China Holdings Ltd	5.47	3.01	18,923,968
Sun Hung Kai Properties	105.80	3.42	4,470,188
New World Development	8.75	3.31	13,739,050
Geely Automobile Holdings Lt	11.22	3.13	33,437,877
Swire Pacific Ltd - Cl A	51.65	7.38	2,322,459
Sands China Ltd	27.95	2.38	19,252,717
Wharf Real Estate Investment	29.35	2.44	4,571,443
Clp Holdings Ltd	78.10	4.13	6,231,679
Country Garden Holdings Co	9.41	2.39	24,102,025
Aac Technologies Holdings In	41.75	4.90	9,656,014
Shenzhou International Group	82.75	6.23	4,486,756
Ping An Insurance Group Co-H	75.70	0.93	30,045,941
China Mengniu Dairy Co	27.85	2.77	7,878,613
Sunny Optical Tech	110.00	3.38	6,349,644
Boc Hong Kong Holdings Ltd	23.55	2.84	15,348,838
China Life Insurance Co-H	15.50	2.65	31,270,187
Citic Ltd	7.72	1.45	15,165,109
Galaxy Entertainment Group L	42.85	4.51	35,211,626
Wh Group Ltd	7.48	2.61	40,045,136

HONG KONG

Company Name	Lt Price	% Chg	Volume
Hong Kong & China Gas	13.68	4.75	29,116,042
Bank Of Communications Co-H	4.70	1.29	25,894,277
China Petroleum & Chemical-H	4.01	2.04	114,219,434
Hong Kong Exchanges & Clear	240.40	1.69	4,420,068
Bank Of China Ltd-H	2.97	1.37	237,816,664
Hsbc Holdings Plc	38.95	2.77	61,129,889
Power Assets Holdings Ltd	49.25	4.23	4,978,650
Mtr Corp	41.45	0.36	4,887,603
China Overseas Land & Invest	25.45	1.80	13,534,600
Tencent Holdings Ltd	381.40	1.33	13,869,052
China Unicom Hong Kong Ltd	5.14	6.20	98,104,605
Link Reit	65.10	2.60	9,124,384
Sino Land Co	9.90	2.06	5,918,657
China Resources Power Holdin	8.23	-0.24	7,008,631
Petrochina Co Ltd-H	2.98	3.11	143,988,692
Cnooc Ltd	8.89	3.86	164,821,630
China Construction Bank-H	6.22	1.47	197,816,517
China Mobile Ltd	62.00	2.23	29,375,162

GCC INDICES

Indices	Lt Price	Change
Doha Securities Market	6,860.92	+108.73
Kuwait Stocks Exchange	4,011.94	-17.77
Oman Stock Market	3,400.94	+15.10

Japan planning to launch $990bn stimulus package

Reuters
Tokyo

Japan is to impose a state of emergency in Tokyo and six other prefectures as early as today to contain the coronavirus, while the government prepares a $990bn stimulus package to soften the economic blow.

Domestic infections topped 4,000, Jiji news reported, and 93 have died – not a huge outbreak compared with some global hot spots.

But the numbers keep rising, with particular alarm over the spread in Tokyo, which has more than 1,000 cases including 83 new ones yesterday.

"Japan won't, and doesn't need, to take lockdown steps like those overseas," Prime Minister Shinzo Abe told reporters, citing the opinion of infectious disease experts. "Trains will be running and supermarkets will be open.

The state of emergency will allow us to strengthen current steps to prevent an increase in infections while ensuring that economic activity is sustained as much as possible," he said.

An emergency, which Abe said would last about a month, will give governors authority to call on people to stay at home and businesses to close.

With no penalties for ignoring the requests in most cases, enforcement will rely more on peer pressure and respect for authority, and was unlikely to be as rigorous as lockdowns in many other countries.

In a sign that corporate Japan already was heeding the call, Canon Inc announced it would close its Tokyo headquarters for 10 days starting from today. Pressure had been mounting on the government to take the step although Abe had voiced concern about being too hasty, given the restrictions on movement and businesses it would entail.

Abe also said the government will launch a stimulus package of about ¥108tn, including more than ¥6tn for cash payouts to households and small businesses and ¥26tn to allow deferred social security and tax payments.

It was not immediately clear how much of that package would be new government spending.

An emergency appears to have public support. In a poll published yesterday by JNN, run by broadcaster TBS, 80% of those surveyed said Abe should declare it while 12% said it was not necessary.

His approval rating fell by 5.7 points from last month to 43.2%, the survey showed. But Kenji Shibuya, director of the Institute for Public Health at King's College, London, said the emergency was too late given the explosive increase in cases in Tokyo.

"It should have been declared by April 1 at the latest," he said.

Under a law revised in March to cover the coronavirus, the prime minister can declare a state of emergency if the disease poses a "grave danger" to lives and if its rapid spread could have a big impact on the economy.

Abe must seek formal advice from a panel of experts before deciding to go ahead and declare the emergency. While Japan's coronavirus epidemic is dwarfed by the 335,000 infections and more than 9,500 deaths in the United States alone, experts worry a sudden surge could overwhelm Japan's medical system.

Sounding an alarm over the high rate of cases that could not be traced, Tokyo Governor Yuriko Koike indicated last week that she would favour a state of emergency as a way to help her urge residents to abide by stronger social-distancing measures.

The emergency measures are meant to reduce social activity by 80%, a critical degree to curtail infections, said Koji Wada, a member of the expert panel advising policymakers.

The government must show "guts" in levelling with the public, with Abe being specific in his declaration about how people should conduct daily life.

"It really depends on the speech by Prime Minister Abe," said Wada, a professor at International University of Health and Welfare in Tokyo. "I really expect him to tell us what kind of activities we should do."

Illuminated signs are displayed on the exterior of commercial buildings at dusk in the Shinjuku district of Tokyo. Prime Minister Shinzo Abe said the government will launch a stimulus package of about ¥108tn, including more than ¥6tn for cash payouts to households and small businesses and ¥26tn to allow deferred social security and tax payments.

Japanese banks weigh branch cutbacks

Bloomberg
Tokyo

Japan's biggest banks and brokerages are weighing whether to scale back operations at their retail branches after Prime Minister Shinzo Abe called for a state of emergency to curtail the spread of the coronavirus.

Nomura Holdings Inc and Mitsubishi UFJ Financial Group Inc are among firms that are grappling with the prospect of a formal declaration being made as soon as today.

Abe said he will propose a month-long state of emergency in seven prefectures including Tokyo and Osaka following a surge of infections in major cities. The move will increase powers of prefectural governors, allowing them to ask businesses to shut down and to urge people to avoid large gatherings. However, it would fall short of a European-style lockdown.

Banks in Europe and the US have temporarily closed hundreds of branches to help stem the spread of the coronavirus.

Nomura may close branches in areas that are subject to a declaration, spokesman Kenji Yamashita said. The brokerage is also developing measures needed to keep financial and capital markets functioning, such as the settlement of transactions with clients. "We will respond appropriately and in a flexible manner," Yamashita said.

MUFG Bank "will continue to provide financial services to support our customers' fund settlement, business funding and other needs, even if a state of emergency is declared," spokeswoman Kana Nagamitsu said.

"In principle, we will keep all of our branches open," taking into account factors such as customer numbers and waiting times, she said. It may reduce the number of teller windows, adjust front-office support and alternate shifts.

Sumitomo Mitsui Financial Group Inc's main commercial banking unit plans to keep all branches open for the time being, spokesman Yasunori Kato said.

Economies of G20 likely to contract in H1 2020: Moody's

IANS
New Delhi

As the coronavirus crisis severely impacts the global economy, a report by Moody's Investor Service said that the economies of G20 countries may witness a contraction in the first half of 2020.

The forecast gains significance as G20 comprises the world's largest advanced and emerging economies representing over two-third of the world population.

India also is a member of the group. The other members of the G20 are the US, the United Kingdom, Argentina, Australia, Brazil, Canada, China, France, Germany, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey and the European Union.

The report noted that the economic effect of the pandemic includes impact on demand, supply disruption and shock to the financial markets.

The Moody's report said: "The global economy will experience an unprecedented shock in the first half of 2020." Further, falling consumer demand and production disruptions from lockdowns and restrictions on movement will likely lead to a sharp fall in business activity in the second quarter, it said. "The nascent recovery in Germany is tapering off and will likely reverse. Slow improvement in domestic onsumer demand and disruptions in the rest of the world will also temper the pace of China's recovery."

'India faces greatest economic emergency since independence'

IANS
New Delhi

Former RBI governor Raghuram Rajan has said that due to the coronavirus crisis, India currently faces the greatest economic emergency since its independence.

He noted that although the global financial crisis in 2008-09 had a severe impact on the country, economic activity was going on and India's financial system was largely sound.

Currently, none of the fundamentals are positive, he observed.

"Economically speaking, India is faced today with perhaps its greatest emergency since Independence.

The global financial crisis in 2008-09 was a massive demand shock, but our workers could still go to work, our firms were coming off years of strong growth, our financial system was largely sound, and our government finances were healthy.

None of this is true today as we fight the coronavirus pandemic," Rajan said in a note on LinkedIn.

He, however, said that there is no reason to despair and with the right resolve and priorities, and drawing on India's many sources of strength, it can beat this virus, and even set the stage for a much more hopeful tomorrow.

Rajan said that the immediate priority is to suppress the spread of the pandemic through widespread testing, rigorous quarantines, and social distancing.

"The 21-day lockdown is a first step, which buys India time to improve its preparedness.

The government is drawing on our courageous medical personnel and looking to all possible resources – public, private, defense, retired – for the fight, but it has to ramp up the pace manifold."

He said that tests will have to be done significantly increased to reduce uncertainty on where the hot spots are, and some personnel and resources will have to be kept mobile so that they can be rushed to areas where shortages are acute.

Rajan also said that the country must plan now for what happens after the lockdown if the virus is not defeated.

"It will be hard to lock down the country entirely for much longer periods, so we should also be thinking of how we can restart certain activities in certain low-infection regions with adequate precautions," the noted economist said.

About the under-privileged who have suffered due to the lockdown, he noted that India needs to ensure that the poor and non-salaried lower middle class who are prevented from working for longer periods can survive. Direct transfers to households may reach most but not all, as a number of commentators have pointed out, he added.

Furthermore, the quantum of transfers seems inadequate to see a household through a month, he said.

According to Rajan, the states and Centre have to come together to figure out quickly some combination of public and NGO provision of food, healthcare, and shelter, private participation, and direct benefit transfers that will allow needy households to see through the next few months. "We have already seen one consequence of not doing so – the movement of migrant labour.

Another will be people defying the lockdown to get back to work if they cannot survive otherwise," he said in the note.

Rajan said that the country's limited fiscal resources are certainly a worry, but spending on the needy at this time is a high priority use of resources. "This does not mean that we can ignore our budgetary constraints, especially given that our revenues will also be severely affected this year," he said.

"A ratings downgrade coupled with a loss of investor confidence could lead to a plummeting exchange rate and a dramatic increase in long term interest rates in this environment, and substantial losses for our financial institutions.

"So we have to prioritise, cutting back or delaying less-important expenditures, while refocusing on immediate needs.

At the same time, to reassure investors, the government could express its commitment to return to fiscal rectitude, backing up its intent by accepting the setting up of an independent fiscal council and setting a medium-term debt target, as suggested by the NK Singh committee."

Rajan: India's limited fiscal resources are certainly a worry, but spending on the needy at this time is a high priority use of resources.

US blacklist hurts China AI giant's sales ahead of IPO attempt

Bloomberg
Hong Kong

Megvii Technology Ltd's revenue growth dissipated in the second half of 2019 after it joined Huawei Technologies Co on a US trade blacklist, underscoring the extent to which White House sanctions are hurting China's technology leaders.

The company backed by Alibaba Group Holding Ltd grew revenue a mere 2.7% in 2019's second half after more than tripling sales in the first six months of the year, according to unaudited numbers for investors seen by Bloomberg.

On a full-year basis, Megvii fell short of its target for 2.9bn yuan ($409mn) in sales by almost 28%, a person familiar with the matter said, asking not to be identified discussing internal targets.

Megvii and its biggest competitor, SenseTime Group Ltd, had been among China's fastest-growing startups but are now under scrutiny after the Trump administration blacklisted them over alleged involvement in human rights violations against Muslim minorities in China.

The surprise action in October encompassed several leading players in the field of artificial intelligence, a key area of contention between the world's two largest economies.

Megvii suspended certain operations while it determined which parts of the business may violate the blacklist, which prohibited the export of American technology, and that delayed some orders or shipments in the second half, another person said. To re-energise the business, the AI giant is now developing new revenue streams, including temperature detection solutions deployed to help China curb Covid-19 this year.

US sanctions helped tank Megvii's attempt to go public, a $1bn deal regarded as the unofficial coming-out party for China's burgeoning AI sector.

Megvii, backed also by Alipay-operator Ant Financial, Lenovo Group Ltd and China Mobile Ltd, this year allowed its application for a Hong Kong IPO to lapse, throwing its future plans into question.

Megvii representatives declined to comment. China's advances in AI have unnerved Washington because both countries are vying for leadership in a technology at the heart of everything from autonomous driving and robot waiters to facial recognition.

Chinese names like Megvii and SenseTime are joined by established players including Huawei, Tencent Holdings Ltd and Didi Chuxing in a race with the likes of Google and Microsoft Corp to develop systems fundamental to future modern economies.

The company, last valued at about $4bn according to people familiar with the matter, generates most of its revenue from products that combine software and sensors to help government agencies and other clients enhance public safety and optimise traffic management.

Megvii disclosed in its August IPO documents that sales from that business, which it labelled "city IoT solutions," jumped 270% to 694.8mn yuan in 2019's first six months.

It said in its prospectus that it served 112 cities in China, 38% of the country's total, as of June.

It also sells face-scanning systems to companies from iPhone-maker Foxconn Technology Group to Lenovo and Ant Financial, the payments affiliate that supports Alibaba's e-commerce business.

The company generated 207.2mn yuan from the segment it dubs "personal IoT solutions," or 22% of its revenue.

Slump in Australian M&A has bankers eyeing rescue deals

Bloomberg
Sydney

Dealmakers are helping Australian companies with everything from urgent equity raisings to restructuring, after the coronavirus pandemic brought mergers and acquisitions to a standstill.

The country's deal activity delivered the worst start of a year since 2013.

Announced deals in Australia dropped to $13.8bn in the first quarter this year, a 32% plunge from the first three months of 2019, according to data compiled by Bloomberg.

The biggest deal of the year so far was Macquarie Group Ltd's proposed A$3bn ($1.8bn) acquisition of data-centre firm AirTrunk, which was announced in January.

"The reality is that M&A volumes will dry up materially for the next few quarters," Alex Cartel, head of investment banking coverage for Australia at Deutsche Bank AG, said in a phone interview. "Bankers at this stage are more focused on the recapitalisation side of things. That's usually the first thing to go."

Australian bankers are joining their counterparts in other parts of the world in focusing more on keeping their clients in business as the coronavirus devastates the global economy.

The travel restrictions imposed by governments to contain the outbreak also ground the bankers and their deals.

Fundraisings through share issuance in Australia no longer focus on growth and acquisitions but on supporting balance sheets of companies as the virus outbreak hurts business, according to Anthony Sweetman, joint country head Australasia at UBS Group AG.

Last week, online travel agent Webjet Ltd said it was expecting to bring in about A$346mn from an equity raising, while NextDC Ltd, which develops data centres, announced it got A$672mn via a share placement.

"If you had spoken to me six weeks ago, I would have been quite optimistic on the equity capital markets pipeline for the year," Sweetman said in a phone interview. "While the outlook is still busy, the composition of activity has changed considerably."

Deal activity could bounce back quickly once the economy recovers as history has shown.

In 2010, announced deals in Australia more than doubled to $149bn from the previous year as the global financial crisis subsided. In the near term, weak market sentiment and travel restrictions will continue to weigh on dealmaking in Australia.

"There are considerable challenges for M&A in the short term given uncertainty applying to most industries in addition to simple logistical restrictions," Sweetman said. "If you need physical interaction, whether it be for site visits for due diligence or any reason, it's very clearly going to be challenged in most places in the world for some time."

The Macquarie Group logo is displayed on the facade of the company's building in Sydney. The biggest deal of the year so far is Macquarie Group's proposed A$3bn ($1.8bn) acquisition of data-centre firm AirTrunk, which was announced in January.

HK lender PrimeCredit to consider sale of business

Bloomberg
Hong Kong

PrimeCredit Ltd, a Hong Kong consumer credit company, is exploring a sale of the business, according to people familiar with the matter.

PrimeCredit is working with HSBC Holdings Plc as it prepares for a potential sale, the people said, asking not to be identified because the deliberations are private.

The company is aiming for a valuation of $500mn to $1bn, the people said.

Sale considerations are at a preliminary stage and a formal auction may not kick off until there's an assessment about the impact of the coronavirus outbreak on the business, the people said.

PrimeCredit focuses on the origination of personal loans and credit cards in Hong Kong, and it also counts a customer base in southern China with a hub in Shenzhen.

It typically lends to borrowers who don't meet traditional loan criteria.

The company is well-known for its advertising campaign in Hong Kong, branding the business around characters called "PrimeCredit Brothers."

A consortium led by China Travel Financial Holdings Co, along with Pepper Group Pty and York Capital Management Global Advisors LLC, completed the purchase of PrimeCredit from Standard Chartered Plc in 2015.

The value of the deal was more than $600mn, people familiar with the matter said at the time.

Pakistan FX reserves fall 12%

Internews
Islamabad

Pakistan's foreign exchanges reserves plunged more than 12% or $1.6bn over just three weeks in March as the coronavirus outbreak roiled global financial markets, the latest data from the central bank showed.

As on March 27, forex reserves totalled $11.2bn, down from $12.8bn as on March 6.

Pakistan last year had entered into a programme with the International Monetary Fund amid a yawning current account deficit and depleting reserves that have been shored up with temporary deposits from friendly countries like Saudi Arabia and China.

The situation improved until March aided by inflows into treasury bills that had attracted foreign carry trade money on the back of high interest rates and a fall in imports. But with the first coronavirus case being reported in the country on February 26, things have started to change.

"This is an alarming situation, because Pakistan came out of an external account crisis just last year through IMF funding," said Muhammad Sohail, CEO of Topline Securities, a Karachi-based advisory firm. The fall in reserves is due to multiple factors, including panic selling of debt and equities, and reserves are expected to fall further in coming weeks, Sohail said. Data as of Friday showed a net outflow of $1.9bn of foreign investments from Pakistan in March from government treasury bills, equity and bonds, more than halving the total net inflow for the ongoing fiscal year which now stands at $1.15bn.

The outflows have also hit the Pakistani rupee, which has dropped 8% in March to 166.5 per dollar as of Friday.

To mitigate the pressure, the government in late March asked fuel retailers and refiners to cancel imports from April and increase purchases from national refiners. Refineries had said they were close to shutting down operations due to a drop in demand due to large scale movement restrictions across the country.

Experts, however, believe the decision was driven primarily to protect foreign currency reserves.

"Demand is collapsing for petroleum products because of the lockdowns and the situation we're in; but this policy is largely driven by the fact that there is pressure on the reserves and the currency," SakibSherani, the head of an Islamabad-based macroeconomic consultancy firm.

Philippine central bank chief is open to off-cycle monetary move

Bloomberg
Manila

The Philippine central bank is open to tweaking monetary settings outside its review cycle, as it seeks to support the economy and keep financial markets functioning smoothly with most of the country locked down against coronavirus, according to governor Benjamin Diokno.

Bangko Sentral ng Pilipinas "is not ruling out the possibility of an off-cycle monetary policy response," Diokno said in an e-mailed reply to questions from Bloomberg. "We are ready to ease monetary policy settings further if warranted."

Policy makers across Southeast Asia have been slashing interest rates, boosting market liquidity and injecting stimulus as the global economy grinds to a halt amid the pandemic.

With most activity shuttered in the main Philippine island of Luzon, in the past month the Bangko Sentral has cut its benchmark interest rate by a half-point, reduced banks' reserves ratio and offered a short-term, zero-interest $6bn lifeline to the government.

The Philippine central bank has played a leading role in virus relief as the government readies its economic stimulus plan.

The legislature recently gave President Rodrigo Duterte extraordinary powers to fight the pandemic, including the ability to reroute funds from this year's 4.1tn-peso ($81bn) budget and take over the operation of businesses such as hospitals.

Among the other options is "possible narrowing of the interest-rate corridor," which "could help minimise volatility in market rates," Diokno said.

The central bank maintains a lending rate and deposit rate, which sandwich the policy interest rate.

Typically, narrowing the rate corridor is considered an easing of monetary policy.

It would also allow lenders to borrow cheaper during times of tight liquidity or allow them to place funds in the central bank's deposit facility at a higher rate or both.

Diokno also said the central bank is "ready to purchase government securities" from lenders in the secondary debt market, to ensure adequate liquidity in the financial system.

Bangko Sentral has opened a purchasing window to support the local debt market, he said.

The central bank is scheduled to meet again on its policy rate May 21.

The central bank has other measures available to inject money into the financial system, including scaling down its reverse repurchase operations and temporarily suspending weekly auctions of short-term deposits The peso is moving in line with economic fundamentals and the central bank favours a market-determined exchange rate, intervening only to avoid excessive swings. Outflows from emerging markets may continue in the short-term.

Policy makers will deploy tools to ensure markets remain orderly and to provide a buffer against severe fluctuations in portfolio flows.


Diokno: The central bank is "ready to purchase government securities" from lenders in the secondary debt market, to ensure adequate liquidity in the financial system.

Samsung offers clues on how Covid-19 is roiling global tech


An employee wearing a protective mask (right) assists a customer looking at a Samsung Electronics Galaxy Z Flip smartphone at the company's D'light flagship store in Seoul. Samsung unveils preliminary earnings today, becoming one of the first major technology corporations to paint a picture of how the pandemic impacted the global tech industry in 2020's first three months.

Bloomberg
Seoul

When Samsung Electronics Co brass addressed analysts during its last earnings call, much of the talk revolved around finally turning the corner after years in the doldrums.

That was in January, before Covid-19 threw the global economy into a tailspin.

Now, executives are struggling to assess the damage.

In the short term, Samsung's most profitable business is riding a surge in online activity from the millions confined to home, driving demand for the memory chips that help power datacentres and cloud services. But should the pandemic persist into the second half – a worst-case scenario – the tech giant foresees missing its own 2020 revenue projections by a double-digit percentage, according to people familiar with internal discussions.

Samsung unveils preliminary earnings today, becoming one of the first major technology corporations to paint a picture of how the pandemic impacted the global tech industry in 2020's first three months.

As the world's largest maker of memory chips, phones, displays and appliances, the Korean giant is exposed to the economic shocks of Covid-19 like few other tech corporations. The novel coronavirus has already forced Korea's largest company to shut plants from Gumi at home to India, costing Samsung days of lost production.

While it's expected to post first-quarter revenue growth, the question is whether the initial surge in semiconductor demand can offset a hit from what could be the worst global economic shock in at least a generation.

"We are truly in uncharted waters as the tech industry in general has continued to grow, perhaps at varying rates, but we haven't seen a broad-based, global downturn such as we may be in line for," said Robert Maire, president of Semiconductor Advisors in New York. Chip demand in particular "will likely not be as robust as it could have been as demand for devices that contain semiconductors, such as smartphones, TVs and consumer electronics, will be reduced through negative economic impact." Foremost among the divisions under scrutiny is the semiconductor unit, which accounts for more than half of operating profits at Samsung.

It's been pounding out memory chips – the lubricant of the tech industry – round the clock, essential in data centers hosting everything from video conferences to e-commerce.

But executives and investors worry that prolonged Covid-19 lockdowns may crimp final demand for smartphones and other electronics – and ultimately deal a serious blow to the chip industry's nascent recovery. Samsung's shares have dived more than 20% since their January 2020 peak, depressed by a series of analysts' price-target cuts.

Much of the hit could come this quarter since Covid-19 escalated globally in March.

Revenue growth is likely to fall off steeply, according to Eugene Investment & Securities, which projects a 12.3% decline in the June quarter from a forecast for a mere 0.1% increase in the January to March period. Among the analysts that cut price targets was Hana Financial Investment, which also slashed its projection for Samsung's 2020 smartphone sales from 300mn units to 260mn. It expects OLED panel shipments to plunge 12% to 373mn this year.

Now that the Euro 2020 soccer tournament and Tokyo Olympics have been postponed, TrendForce also lowered its forecast for Samsung TV shipments by 5.8% to 205.2mn units, warning that could slip further as the situation worsens in North America and Asia. "The current financial crisis that accompanies the pandemic has produced a lot of uncertainties and could surpass the Financial Crisis of 2007-2008 in scale," TrendForce said on March 30.

"Hence, the general economic outlook for 2H20 could become even gloomier as the pandemic is not expected to be brought under control in the short term."

That's a far cry from just a month ago, when Samsung told shareholders the memory market will stabilise this year thanks to upgrades in manufacturing processes, datacentre expansions and the rollout of fifth-generation or 5G wireless networks.

BT boss gives salary to health workers, lifts pay for key staff

Philip Jansen, CEO of BT Group, poses for a photograph following a news conference in London. Jansen, one of Britain's richest executives from his time overseeing the flotation of payments processor Worldpay, said the company would not make any job cuts related to Covid-19 and maintain all pay for at least three months.

CEO makes around £100,000 a month; says will not cut jobs or pay over virus

Reuters
London

The head of Britain's biggest telecoms firm BT said he would donate his salary to health workers for at least six months and award a pay rise to his frontline staff who are maintaining broadband networks during the Covid-19 shutdown.

Philip Jansen, one of Britain's richest executives from his time overseeing the flotation of payments processor Worldpay, also said the company would not make any job cuts related to the health crisis and maintain all pay for at least three months.

Companies across Britain, big and small, have been forced to turn to the government to pay their staff as the pandemic cuts through vast swathes of the economy. BT said it would not need the scheme and would pay all staff for at least three months.

"This is an unprecedented situation and I want to give our people some certainty about the months ahead," Jansen said. "This period requires sacrifices from us all, and I want our people to know we are all in this together."

Jansen, who tested positive for Covid-19 in early March, makes around £100,000 ($123,000) a month.

He will give his salary to a charity helping the national health service and small businesses in his local community.

In the top job since February 2019, he was brought in to help BT build nationwide gigabit fixed and mobile networks for the future while trying to shore up revenue and earnings in the short term.

He inherited a major restructuring programme from his predecessor Gavin Patterson that included 13,000 job losses. With a history that dates back to 1846, the group now employs more than 100,000.

BT said the transformation programme would continue but it would retrain and reassign people where possible.

Those who normally work in retail are already being redeployed to help customers.

The company said in October that around 6,200 jobs had been removed in 18 months. A previous commitment to make an award of £500mn worth of shares to all employees will also go ahead.

Frontline staff will get an annual pay increase of 1.5% from July 1 while managers will not receive an annual pay rise for 2020/21. Providing the country's biggest broadband, phone line and mobile network, BT is battling to maintain connectivity across the country as millions of people work from home.

In recent days it has also had to contend with arson attacks and the abuse of some staff from people who believe that 5G masts play a role in spreading the virus.

Shares in the group were up 4.5%.

Virus hammers UK consumers, construction and car sales

GfK consumer confidence -34 vs early March -9, biggest ever fall; SMMT says car sales down 44% in March, sees 25% fall for year; construction PMI weakest since 2009, record low all-sector PMI; Covid-19 lockdown expected to cause historic fall in output

Reuters
London

British consumer confidence has fallen by the most in more than 45 years and new car sales have dropped faster than during the 2008-09 financial crisis, adding to signs of a record-breaking hit to the country's economy from the coronavirus crisis.

Economists are warning of the biggest economic contraction in a century over coming months in Britain and in many other countries, and are uncertain about the strength of a rebound when curbs to slow the spread of Covid-19 are relaxed.

Data yesterday also showed UK construction activity suffered its sharpest slowdown since 2009 last month — despite the sector being spared a national lockdown — and private business activity overall continues to slow at a record pace.

GfK, which has conducted monthly surveys of British consumer sentiment since 1974, ran an extra poll between March 16 and March 27 which showed the weakest reading since February 2009.

The drop in the index to -34 from -9 in its earlier, regular survey for March was the biggest on record.

"It may take time for consumers to start spending again after the lockdown ends, making the eventual recovery from the coronavirus recession more protracted," Andrew Wishart, UK economist at Capital Economics, said.

British department store chain Debenhams prepared to enter administration on Monday to protect itself from legal action from creditors during the coronavirus emergency.

The government advised people to avoid restaurants, bars and many other public places on March 16, and a week later ordered them to stay largely at home. Surveys of businesses have nosedived in response.

IHS Markit's purchasing managers' index for service firms and manufacturers, published on Friday, pointed to the sharpest contraction on record.

Adding construction, PMI numbers on Monday gave the same picture, and builders predicted a sharper downturn for April and beyond when more work will be affected by shutdowns, reduced demand and guidance on social distancing at work.

Samuel Tombs, an economist at Pantheon Macroeconomics, saw some hope for the sector.

"If, as we expect, banks largely maintain the supply of credit to the economy and the government follows through on its plans for much higher levels of public sector investment, the construction sector should see a much swifter recovery than after the 2008/09 recession," Tombs said.

The biggest decline in the GfK consumer confidence survey came in households' willingness to make major purchases, despite a spike in demand for freezers, televisions and home office equipment as people prepared for lockdowns at home.

This was echoed in car registrations data, which showed a 44% drop in sales in the usually busy month of March.

The drop would have been even bigger without pre-orders for cars for delivery in early March to benefit from a twice-yearly number plate change, Mike Hawes, chief executive of the Society of Motor Manufacturers and Traders, said.

The industry body now predicts car sales will fall by a quarter this year compared with 2019 to 1.73mn.

A workman stands on scaffolding support on a residential property building site in Harwich, UK. Data yesterday showed UK construction activity suffered its sharpest slowdown since 2009 last month — despite the sector being spared a national lockdown.

MaxLinear agrees to buy Intel's chip unit for home Internet gear

Bloomberg
San Francisco

MaxLinear Inc, which provides broadband and networking semiconductors, agreed to pay $150mn for Intel Corp's unit for home internet access gear.

The deal is expected to close in the third quarter, the two companies said in a statement on Monday, confirming an earlier Bloomberg report. The business is expected to add about $60mn to $70mn to MaxLinear's quarterly revenue initially, and will be accretive to adjusted earnings in the first full quarter after the deal closes. MaxLinear reported preliminary net revenue of about $62mn for the first quarter.

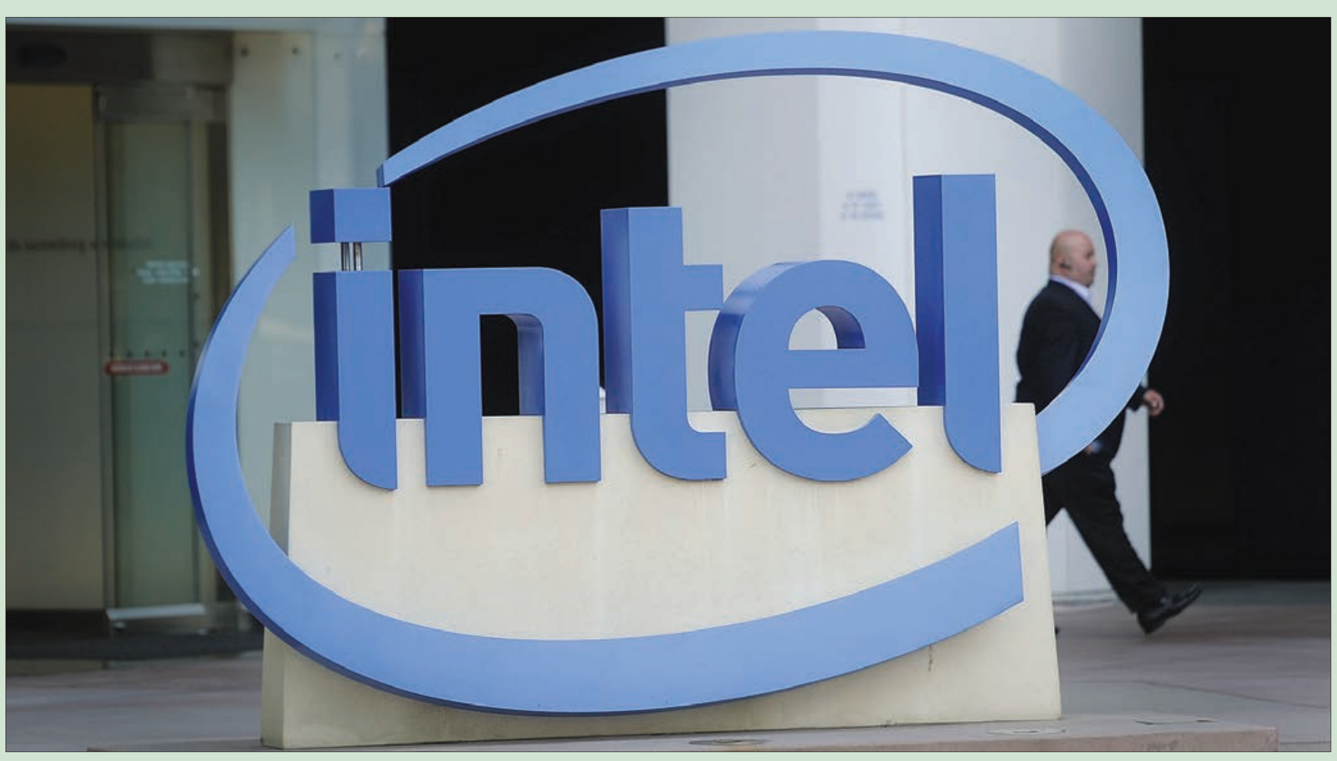
Over the past five years the semiconductor industry has been reshaped by the most intense period of mergers and acquisitions in its history. The rash of combinations came as management teams tried to add scale amid increasing costs and a shrinking list of customers.

MaxLinear, based in Carlsbad, California, is doubling down on the trend with the purchase of equipment for home networking at a time when a surge of employees are working remotely. Intel's connected home business makes chips that enable Wi-Fi and manage data traffic for consumers.

The chips provide wireless connections in home routers and gateways. Competitors include Broadcom Inc and Qualcomm Inc.

Intel, under chief executive officer Bob Swan, is reducing its footprint in areas where it isn't competitive. The company sold its smartphone modem business to Apple Inc in a $1bn deal last year. Swan has pointed to the money-losing memory business as an area where he might look for a partnership.

MaxLinear shares fell 1.7% to $10.72 in New York trading on Friday, giving the company a market value of about $771mn.



Intel Corporation signage stands outside the company's office in Santa Clara, California. Intel, under CEO Bob Swan, is reducing its footprint in areas where it isn't competitive.

5G-virus conspiracy theory fuels mast damage amid UK rollout

Bloomberg
London

Telecom masts that enable the next generation of wireless communication were set on fire in the UK in recent days, apparently by people motivated by a theory that the tech helps spread the coronavirus. Investors are taking note.

"Most will laugh at this scientifically unproven claim, but we should not underestimate public worry about potentially adverse health impacts of 5G due to radiation, and thus a possible drag on the 5G progress in democratic countries," analysts led by Edison Lee at Jefferies Financial Group Inc said in a note on Sunday.

While there's absolutely no evidence to support the idea that 5G technology contributes to Covid-19's spread, the conspiracy is being shared widely on social media. Mast fires were reported in Belfast, Liverpool and Birmingham, according to local media. A video of a telecom tower on fire was circulated on a Birmingham community webpage, and Facebook removed a group which encouraged users to share footage of equipment being destroyed, the Guardian reported on Friday.

5G is being rolled out by all four UK mobile carriers: BT Group Plc, Vodafone Group Plc, Telefonica SA's O2, and CK Hutchison Holdings Ltd's Three UK Counter-terrorism police are investigating, according to Vodafone UK's chief executive officer, Nick Jeffery.

The incidents prompted the networks to denounce the acts in a joint statement on Sunday, while Britain's Department for Digital, Culture, Media and Sport tweeted that criminal acts inspired by "crackpot conspiracy theories circulating online" will "face the full force of the law."

The government has set up special units to combat misinformation about the virus, and says it's pressing social media companies "for further action to stem the spread of falsehoods and rumors which could cost lives." Media regulator Ofcom last week sanctioned a small radio station for featuring a guest who claimed 5G caused the pandemic. Hollywood actor Woody Harrelson shared the theory on his Instagram account last week.

Concerns about links between the new tech and cancer were already slowing the roll-out of 5G in countries including Switzerland, Bloomberg Businessweek previously reported, despite a lack of scientific support for the claims. Last month the independent global health body, the International Commission on Non-Ionizing Radiation Protection, deemed 5G safe.

"Public fear, even if not fact-based, can pressure govts to act if it is big enough," the Jefferies analysts wrote. "With so many unknowns as to the nature of Covid-19, it is not surprising that people might believe any theories, no matter how baseless."

GCC banking may see a 'second wave' of M&A, says S&P Global Ratings

By Pratap John
Business Editor

The GCC region may see a "second wave" of mergers and acquisitions (M&A), S&P Global Ratings said, and noted that it will be "more opportunistic and driven by economic rationale."

In its latest industry report card, S&P Global said, "When the dust settles and the full effect of current conditions on banks' financials is visible, we think there could be a second wave of mergers and acquisitions (M&A).

"The first wave was spurred by shareholders' desire to reorganise their assets. The second wave will be more opportunistic and driven by economic rationale."

The current environment, it said "might push" some banks to find a stronger shareholder or join forces with peers to enhance resilience. "We think a second wave of M&A might involve consolidation across different GCC countries.

This would require more aggressive moves by management than those seen in the past.

The added hurdles of convincing boards and shareholders, who face the possibility of seeing their assets diluted or losing control, might be easier if they have to recapitalise their banks anyway," S&P Global said.

Indicating that GCC banks' "funding and liquidity remains good", it said growth in customer deposits was "strong" in 2019 for both the conventional and Islamic banks in the region, thanks to the recovery in oil prices.

The funding profile of Islamic and conventional banks also remained stable, with total financing to total deposits of about 93% at year-end 2019.

"We see two main risks in 2020. These include the concentration of the deposits base on government and government-related entity (GRE) deposits, which account for 10%-35% of total deposits. These entities might burn cash as the drop in oil prices and less supportive economic environment affect their activities.

"Furthermore, we note risks related to deposits outflows once the Covid-19 pandemic is contained and the full effect on employment is known."

Despite this pressure, S&P Global said it "continues to take comfort" from GCC banks' good liquidity indicators.

"We note that Islamic banks are in a weaker position, but think that this is because the calculation below excludes some of the interbank deposits reported as commodities murabaha. Banks' funding profiles remain a strength in most GCC countries," it said.

The use of wholesale or external funding sources by regional banks remains relatively limited and S&P Global said it does not think this will change in the short term.

"The only exception is Qatar, where the banking system still carries significant net external debt. We think that this position will reduce because of Covid-19-induced market volatility. We also take comfort from the government's strong capacity and willingness to provide the sector with support in case of need. The government of Qatar and its related entities injected up to $42.5bn in 2017 to help the banking system deal with blockade-related outflows," S&P Global said.

QSE jumps 222 points on across-the-board buying

By Santhosh V Perumal
Business Reporter

An across-the-board buying – particularly within realty, telecom and industrials counters – yesterday imparted a huge 222 points thrust to the Qatar Stock Exchange, whose key barometer surpassed 8,700 levels with an ease.

Foreign institutions were increasingly net buyers as the 20-stock Qatar Index settled 2.62% higher at 8,707.16 points amidst global reports of slowing down of corona fatalities in the key hotspots over the weekend.

The market touched a low of 8,496 points within the first 15 minutes of opening and thereafter it went on a gaining mode to reach a high of 8,724 points, a few seconds before the close.

Both Gulf and domestic funds were seen bullish on the bourse, whose year-to-date losses were trimmed to 16.48%.

Market capitalisation saw about QR11bn or 2.29% increase to QR489.6bn mainly owing to large and midcap segments.

Islamic stocks were seen gaining faster than the other indices on the market, where the local retail investors turned net profit takers.

Trade turnover and volumes were on the increase on the market, where industrials, real estate and banking sectors together accounted for more than 78% of the total trading volume.

The Total Return Index rose 2.62% to 18,651.19 points, All Share Index by 0.01% to 2,701.77 points and Al Rayan Islamic Index (Price) by 2.98% to 1,882.82 points.

The real estate soared 3.77%, telecom (3.32%), industrials (2.71%), banks and financial services (2.26%), transport (2.15%), insurance (2.06%) and consumer goods and services (1.44%).

More than 84% of the traded constituents extended gains with major movers being Barwa, United Development Company, Vodafone Qatar, Ooredoo, Qatari Investors Group, Industries Qatar, Mesaieed Petrochemical Holding, Gulf International Services, Qamco, Qatari Investors Group, Qatar Insurance, Milaha, Nakilat, Qatar Islamic Bank, Commercial Bank, QNB, QIIB, al khaliji, Qatar First Bank and Salam International Investment; whereas Aamal Company and Mannai Corporation were among the losers.

Non-Qatari institutions' net buying increased substantially to QR15.35mn against QR6.64mn on April 5.

The Gulf funds turned net buyers to the tune of QR1.59mn compared with net sellers of QR5.07mn on Sunday.

Domestic funds were also net buyers to the extent of QR1.25mn against net sellers of QR5.09mn the previous day.

However, Qatari investors' net selling grew significantly to QR15.76mn compared to QR1.78mn on April 5.

Non-Qatari individuals turned net sellers to the tune of QR2.37mn against net buyers of QR5.11mn the previous day.

The Gulf individuals were net profit takers to the tune of QR0.07mn compared with net buyers of QR0.2mn on Sunday.

Total trade volumes rose 26% to 140.99mn shares and value doubled to QR290mn on more than doubled transactions to 10,292.

The transport sector's trade volume grew almost seven-fold to 9.31mn equities and value by almost six-fold to QR20.82mn on more than five-fold jump in deals to 674.

The banks and financial services sector's trade volume more than tripled to 23.18 stocks and value expanded more than five-fold to QR101.01mn on more than five-fold growth in transactions to 3,738.

The insurance sector's trade volume more than tripled to 2.63mn shares and value almost tripled to QR4.48mn on more than tripled deals to 289. The industrials sector reported 24% surge in trade volume to 52.65mn equities, 37% in value to QR65.98mn and 85% in transactions to 2,452.

The telecom sector's trade volume shot up 9% to 7.08mn stocks and value by 54% to QR18.26mn on more than doubled deals to 870.

There was 2% rise in the real estate sector's trade volume to 34.46mn shares, 19% in value to QR37.45mn and 51% in transactions to 1,357.

However, the consumer goods and services sector's trade volume tanked 41% to 11.67mn equities, while value was up 50% to QR42mn and deals by 46% to 912.

Visitors look at financial information screens on display inside the Qatar Stock Exchange in Doha. The QSE's market capitalisation saw about QR11bn or 2.29% increase to QR489.6bn yesterday, mainly owing to large and midcap segments.

Vodafone board meeting on April 22

Vodafone Qatar yesterday said its board of directors will meet on April 22, 2020 to approve the company's financial results for the first quarter ending March 31, 2020.

The board would also consider other items included on the agenda for the meeting.

Govt steps to bolster Qatar's real estate sector, says Ezdan

Qatar's exemption of the hospitality and tourism, retail sectors and commercial complexes from electricity and water consumption charges for a period of six months will bolster the country's real estate sector, Ezdan has said in a report.

Many institutions and entities have started implementing relief measures following the directives of His Highness the Amir Sheikh Tamim bin Hamad al-Thani, it said in its monthly report.

Economic Zones Company Manateq announced that it would comply with the government directive on this and began exempting logistic and industrial areas for a period of six months from rents.

A major bank announced that it provide relief to SMEs for a period of six months.

The report mentioned Supreme Committee for Delivery and Legacy's affirmation that the implementation of all projects related to the 2022 FIFA World Cup are proceeding as per schedule.

Ezdan highlighted the QR75bn package for the private sector and the QCB's instructions to banks to postpone loan maturities of the private sector with a grace period of up to six months.

Qatar Development Bank (QDB) was also directed to adjourn maturities during the same period.

Ezdan also referred to the scheduled completion of many road projects in Qatar by Ashghal, or the Public Works Authority of Qatar.

Iran leader approves tapping SWF for fighting coronavirus

Reuters
Teheran

Iran's Supreme Leader Ayatollah Ali Khamenei has approved the withdrawal of €1bn from the country's sovereign wealth fund to help fight the coronavirus epidemic, President Hassan Rouhani's official website said yesterday.

Iran is the worst-affected in Middle East so far by the coronavirus, with 3,739 deaths and 60,500 people infected as of yesterday, official data showed.

Rouhani said in late March that the government was seeking approval for the withdrawal of the money from the sovereign wealth fund. The money will be used for the needs of the health ministry and the unemployment insurance fund, the statement on the presidency website said, adding that Rouhani had thanked the supreme leader for his move.

Blockchain paves the way for genuine innovation in Islamic finance

By Arno Maierbrugger
Gulf Times correspondent
Bangkok

With the coronavirus continuing to ravage the world and close to a fifth of the world's population — or 1.5bn people — being asked or ordered outright to stay home and work remotely as new virus infections soar, the importance of digital technology for our lives in the current situation has become clear even to the technically most uninclined.

There has been a boom in digital services as that the virus is forcing us to use the Internet as it was always meant to be used, to connect, share information and resources and come up with collective new solutions. Applications some of at least the older generations might not even have heard of such as WhatsApp, Instagram, Zoom, Skype, Periscope, Spaces or Oculus found their way in thousands and thousands of households, while schools introduced digital home learning and companies virtual co-working, while personalised businesses such as real estate agencies, gym trainers, cosmetic studios, healthcare services, financial advisers and many others and have turned to virtual reality to stay connected with customers. Even many religious services are now being held via online livestreams rather than in person. All this means that a new digital culture has been established that will likely not go away after the coronavirus has.

What does this mean for Islamic finance? It means that digital innovation will be of massive importance in the future and now is the best time to start focusing on it. There is already a growing number of fintech start-ups in Islamic finance, but most are creating non-core applications such as group lending or equity crowdfunding schemes, charity ecosystems, merchant platforms or certain digital banking services. However, the most effective innovation in fintech, and also for Islamic finance, is the revolutionary blockchain technology because of the multitude of potential applications, many experts agree. Based on peer-to-peer topology, blockchain is a distributed ledger technology that allows data to be stored globally on thousands of computers and makes the history of any digital asset unalterable,

Gulf Times Exclusive

unforgeable and transparent through the use of cryptographic methods, all of which makes it a perfect application for the finance industry. Blockchain has indeed already found its way into Islamic finance, first in a loose relationship through blockchain-based Halal certification schemes or blockchain-powered zakat systems, but the technology as of late has also been identified as an excellent method to automate the execution of Shariah contracts — of which there are plenty in Islamic finance schemes — and minimise the risk of procedural errors. Other uses have been found for the issuance of so-called smart Sukuk and for improving traceability and transparency of zakat and Sadaqah funds in complex humanitarian settings.

One success story is the world's first primary sukuk issuance on public blockchain through the "SmartSukuk" platform of Indonesia-based fintech startup Blossom Finance by Indonesian microfinance institution BMT Bina Ummah last October. The trial micro sukuk used blockchain-based smart contracts, in which all records, assignments, calculations and payments related to the sukuk are managed, leaving an indelible audit trail at every stage of the issuance.

"Our experience with issuing this small trial sukuk on Blossom's platform was very positive and we are already working on our next smart sukuk issuance which should be a considerably larger transaction with a longer tenure," said Ibu Ely Heni, general manager of BMT Bina Ummah.

Other examples of blockchain-based Islamic finance services are, among others, Stellar, a California-founded decentralised payment system that has been certified as Shariah-compliant, another global payment system called Ripple (California), which has already been deployed by a number of large Islamic banks, as well as Waqf Chain, a blockchain-backed crowdfunding system for investments in development projects for existing waqfs developed by Malaysia-based fintech Finterra.

There are also a couple of Shariah-compliant, blockchain-based gold trading platforms such as Goldmoney (Canada), OneGram (GCC), HelloGold (Malaysia) and Emergent (California), while a rising number of Islamic banks globally are deploying blockchain solutions to improve security standards in banking, particularly to combat cheque-related fraud. Moreover, the Islamic Corporation for the Development of the Private Sector, a division of the Islamic Development Bank, is developing a blockchain-based platform to facilitate real-time commodity murabaha transactions mainly for trade finance purposes, while the Switzerland-based International Federation of Red Cross and Red Crescent Societies are working on a blockchain application that seeks to improve the traceability and transparency of Islamic social financing.

What blockchain innovations still need, however, is better clarity about their Shariah compliance. Currently, there is no general consensus in the industry on the Shariah qualities of different types of blockchain-share financial assets, and it is left to Islamic banks whose Shariah committees may recognise certain types of blockchain applications as Shariah-compliant or not. Most industry observers say that this fact will continue to pose challenges to Islamic regulatory authorities in the foreseeable future.