

BUSINESS

Cyber Monday sales top \$3 bln as discounts spur buyers

Shopping through mobile devices soared on Cyber Monday, accounting for more than a quarter of the \$3 billion in sales, but many online retailers struggled to get visitors using smartphones and tablets to shop as much as those using desktops.

Bigger-than-expected discounts and strong demand for electronics and toys made Cyber Monday the biggest ever day for online sales in the United States, according to the

Adobe Digital Index report.

The report was based on data from 200 million visits to 4,500 retail websites on what is traditionally the busiest day of the year for Internet shopping.

Shopping using mobile devices accounted for 26 percent of total online sales, up from 19 percent a year earlier, Adobe's report said.

IBM's Watson Trend report said mobile traffic accounted for 47.9 percent of all online traffic, compared

with 41.2 percent last year.

Top-selling items included Lego's Star Wars collection, the Barbie Dream House, Samsung 4K television sets and Apple Inc's iPad Mini.

Star Wars toys were among the items most frequently out of stock, Adobe said.

The average order value from online shoppers was \$123.43, down 0.6 percent from last year, IBM said, mainly due to a rise in mobile shoppers. (RTRS)

Egypt's CB to inject dollar liquidity over next month

Egypt's central bank will inject more dollar liquidity in the coming month, the presidency's office said on Wednesday following a meeting between President Abdel Fattah el-Sisi and new central bank governor Tarek Amr.

Since his appointment in late October Amr has taken a series of measures to supply banks with badly needed dollars as the country struggles with a foreign currency shortage that has stifled imports and dampened

economic output.

Last month the central bank supplied \$1 billion to banks to cover 25 percent of dollar overdrafts they had opened for companies during the crisis, just after state banks had supplied \$1.8 billion to clear a backlog of imports.

Amr, who officially took up his post on Friday, made his first major move as governor on Tuesday by repaying foreign portfolio investors \$547.2 million, clearing the entire

backlog.

During his meeting with the president on Wednesday Amr said the central bank would hold an exceptional auction within the coming period to further help meet import needs, a statement from the presidency's office said.

The central bank governor said on Wednesday that foreign reserves are "reassuring" and that the current situation is stable and will see improvement, the statement added. (RTRS)

GCC markets monthly report



KAMCO Research

Saudi and Kuwait close Nov on positive note

The month of November turned out to be another volatile month for GCC equity markets with key markets moving in opposite direction. While Saudi Arabia and Kuwait closed the month on a positive note, rest of the markets reported negative returns during the month. KSE indices were trading water during the month and ended with marginal positive returns, whereas TASI recovered backed by technical support after plunging below the psychological mark of 7,000 points.

On the decliners side, Qatar Exchange saw the steepest monthly decline despite Qatari banks reporting the strongest growth in assets at the end of Q3-15 in the GCC. In the UAE, a weak banking index took heavy toll on market indices after banks reported tight liquidity conditions in their Q3-15 results. According to UAE's central bank, deposits with UAE banks have dropped by 0.45% due to the fall in oil prices. Although overall credit growth remained strong in the UAE, banks continue to see higher retail credit growth and a decline in corporate credit indicating a softening economy.

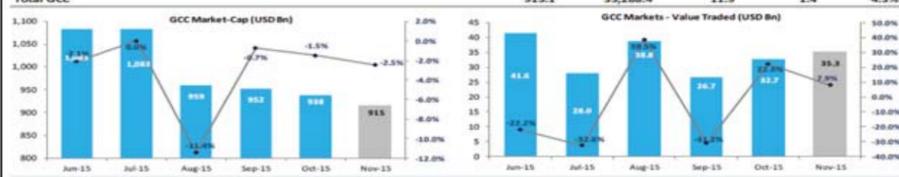
Nevertheless, growth in the overall GCC banking sector remains robust with expectations of strong credit growth, at least in the near term, powered by government-backed infrastructure spending. The Institute of International Finance (IIF) believes that the banking systems in the GCC is well equipped to deal with low oil prices in the next few years despite tightening liquidity conditions and rising interest rates. However, a prolonged weakness in oil prices is expected to weaken asset quality and profitability.

Meanwhile, in an update, the MSCI said it would add Etisalat and Qatar Gas Transport Co (Naqilat) to its Emerging Markets Index and remove Gulf International Services. The index aggregator also added Bahrain's Ahli United Bank to its Frontier Market Index.

Kuwait Stock Exchange

KSE indices continued to rise during Nov 15, although marginally, on the back of stable corporate earnings for 9M-15.

GCC Equity Markets	Index Closing	MTD Chg%	YTD Chg%	M-Cap (USD Bn)	Monthly Value Traded (USD Mn)	P/E (x) TTM	P/B (x) TTM	Div. Yield
Kuwait - Weighted Index	393.0	1.2%	(10.5%)	89.0	1,036.0	15.0	1.2	3.8%
Kuwait - 15 Index	929.6	0.6%	(12.3%)					
Kuwait - Price Index	5,802.4	0.5%	(11.2%)					
Saudi Arabia	7,239.9	1.6%	(13.1%)	442.4	28,696.3	12.9	1.6	4.1%
Abu Dhabi	4,236.4	(2.0%)	(6.5%)	115.5	1,799.8	10.1	1.4	5.2%
Dubai	3,204.3	(8.5%)	(15.1%)	84.6	1,833.0	9.5	1.2	3.3%
Qatar	10,090.8	(13.0%)	(17.9%)	146.3	1,739.8	11.2	1.6	5.0%
Bahrain	1,232.6	(1.4%)	(13.6%)	19.4	31.1	9.1	0.9	5.0%
Oman	5,547.9	(6.4%)	(12.5%)	17.8	152.4	10.0	1.2	4.9%
Total GCC				915.1	35,288.4	11.9	1.4	4.3%



The KSE Weighted Index closed the month with a gain of 1.2% whereas the Kuwait-15 Index and the KSE Price Index recorded gains of 0.6% and 0.5%, respectively. The gains during the month was broad-based as seen from the positive performance of a majority of the sectoral indices. Trading activity on the exchange also improved owing to the positive investor sentiments. Total monthly volume increased from 2.8 bn shares in Oct 15 to 3 bn shares during Nov 15, registering an increase of 6.6% primarily due to lesser number of trading days during the previous month. Total monthly value of shares increased from KD 230 mn during Oct 15 to KD 313 mn in Nov 15, an increase of 35.9% due to both, difference in trading days as well as higher trades in large-cap stocks. The average daily volume traded declined from 148 mn shares in the previous month to 136 mn shares in Nov 15, whereas the average daily value traded increased from KD 12.1 mn in Oct 15 to KD 14.2 mn in Nov 15.

The month also marked the end of the 9M-15 earnings season that witnessed stable corporate earnings as compared to the corresponding period in 2014. Total 9M-15 net profits stood at KD 1.37 bn, almost the same as reported in 9M-14. Total profits were negatively affected by aggregate loss

reported by Oil & Gas sector (a loss of KD 1.56 mn in 9M-15 vs profit of KD 18.4 mn in 9M-14), whereas the Banking sector reported robust earnings growth of 12.7%.

Saudi Arabia (Tadawul)

Saudi stock market saw a strong recovery during the second half of the month and closed at 7,239.93 points after the benchmark index tumbled below the psychological mark of 7,000 points to a 35-month low of 6,827.79 points. The recovery was led by a strong technical support further assisted by a recovery in oil price due to the threat of a deteriorating geopolitical situation in the Middle East. The market got a further boost when STC announced its plans to pay a minimum quarterly dividend of SAR 1 per share for three years beginning from Q4-15. The plan, which is yet to receive shareholder approval, also said that additional dividends are likely to vary based on STC's financial situation, outlook and capex requirements. Earlier during the month, the company had also submitted an offer to buy 100% stake in its Kuwaiti unit, Viva Kuwait, that is yet to receive a go ahead from the regulator in Kuwait.

Trading activity also recovered during the month, although it continues to remain well below the historical average. Monthly

volume traded increased from 4.6 Bn shares in Oct 15 to 5.3 Bn shares in Nov 15, resulting in average daily trades of 242.5 mn shares as against 218 mn shares during the previous month. Monthly value traded also recovered to SAR 107.6 Bn during Nov 15 as compared to SAR 102 mn during the previous month. However, the average daily value traded saw a very marginal recovery (SAR 4.89 bn in Nov 15 vs SAR 4.87 bn in Oct 15) due to lesser number of trading days during the previous month.

Abu Dhabi Securities Exchange

ADX General Index recorded the second smallest monthly decline of 2.0% during Nov 15 to close at 4,236.4 points amid a significant increase in trading activity on the exchange. This was the second consecutive month of decline bringing the YTD-15 index decline to 6.5%, the smallest decline in the GCC and the only market to report single digit fall so far this year. The drop in the market came primarily on the back of the heavyweight Banking index that plunged 6.5% during the month followed by a decline of 1.8% for the Services index partially offset by a gain of 7.8% for the Telecom index.

All the listed banks in Abu Dhabi declined during the month due to a fall in

Q3-15 earnings and an apparent tightening liquidity conditions for the overall banking sector as well as some deterioration in asset quality. However, banks in the UAE continue to record growth in quarterly revenues, albeit at a marginal pace. Within the banking sector, ADCB led the decline with a fall of 16.7% followed by 13.1% fall in shares of Finance House that reported higher provisions during 9M-15 resulting in 11.7% drop in net profits. Meanwhile, gains reported by the Telecom index was solely on the back of 7.8% monthly return in Etisalat shares after the MSCI announcement that the company will be included in the MSCI Emerging Markets index.

Dubai Financial Market

Dubai stock market declined for the fourth consecutive month in a broad-based sell-off triggered by weakness in Real Estate and Financial Services sectors. The DFM General Index declined by 8.5% during the month and closed at 3,204.28 points after briefly touching an 11-month low level of 3,146.21 points. The monthly decline during Nov 15 was the second steepest in the GCC, pushing YTD-15 decline to an even higher level of 15.1%. The index continues to trade just above the psychologically important level of 3,000 points after having declined by almost 23% since the end of July 15.

The index recovered some lost points during mid-month buoyed by plans by the UAE government to spend AED 300 bn to boost the non-oil GDP. The government also called for higher investments from the financial sector in its infrastructure projects as the country gears to host the Expo 2020 event. The government assured that the low oil prices would not force it to alter spending or investment plans.

Qatar Exchange

Qatar Exchange witnessed the steepest monthly decline in the GCC during Nov 15 as all but one stock recorded gains during the month. The QE20 Index declined by 13% whereas the Qatar All Share Index

declined 12.6%. Al Ahli Bank of Qatar was the only stock that reported a positive monthly return of 5.3% whereas the losers chart was topped by GISS with a decline of 26.7% after the company was removed by MSCI from its Emerging Markets Index and replaced by Qatar Gas Transport Co (Naqilat). The broad-based selloff resulted in 10% increase in value traded during the month that reached QAR 6.3 bn as compared to QAR 5.8 bn during Oct 15. The volume of shares traded during the month declined by 5.2% to 158 mn shares.

Bahrain Bourse

Bahrain All Share Index continued to decline for the fifth consecutive month primarily due to decline in Industrial Stocks. Nevertheless, the index decline was the smallest in the GCC at 1.4% resulting in a YTD-15 decline of 13.6%. In terms of sector performance, the Industrial Index declined the most during the month (-15.5%) due to an equivalent fall in shares of Aluminum Bahrain after the company reported a 70% fall in Q3-15 net profit. The company also topped the losers chart for the month.

The Commercial Bank Index was the only positive performing index in the market with a marginal monthly gain of 0.7%.

Muscat Securities Market

MSM30 index was back in the red during Nov 15 with a monthly decline of 6.4% pushing the index further into the negative zone in terms of YTD-15 performance that stood at 12.5%. Each individual sector indices also declined during the month with the Financial index recording the steepest monthly fall of 8.9% as all the stocks in the sector, with the only exception of one stock i.e. Global Financial Investment Co., declined during the month. The top three banks in the sector (Bank Muscat, National Bank of Oman and Bank Dhofar) lost almost OMR 145 mn or 7% in market cap during the month despite these banks reporting a healthy growth in 9M-15 net profits.

US businesses cut plans for investment, survey shows

Corporate leaders increasingly pessimistic about economy

WASHINGTON, Dec 2, (AFP): US businesses are increasingly pessimistic about the US economy and are slashing plans for investment that is vital for growth, a private survey showed Tuesday.

The Business Roundtable, a group of top corporate leaders, said its fourth-quarter survey found chief executives voicing "growing caution" about the near-term economic outlook.

Its CEO Economic Outlook Index, grouping sales projections and plans for investment and hiring, dropped 6.6 points from the third quarter to 67.5 in the fourth quarter.

That was the third straight quarterly decline for the index, which measures CEOs' expectations for the coming six months.

"Lower expectations for sales and investment reflect CEOs' ongoing caution about the near-term prospects for US economic growth," said Randall Stephenson, chairman of Business Roundtable, and the chairman and chief executive of telecom giant AT&T. "Congress and the administration need to work together to continue to fund the government, expand trade, agree on a long-term transportation infrastructure investment plan, reauthorize the US Export-

Saudis seen

Continued from Page 30

For Saudi Arabia, the prospects of big fiscal deficits has already prompted officials to float the idea of potentially unpopular reforms, including introducing value added tax and cutting energy subsidies.

Reduced oil revenue is also causing some of the influential business class to push Riyadh to quickly find an end to its

Move comes amid dispute over bad mortgages

Quicken may quit US home-loan program

NEW YORK, Dec 2, (RTRS): Quicken Loans, the third biggest mortgage lender in the US, is considering backing away from a government program that provided critical support to the housing market during the financial crisis, the latest in an exodus of big lenders from the program. The departure of the biggest lenders from the US Federal Housing Administration program, which helps first-time homebuyers, could translate into big losses for taxpayers during the next housing downturn, analysts said. Officials at the FHA said they are not alarmed by that risk.

Quicken along with JPMorgan Chase & Co, Bank of America Corp and Wells Fargo & Co — all of the top four mortgage lenders in the United States — are tussling with the FHA over how the agency deals with loans that sour. The three major banks, not

Import Bank and renew expired tax provisions," he said in a statement.

The fourth-quarter decline in the index was led by plans for capital spending, such as investments in equipment and property, which plummeted nearly 17 points quarter-over-

quarter to 53.6. "The sharp drop in capital spending is alarming," Stephenson said in a conference call with reporters. Businesses are reluctant to invest when the US tax code is "uncompetitive" and the highest in the 34-country OECD, he said.

Quicken accounted for almost 6 percent of the FHA's loan volume in the first half of 2015, or about \$6 billion of loans, according to trade publication Inside Mortgage Finance.

The FHA is arguing with lenders over when it is entitled to back out of the insurance that its program provides. When a borrower gets an FHA loan, the agency essentially guarantees the mortgage against default, and promises to pay the lender if the homeowner reneges on his or her obligations.

Unlike most other government

home-loan programs, borrowers who get FHA loans can make a down payment equal to as little as 3.5 percent of the home purchase price, which makes the mortgages appealing to first-time buyers who may struggle to pull together big upfront payments. Because borrowers are paying for mortgage insurance, they pay higher interest rates on their loans.

The FHA pays out on all default claims almost immediately, and only reviews them later to make sure it got complete and accurate information about borrowers when it first guaranteed the mortgages. If it finds that it did not, it will demand that the lender reimburse it for the insurance payout, the way a life insurer might sue to recover funds paid out on a policy purchased by a smoker who failed to disclose his habit on his application and died of lung cancer.

In the fourth quarter, he said, businesses were particularly hampered by the uncertainty of whether certain tax provisions, such as bonus depreciation and a research and development tax credit, would be renewed at the end of the year.

to predict that the glut would not clear before 2017 despite robust demand. Fresh data on Wednesday showed Russia held its output steady in November at a post-Soviet high.

"Fundamentally, the market... is currently as weak as it was one year ago," said JBC Energy consultancy. Russia's top state bank Sberbank said it saw no chance of a cut on Friday: "This, of course, would raise prices but would also give US shale producers an opportunity to hedge their output and prolong the oversupply crisis rather than solving it."

Jailed Libor trader Hayes denied fair trial, says lawyer

LONDON, Dec 2, (RTRS): The judge who sentenced Tom Hayes to 14 years in jail for conspiracy to rig Libor interest rates blocked the defence from presenting key evidence about a banking industry that routinely flouted rules, his lawyer told an appeals court on Tuesday.

On the first day of a two-day appeal against the former trader's conviction and sentence, lawyer Neil Hawes told senior judges at London's Court of Appeal that the jury should have been free to consider if Hayes had acted dishonestly against the backdrop of industry practice at the time.

Hayes, a 36-year-old former UBS and Citigroup trader, was found guilty in August of eight charges of conspiracy to defraud for rigging Libor, the London interbank offered rate that underpins around \$450 trillion of financial contracts and consumer loans worldwide.

Hawes said that during his closing speech

in the trial, Judge Jeremy Cooke had prevented him from referring the jury to the culture of the industry in 2006-2010, when he said banks routinely tried to influence benchmark interest rates for commercial reasons.

Quizzed by Lord Chief Justice John Thomas, the head of the judiciary in England and Wales, as well as Brian Leveson and Elizabeth Gloster, Hawes denied his argument hinged on bankers having their own standards of honesty.

"In judging standards of reasonable and honest people, you have to have regard to the conduct of the market (at the time)," he said.

Hayes, whose lawyers are arguing Cooke made legal errors in the way he handled the trial and that the sentence was wrong in principle and/or excessive, waived his right to attend a dry hearing that focused in part on the objective and subjective definition of dishonesty — the so-called Ghosh test.



ANNOUNCEMENT

Kuwait Airways intends to sell Airplanes along with spares as detailed below:

- | | |
|---|---------|
| 1. Airbus A300-600R | Qty: 05 |
| 2. Airbus A310-300. | Qty: 03 |
| 3. A300/A310 simulator level 4. | Qty: 01 |
| 4. Engines - General Electric CF6-80C2. | Qty: 03 |
| 5. A300 & A310 spares. | |

Kuwait Airways has appointed SKYTECH-AIC to market these assets. Parties who are interested to procure, should contact the following address:

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