

BUSINESS

Pedestrians walk past a HSBC sign in Hong Kong on Nov 2. HSBC saw pre-tax profit surge 32 percent year on year in third quarter the banking giant announced, but revenue dropped in the wake of Asian market volatility. (AFP)

the **bottomline**

NEW YORK: Bristol-Myers Squibb says it's acquiring a private biotech company developing drugs for heart disease in a deal that could be worth up to \$2.1 billion.

New York-based Bristol-Myers, which makes drugs for hepatitis C, cancer and heart attack prevention, could close its deal to acquire **Cardiomyx Pharmaceuticals** by year's end. The boards of both companies have approved the deal.

Cardiomyx, based in Chapel Hill, North Carolina, is developing drugs that release a molecule called nitroxyl, which improves the function of heart muscle and blood vessels. In early patient testing, its lead drug, CXL-1427, has improved how the heart muscle contracts and relaxes without increasing heart rate or demand for oxygen, which can raise risk for death, abnormal heartbeats and reduced blood flow due to a blocked blood vessel. (AP)

NEW YORK: ConAgra Foods Inc. is selling its private label operations to **TreeHouse Foods Inc.** for about \$2.7 billion as part of its plan to focus more on name brands including Chef Boyardee and Slim Jim.

The Omaha-based company initially announced plans to sell the unit in June and the deal is expected to close in the first quarter. ConAgra will retain some private label operations including its canned pasta, cooking spray, and peanut butter offerings, among others.

Oak Brook, Illinois-based TreeHouse Foods, which already focuses on store-brand food products, said it expects the newly acquired operation to boost its annual sales to nearly \$7 billion. (AP)

LONDON: Drugmaker **Hikma Pharmaceuticals Plc** lowered its full-year revenue forecast for its generics drugs business for the second time this year, citing slower-than-anticipated sales growth of its drug to treat gout flares.

Shares in the Jordanian company, which makes and markets branded and non-branded generic and injectable drugs, fell almost 8 percent in early trading, making it the top loser on bluechip FTSE 100 index.

Hikma now expects revenue in the generics business to be \$150 million, down from its earlier range of \$175 million to \$200 million. (RTRS)

DUBLIN: Irish airline **Ryanair's** first-half net profits soared by nearly 40 percent on keen demand, the strong pound, fuel savings and poor weather conditions in northern Europe, it said Monday.

The Dublin-based carrier added in a results statement that it was on target to hit the upper end of its annual earnings forecast, aided also by ongoing improvements to customer services.

Earnings after taxation jumped 37 percent to 1.09 billion euros (\$1.2 billion) in the six months to the end of September, compared with 795 million euros a year earlier. (AFP)

FRANKFURT: Commerzbank, Germany's second biggest lender, said Monday that profits were down in the third quarter, but it still planned to pay out a dividend to shareholders for the whole year.

Commerzbank said in a statement that its net profit fell by 8.0 percent to 207 million euros (\$228 million) in the period from July to September.

Among the main factors behind the decline were restructuring expenses of 28 million euros and an increased tax bill.

Underlying or operating profit grew by 25 percent in the three-month period, while revenues fell by 4.0 percent to 2.309 billion euros. (AFP)

PARIS: General Electric announced Monday that it had finalised a deal to acquire the energy assets of France's Alstom for 9.7 billion euros (\$10.7 billion).

The figure includes the cost of creating three new joint ventures covering renewable energy, electricity grids and nuclear power.

The deal's closure follows approval of the deal in over 20 countries and regions including the EU, United States, China, India, Japan and Brazil.

Anti-trust regulators in Europe and the United States forced the company to sell off some maintenance assets to prevent it from dominating the gas turbine market before approving the deal. (AFP)

PARIS: French nuclear group **Areva** said Monday that the state-owned China **National Nuclear Corporation (CNNC)** could take a minority stake in its capital under a draft deal signed in Beijing.

The draft deal signed during a visit to China by President Francois Hollande also foresees industrial cooperation with CNNC throughout the uranium cycle, state-owned Areva said.

"This project offers numerous opportunities for both Areva and CNNC. Strengthening the cooperation with our Chinese partners is an integral factor for Areva's future success," Areva chairman Philippe Varin said during the signing ceremony in Beijing. (AFP)

PARIS: The Paris stock exchange was bracing for its biggest IPO of the year after Europe's largest asset manager Amundi said Monday it would go ahead with a stock listing that could value the firm nearly 9 billion euros.

The shares of the firm, a joint venture of French banks Societe Generale and Credit Agricole, are to be sold at a price between 42 and 52.50 euros, valuing the company at between 7 and 8.8 billion euros (\$7.7 billion — \$9.7 billion).

The transaction will allow Societe Generale to raise as much as 1.75 billion euros from the sale of its 20 percent stake in Europe's largest asset manager, which ranks ninth globally. (AFP)

FRANKFURT: Lufthansa cabin staff are threatening to stage a week of walkouts starting from Friday if management does not come up with an improved offer in an ongoing labour dispute, the union UFO said on Monday.

UFO chief Nicoley Baubles said the union had given management until Thursday afternoon to present an improved offer in a dispute over pay and early retirement provisions, otherwise staff would stage walkouts for a week starting from Friday. (AFP)

SEOUL: A service fee price war with arch rivals **SK Telecom** has dented profits in the third quarter, according to a company earnings report Monday. SK Telecom and two other major players in South Korea's small and saturated wireless market have focused all their efforts on competing for domestic customer share after efforts to go global stalled.

Earlier this year, the company rolled out a series of discounts in monthly and subscription fees to counter similar moves by rivals **KT** and **LG Uplus**. (AFP)

HSBC logs surging Q3 profits despite sliding revenues

Global banking giant HSBC saw pre-tax quarterly profit surge almost a third on the back of lower fines, beating market expectations, but turnover slid amid markets volatility, it said Monday.

Earnings before taxation jumped 32 percent to \$6.1 billion (5.5 billion euros) in the third quarter or three months to the end of September, from \$4.6 billion in the same period last year, HSBC said in a results statement.

"Our third quarter performance was resilient against a tough market backdrop," said chief executive Stuart Gulliver, who unveiled a radical restructuring earlier this year to boost profitability and move on from recent scandals.

Revenue was adversely affected by fierce stock market sell-offs in Asia, and fell four percent to \$15.1 billion in the reporting period.

Gulliver noted that "the stock

market correction in Asia" had weighed on HSBC's Principal Retail Banking & Wealth Management division, and on its Global Banking & Markets unit.

HSBC had announced in June it would cut its global workforce by up to 50,000 and sell off its businesses in Brazil and Turkey to cut costs.

"Our cost-reduction measures are beginning to have an impact on our cost base," Gulliver said, but added

there was more to achieve.

The bank is also considering moving its headquarters from Britain but said there was a "considerable amount of work still to do" before a decision is made.

"Whilst the target for completion of the review was initially set as by the end of 2015, this is a self-imposed deadline that can be moved should the Board require further work to be performed," the report said. (AFP)

US, European stocks boosted by data; dollar drops against euro**Crude oil prices slide; gold dips**

NEW YORK, Nov 2, (Agencies): US and European stocks climbed on Monday on mixed US economic data and slightly stronger-than-expected German factory activity, even as weak Chinese data dragged down Asian markets.

The dollar fell against the euro after comments from two members of the European Central Bank's governing council lowered expectations for a boost in its stimulus program.

While data showed US manufacturing activity slowed in October for a fourth month, a rise in new orders offered hope. Also, construction spending rose in September to the highest level in 7-1/2 years.

Oil prices and Asian stock markets fell after China's factory activity fell for an eighth month in October, albeit at a slower pace, pointing to continued sluggishness in the world's second-largest economy.

Activity in Germany's powerful manufacturing sector dipped last month, compared with September, but beat economists' early estimates, helping European stocks. The pan-European FTSEurofirst 300 stocks index, was up 0.2 percent, with Germany's Dax up 0.8 percent.

The US and European data gave some support to US stock markets, where investors put cash to work in the first trading day of a new month and the start of a fiscal year for mutual funds, according to Andrew Frankel, co-president of Stuart Frankel & Co in New York.

Worries over global growth, particularly in China, had rattled financial markets in recent months, despite steps by the Chinese authorities to stimulate the economy.

MSCI's main Asia-Pacific index, which tracks shares in key markets in the Asia Pacific region, touched its lowest level in two and a half weeks after the China data.

The prospect of higher US interest rates, after the Federal Reserve left the door open last week to a first increase since 2006 in December, affected bond yields.

Gold hit its lowest level since Oct 5 on bets the US Federal Reserve will raise interest rates next month. It last traded at \$1,134.96.

The dollar was down 0.2 percent against a basket of major currencies. The euro was up 0.3 percent against the dollar while the yen was flat against dollar.

Oil prices slid on the prospect of weak Chinese demand and record-high Russian production. US crude was down 0.6 percent at \$46.30 a barrel while Brent crude was last down 0.9 percent at \$48.70 a barrel.

US

US stocks were higher on Monday as PMI data in key countries pointed to

slowing but stabilizing manufacturing activity globally, and as healthcare stocks rose to their highest in a week.

At 11:07 a.m. ET (1607 GMT), the Dow Jones industrial average was up 109.23 points, or 0.62 percent, at 17,772.77.

The S&P 500 was up 15 points, or 0.72 percent, at 2,094.36 and the Nasdaq composite index was up 45.33 points, or 0.9 percent, at 5,099.08.

Eight of the 10 major S&P sectors were higher, with the health care sector's 1.75 percent rise leading the advancers.

Pfizer's shares were up 3 percent at \$34.88, giving the biggest boost to the health sector and the S&P 500.

Visa was down about 2.9 percent at \$75.32 after offering to buy Visa Europe for as much as \$23.34 billion. Visa also reported a lower-than-expected quarterly profit. The stock was the biggest drag on the Dow and the S&P 500.

Hewlett-Packard started trading after its split. HP Inc jumped 12.1 percent to \$13.71, while Hewlett-Packard Enterprise was down 2 percent at \$14.43.

Dyax soared nearly 31 percent to \$35.98 after British drugmaker Shire said it would buy the company for about \$5.9 billion.

TreeHouse fell 5.5 percent to \$80.98 after agreeing to buy ConAgra Foods' private label business for about \$2.7 billion. ConAgra rose 1.5 percent to \$41.17.

Chipotle Mexican Grill was down 2.8 percent at \$622.35 after closing all its restaurants in Seattle and Portland due to a reported outbreak of E.coli bacteria. The stock had been down steeply in pre-market trading.

Cosmetics maker Estee Lauder were up 7.8 percent at \$86.72 after reporting better-than-expected quarterly sales.

US stocks ended October on Friday with their strongest monthly performance in four years.

As the US earnings seasons begins to wind down, investors' focus turns to economic data, including Friday's crucial monthly jobs report, for a clearer picture of the state of the economy leading up to the Federal Reserve's meeting in December.

Advancing issues outnumbered decliners on the NYSE by 2,124 to 789. On the Nasdaq, 1,906 issues rose and 725 fell.

The S&P 500 index showed 11 new 52-week highs and four new lows, while the Nasdaq recorded 34 new highs and 31 new lows.

An acceleration in eurozone manufacturing activity helped push most European stocks higher Monday, but London was held back by mining stocks reacting to downward Chinese data.

Media group Caixin's Chinese PMI, which tracks activity in factories and workshops, came in at 48.3 last month, it said in a joint statement with survey compiler Markit.

It remained below the break-even point of 50 but marked the smallest contraction since June.

In reaction, British mining companies fell sharply in London.

The market is heavily weighted

towards the mining sector, which relies on keen demand from top commodity consumer China.

Resources titan Anglo American saw its share price slide 0.42 percent to 542 pence and peer Rio Tinto fell 1.57 percent to 2,321.50 pence.

Elsewhere, HSBC bank's shares slid 0.81 percent to 503.50 pence as investors digested sliding third-quarter revenues, shrugging off news of surging profits.

"European stock markets have turned higher... although HSBC's disappointing results and the underperforming mining stocks were keeping the UK's FTSE 100 in the negative territory" though most of the day, said Gain Capital analyst Fawad Razaqzada.

"Nevertheless, investors don't seem to be too concerned about China after the latest manufacturing PMI data there failed to provide any positive or nasty surprises.

UK

Britain's top equity index steadied on Monday, with a sharp drop in drugmaker Hikma after an update and weaker miners following China's factory data offsetting a late rally in banks.

The blue-chip FTSE 100 index, whose 5-percent rise in October marked its biggest monthly gain since July 2013, closed flat in percentage terms at 6,361.80 points.

Hikma slumped 5.2 percent, making it the worst-performing FTSE 100 stock, after saying trading in its generics unit was worse than forecast.

Basic resources stocks also lost ground, with the UK mining index falling 0.6 percent after data showed that factory activity in China, the world's biggest metals consumer, fell for an eighth straight month in October.

However, the commodity-heavy FTSE 100 index showed little reaction to data showing growth, as British factories surged unexpectedly to a 16-month high in October, helped by a recovery in export orders.

On the positive side, UK banks extended gains after Visa Inc said it would buy its former subsidiary Visa Europe Ltd in a deal valued at up to 21.2 billion euros.

Barclays, which has a stake in Visa Europe, is expected to make a post-tax profit of about 400 million pounds, while Lloyds and Royal Bank of Scotland see a pre-tax gain of 300 million and 200 million pounds respectively from the deal. Shares in the three banks were up roughly 1.7 percent.

Asia

Asian stocks fell Monday and oil prices dropped as investors weighed fresh data showing China's slowdown could be deeper than previously thought, while the dollar extended losses against the yen and most emerging currencies.

Tokyo led Asian stocks lower after data showed China's manufacturing activity slowed in October for the third straight month, fuelling worries about its economy which is a crucial driver of global growth.

exchange rates – November 02

US dollar				Sterling pound				Euro				Japanese yen				Swiss franc				Canadian dollar				Swedish krona				Saudi riyal				UAE dirham				Bahraini dinar				Omani riyal					
Cash	Drift	Transfer		Cash	Drift	Transfer		Cash	Drift	Transfer		Cash	Drift	Transfer		Cash	Drift	Transfer		Cash	Drift	Transfer		Cash	Drift	Transfer		Cash	Drift	Transfer		Cash	Drift	Transfer		Cash	Drift	Transfer							
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Gulf Bank	289000	286000	286000	453900	438539	445920	378000	374245	386202	—	002885	002885	317000	304597	304597	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
NBK	285500	281550	281550	468169	457969	457969	382772	386202	392484	—	002722	002722	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
Burgan Bank	286500	283650	283650	471390	464991	464991	395251	392484	388850	—	002765	002765	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
ABK	276450	281450	281450	476290	477790	477790	379500	381000	381000	—	002762	002762	308490	312480	312480	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
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India	—	—	—	473300	470590	470590	338770	336830	336830	—	002535	002535	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			
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