

Djibouti launches FT zone

Djibouti on Thursday launched the first phase of Africa's biggest free-trade zone, seeking to capitalise on its strategic position on one of the world's busiest trade routes. At ceremonies in the capital, President Ismael Omar Guelleh hailed the scheme as the culmination of infrastructure projects "boosting Djibouti's place in international trade and commerce". The Horn of Africa nation, located at the mouth of the Red Sea and Suez Canal, in 2017 unveiled three new ports and a railway linking it to landlocked Ethiopia, as part of its bid to become a global trade and logistics hub.

Name: Kuwait Sharia

Compatible Indices

Providers: Al Madar Finance & Investment Co.

Description: Index of Sharia compatible companies traded on the KSE

Website: www.almadar-fi.com

Index name	Bloomberg ticker	Today's value as of	Today's closing value	Prev closing value	% change	1-week change	3-month change	YTD change	12-month change	24-month change
Kuwait Sharia Compatible Index - Composite	AMIC	July 5, 2018	171.35	170.62	0.43%	4.56%	2.85%	2.35%	0.13%	14.66%
Kuwait Sharia Compatible Index - Kuwait Only	AMIC	July 5, 2018	166.49	165.80	0.41%	4.75%	3.07%	2.83%	1.72%	14.67%
Kuwait Sharia Compatible Index - Active	AMIC	July 5, 2018	70.15	69.54	0.87%	3.56%	0.45%	-5.66%	-13.52%	2.41%
Kuwait Sharia Compatible Index - Banking Sector	AMIC	July 5, 2018	306.53	305.61	0.30%	5.91%	9.51%	10.21%	20.93%	30.14%
Kuwait Sharia Compatible Index - Investment Sector	AMIC	July 5, 2018	45.74	45.13	1.35%	2.63%	9.19%	-4.35%	-5.77%	-3.84%
Kuwait Sharia Compatible Index - Insurance Sector	AMIC	July 5, 2018	14.18	13.42	5.67%	4.22%	-2.33%	-34.69%	-32.09%	-11.15%
Kuwait Sharia Compatible Index - Real Estate Sector	AMIC	July 5, 2018	46.50	46.46	0.08%	1.01%	-5.41%	-1.96%	-2.86%	3.03%
Kuwait Sharia Compatible Index - Industrial Sector	AMIC	July 5, 2018	155.35	153.60	1.13%	2.73%	3.26%	6.65%	9.89%	34.31%
Kuwait Sharia Compatible Index - Services Sector	AMIC	July 5, 2018	214.03	213.26	0.36%	5.45%	-0.09%	-2.26%	-3.69%	20.96%
Kuwait Sharia Compatible Index - Food Sector	AMIC	July 5, 2018	128.54	127.86	0.53%	-4.11%	-8.46%	-24.99%	-63.25%	-64.87%
Kuwait Sharia Compatible Index - Islamic Sector	AMIC	July 5, 2018	143.37	142.73	0.45%	4.70%	6.73%	6.61%	10.83%	28.31%
Kuwait Sharia Compatible Index - Non Kuwait Sector	AMIC	July 4, 2018	332.53	329.68	0.86%	-0.29%	-3.82%	-13.14%	-29.38%	16.98%
S&P 500	SPX	July 4, 2018	2,713.22	2,713.22	0.00%	0.50%	4.18%	0.96%	11.70%	28.02%
DJ Islamic Index	DJIM	July 4, 2018	3,667.95	3,665.51	0.07%	0.55%	1.13%	0.85%	12.49%	28.20%

Chinese tech firms pay billions for high tech US parts

China push to end reliance on US tech at trade fight's core

China's Q2 economic growth seen slowing as trade war with US looms

Chinese stocks, currency volatile ahead of US tariffs

BEIJING, July 5, (RTRS): China's second-quarter economic growth is expected to have slowed slightly from the previous quarter, a Reuters poll showed, as the government's efforts to tackle debt risks crimp activity and a looming US trade war threatens exports.

The economy has already felt the pinch from a multi-year crackdown on riskier lending that has driven up corporate borrowing costs, promoting the central bank to pump out more cash by cutting reserve requirements

for lenders.

Recent data have started to show signs of fatigue as credit expansion slowed and domestic demand ranging from government-funded infrastructure investment to consumer spending looked to be softening. This comes as a deepening trade war with the United States looks set to hit China's export machine.

A poll of 55 economists showed growth in gross domestic product likely eased marginally to 6.7 percent in the second quarter from a year earlier, compared with the 6.8 percent clip in the previous three quarters.

"The synchronised slowdown in domestic and external demand is likely to put pressure on economic growth in the second half," said Lian Ping, chief economist at Bank of Communications.

Lian said he expected GDP growth to slow to 6.6 percent in the third quarter and stay steady in the fourth quarter, bringing full-year growth to 6.7 percent — above the government's target of around 6.5 percent.

China's Commerce Ministry on Thursday warned the proposed US tariffs would hit international supply chains, including foreign companies in the world's second-largest economy.

Faced with a slowdown in domestic demand and the potential fallout from the trade war, Chinese policymakers are likely to step up policy support for the economy and soften their stance on deleveraging.

The People's Bank of China, which has cut banks' reserve requirements three times this year, has recently replaced its use of the term "deleveraging" with "structural deleveraging", a change that suggests less harsh curbs on debt.

The central bank also said it will keep liquidity "reasonably ample", a shift from the previous wording of "reasonably stable".

Chinese currency and equity markets have been volatile ahead of July 6, when US tariffs on \$34 billion worth of Chinese goods are set to kick in, with the yuan losing about 3.3 percent in June against the dollar — its worst month on record.

Beijing has said it would retaliate with tariffs on US products. "On monetary policy, we expect the PBoC to ease policy further in the quarters ahead in a more proactive and forward-looking manner," economists at Nomura said in a note.

The Nomura economists said they expected the PBoC to deliver at least one more RRR cut before year-end, likely by 100 basis points and increase direct funding to the real economy via other liquidity injection tools, such as the supplementary lending facility.

BEIJING, July 5, (AP): Chinese telecoms giant ZTE Corp's brush with death after Washington barred it from buying US components was a stark reminder that China's industries still depend on American technology despite Beijing's efforts to catch up.

The Trump administration accuses China of using theft to fill some of those technology needs and is poised to hike tariffs Friday on its goods in a spiraling conflict that could chill global trade. But at the same time, ZTE and other Chinese tech companies pay billions of dollars annually for high-tech US parts and patent rights.

China's ambitious plans to end that dependence by creating its own innovators in fields from robotics to electric cars to biotech are fueling fears of a loss of American industrial leadership. That has worsened tensions in a fraught US-Chinese relationship as business partners, customers and increasingly as competitors.

ZTE's chairman said the April ban over its exports to Iran and North Korea could destroy China's No. 2 maker of network gear. To regain access, the company agreed to pay a \$1 billion fine, replace its executive team and embed US-chosen compliance officers in the company.

ZTE is far from alone. China assembles some 90 percent of the world's smartphones, computers and other electronics. But most of the revenue flows to American companies that supply computer chips and other technology.

In the broader economy, Chinese banks, airlines, farms and other industries need US technology from jetliners to drugs to software.

Complain

Its trading partners complain that Beijing's initiatives to create global competitors in fields from biotech to robots to electric cars are built on know-how the Chinese government has stolen or pressured foreign companies to hand over.

US President Donald Trump has responded by threatening tariff hikes on up to \$450 billion of Chinese goods, but Beijing struck a defiant note on Thursday, rejecting "threats and blackmail."

"China will not bow in the face of threats and blackmail, nor will it shake its resolve to defend global free trade and the multilateral system," a Commerce Ministry spokesman, Gao Feng, said at a news conference.

He said China would not "fire the first shot" but would fight back to defend its interests.

Communist leaders see advanced technology as a path to prosperity and to restoring national greatness.

"Self-reliance is the base of the struggle for the Chinese nation to stand among the peoples of the world," President Xi Jinping said in a speech in March to members of the Chinese Academy of Sciences and Chinese Academy of Engineering.

"Independent innovation is the only way for us to ascend the world's technological pinnacle," the official Xin-

hua News Agency quoted Xi as saying. One key Chinese weakness is in semiconductors, used in everything from smartphones to cars. High costs and research challenges mean China still needs years to create its own.

"I don't think there is a lot of progress," said Nikhil Batra, who follows the telecom equipment industry for IDC.

Trade data suggest China imported as much as \$26 billion worth of integrated circuits last year, according to Kenny Liew of BMI Research.

China does have some success stories, including Huawei Technologies Ltd., the biggest global seller of switching gear for phone companies and the No. 3 smartphone brand. The company has developed its own Kirin line of chip sets to power some of its phones, reducing reliance on US-based Qualcomm Corp's Snapdragon and other foreign suppliers.

Still, such successes are rare. Chinese companies are prolific patent applicants but researchers say many are for minor improvements or "me too" imitations.

Beijing's plans highlight an array of areas where Chinese companies lag behind. They call for state-led development in fields from energy and robotics to artificial intelligence and biotechnology.

In areas as basic as new seeds and agricultural biotech, business groups complain Beijing blocks access to US and other imports while it tries to build up alternative suppliers.

Chinese leaders fail to see how damaging their tactics appear to Western governments, said Scott Kennedy of the Center for Strategic and International Studies in Washington.

"My sense is this is hard for the Chinese to recognize because it would require them to admit that their industrial policies are not the 'win-win' package they claim to offer," said Kennedy in an email.

Relying

Chinese leaders are especially uneasy about relying on foreign technology to keep the nation's secrets.

Banks have been ordered to use Chinese-made information security products, though industry experts say novice Chinese suppliers cannot provide the safety they need.

Headline-grabbing initiatives like "Made in China 2025," call for creating Chinese global competitors in robotics, artificial intelligence, biotechnology and other fields.

Yet such an approach can be wasteful and might be self-defeating, researchers say.

The European Union Chamber of Commerce said in a report last year that mediocre but subsidized companies might flood the market, squeezing out truly innovative Chinese suppliers.

The shock of ZTE's clash with Washington might help Chinese planners by jolting local companies into cooperating more actively with initiatives to create tech suppliers, said IDC's Batra.



File photo shows a worker checking wheel hubs of baby carriages that will be exported at a factory in Hangzhou in China's eastern Zhejiang province on June 4, 2018. After months of threats and dwindling hopes the two sides would pull back from the brink of an all-out trade war, steep US tariffs on tens of billions in Chinese goods are due to take effect at midnight on July 5. (AFP)

India's richest man unveils broadband plan

MUMBAI, July 5, (AFP): India's richest man Mukesh Ambani, who turned the country's mobile market upside down by offering free voice calls for life, is zeroing in on a new market — broadband internet.

Ambani told shareholders Thursday that Reliance Industries, his oil-to-telecoms conglomerate, will roll out fibre broadband across 1,100 Indian cities.

"We will now extend fibre connectivity to homes, merchants, small and medium enterprises and large enterprises simultaneously," he told investors in Mumbai.

His ambitious foray into fibre-based broadband would be "the most advanced" in the country, Ambani told shareholders at Reliance's annual general meeting.

The announcement is likely to send a chill up the spines of India's broadband providers as the hugely wealthy conglomerate expands its drive into internet services.

Reliance sparked a price war and a rush to consolidation in India's telecoms market when it launched its Jio network in September 2016 by offering vastly cheaper tariffs and data plans.

Ambani said on Thursday that Jio had amassed 215 million customers as he announced his plans to boost India's fixed-line broadband coverage with the launch of Jio Giga Fiber on Aug 15.

"While India has pole-vaulted into global leadership in the mobile broadband space we still lag behind significantly in fixed-line broadband. Jio is determined to move India to among the top 5 in fixed-line broadband, too," he said.

investment funds

Funds	Fund Manager	Valuation	Valued date	Currency	Net Asset Value (NAV)	Prev NAV	Prev NAV Dated
National Bank of Kuwait							
Money Market Funds	Watani KD Money Market Fund II	NBK Capital	Weekly	June 26, 2018	KD	1.044	1.043
	Watani USD Money Market Fund	NBK Global Asset Management Co. Ltd.	Weekly	June 26, 2018	USD	10.360	10.356
	Watani KD Money Market Fund (Acc to Islamic Shariah principles) II	NBK Global Asset Management Co. Ltd.	Weekly	June 26, 2018	KD	1.042	1.042
	Watani USD Money Market Fund (Acc to Islamic Shariah principles) II	NBK Global Asset Management Co. Ltd.	Weekly	June 26, 2018	USD	10.195	10.191
	NBK Kuwait Equity Fund	NBK Investment Co.	Weekly	June 21, 2018	KD	0.657	0.663
	Gulf Equity Investment Fund	Watani Investment Co.	Weekly	June 21, 2018	USD	12.630	12.944
	Regional Bond and Sukuk Investment Fund	NBK Capital	Weekly	June 21, 2018	USD	9.676	9.688
Gulf Bank							
	Al Basha'er GCC Equity Fund	Kw. Fin. & Inv. Co. & Gulf Fin. House	Monthly	May 31, 2018	USD	7.199	7.215
	Coast Fund	Coast Investment & Dev. Co.	Monthly	May 31, 2018	KD	0.855	0.861
	Markaz Real Estate Fund		Bi-annual	May 31, 2018	KD	1.372	1.375
Al Ahli Bank							
	Al Ahli Gulf Fund	Al Ahli Bank	Monthly	May 31, 2018	KD	1.000	0.977
	Al Ahli Kuwait Fund	Al Ahli Bank	Monthly	May 31, 2018	KD	0.779	0.964
Burgan Bank							
	Burgan Equity Fund	Burgan Bank	Monthly	April 30, 2018	KD	1.859	1.889
Boubyan Bank							
	Boubyan KD Money Market Fund	Boubyan Bank	Weekly	April 17, 2018	KD	1.074	1.074
	Boubyan KD Money Market Fund II	Boubyan Bank	Weekly	June 26, 2018	KD	1.027	1.026
Boubyan Capital Investment Co.							
	Boubyan USD Liquidity Fund	Boubyan Capital Investment Co		June 26, 2018	USD	10.351	10.348
	Boubyan Multi-Asset Holding Fund	Boubyan Bank		Jan 30, 2018	USD	10.975	10.980
Kuwait Investment Co.							
Local Fund	Al Raed Fund	Kuwait Investment Co	Weekly	June 30, 2018	KD	1.026	1.006
	Kuwait Investment Fund	Kuwait Investment Co	Weekly	May 31, 2018	KD	0.750	0.759
	Al Hilal Fund	Kuwait Investment Co	Monthly	June 30, 2018	KD	0.730	0.728
	Al Atheer Fund	Kuwait Investment Co	Weekly	June 30, 2018	KD	1.032	1.013
International	Global Bond Fund	Kuwait Investment Co	Weekly	March 21, 2018	USD	26.270	26.350
	Diversified Fund	Kuwait Investment Co	Weekly	May 31, 2018	USD	20.590	20.540
	European Fund	Kuwait Investment Co	Weekly	May 31, 2018	Euro	21.520	21.080
	Pacific Equity Fund	Kuwait Investment Co	Weekly	March 21, 2018	USD	33.440	33.210
	North American Equity Fund	Kuwait Investment Co	Tw. Monthly	March 29, 2018	USD	19.300	19.540
National Investment Co. (NIC)							
	Al-Wataniya Fund	NIC	Monthly	May 30, 2018	KD	0.622	0.632
	Al-Darji Fund	NIC	Monthly	May 31, 2018	KD	0.356	0.358
	Mawardi Fund	NIC	Monthly	May 31, 2018	KD	0.509	0.503
	Zajil Fund	NIC	Monthly	May 31, 2018	KD	0.755	0.766
	Al Mada Investment Fund	NIC	Weekly	May 31, 2018	USD	0.827	0.832
Kuwait Financial Centre (Markaz)							
	Mumtaz Fund	Kuwait Financial Center	Weekly	May 31, 2018	KD	4.182	4.205
	MIDAF	Kuwait Financial Center	Weekly	May 31, 2018	KD	3.207	3.233
	Islamic Fund	Kuwait Financial Center	Weekly	May 31, 2018	KD	1.554	1.566
	FORSA Financial Fund	Kuwait Financial Center	Monthly	May 31, 2018	KD	0.996	1.004
	Real Estate Fund	Kuwait Financial Center	Monthly	June 30, 2018	KD	1.365	1.374
	Markaz Fixed Income Fund	Kuwait Financial Center	Monthly	April 26, 2018	USD	11.590	11.610
	Mawazeen International Fund	Kuwait Financial Center	Weekly	March 26, 2018	USD	9.050	9.140
	Markaz MENA Islamic Fund	Kuwait Financial Center	Weekly	April 12, 2018	USD	11.280	11.280

Funds	Fund Manager	Valuation	Valued date	Currency	Net Asset Value (NAV)	Prev NAV	Prev NAV Dated
Kuwait & Middle East Financial & Inv. Co.							
	Al Rouyah Fund	KMEFIC	Monthly	May 31, 2018	KD	1.239	1.359
Global Investment House							
Index Funds	GCC Large Cap Index Fund	Global	Weekly	June 21, 2018	KD	1.271	1.271
Equity Funds	Al-Mamoun Fund A	Global	Weekly	June 21, 2018	KD	0.688	0.690
	Al-Mamoun Fund B	Global	Weekly	June 21, 2018	KD	0.688	0.690
	GCC Large Cap Fund	Global	Bi-weekly	June 26, 2018	USD	163.421	161.626
	Global Saudi Equity Fund	Global	Bi-weekly	June 26, 2018	SAR	261.769	263.154
Sectoral Funds	EPADI Fund	Global	Weekly	June 26, 2018	USD	111.027	110.823
Islamic Funds	Global GCC Islamic Fund	Global	Weekly	June 26, 2018	USD	106.094	106.812
	Al-Durra Islamic Fund	Global	Monthly	June 21, 2018	KD	1.289	1.291
Kuwait Finance & Investment Co (KFIC)							
	Al Wasm Fund	KFIC	Weekly	June 30, 2018	KD	0.434	0.436
	Al Basha'er GCC Equity Fund	KFIC	Monthly	June 30, 2018	USD	7.259	7.199
KAMCO							
	KAMCO Investment Fund	KAMCO	Monthly	April 30, 2018	KD	1.144	1.143
	KAMCO Real Estate Yield Fund	KAMCO	Monthly	May 31, 2018	USD	10.080	10.070
Wafra International Investment Co.							
	Wafra Equity Fund	Wafra Co.	Monthly	June 30, 2018	KD	0.943	0.911
	Wafra Bond Fund	Wafra Co.	Monthly	June 30, 2018	KD	1.024	1.020
	Masaref Investment Fund	ISKAN	Weekly	June 30, 2018	KD	1.040	1.018
	Fajir Islamic Fund	Wafra Co.	Monthly	June 30, 2018	KD	0.722	0.695
Al Aman Investment							
	Al Aman Islamic Fund	Al Aman Investment	Weekly	May 31, 2018	KD	0.329	0.326
Tharwa Investment Co.							
	Tharwa Investment Fund	Tharwa Investment Co	Weekly	May 31, 2018	KD	1.131	