

## BUSINESS

## tempers flare as Sorrell beats WPP in battle for Dutch agency

Martin Sorrell beat WPP in the race to buy a Dutch digital agency on Tuesday, infuriating his former company and revealing the animosity raging between the two sides.

Sorrell left the world's biggest advertising group WPP in April over a complaint of personal misconduct. Leaving without a non-compete clause, he set up a new company weeks later and took on his former firm in a bid battle for

the agency MediaMonks.

Incensed, WPP had warned Sorrell that he would lose his multi-million pound share awards if he did not back off, arguing that his former CEO and founder had known about its interest in the agency before he left.

Having consulted lawyers, the world's most famous advertising man pressed on regardless through his new vehicle, S4 Capital.

"WPP's lawyers wrote to Sir Martin's lawyers last week pointing out the breach of Sir Martin's confidentiality undertakings in his approach to MediaMonks after his resignation from WPP," a spokesman for the FTSE 100 company said.

"Despite subsequent protestations from Sir Martin's lawyers, we are well aware of the facts and he has jeopardised his LTIP entitlement."

Sorrell, who built WPP from a two-man operation into the world's largest advertising group with over 200,000 staff in 112 countries, had been entitled to share awards worth up to 20 million pounds in future payments as part of a long-term incentive plan.

That is now in doubt after he agreed a 300 million euro deal to buy MediaMonks, a digital agency that employs more than 750 people in 10 countries to create con-

tent and campaigns for clients including Adidas, Amazon, Google, Netflix and Hyundai.

WPP had been interested in acquiring the firm, along with other industry rivals such as Accenture Interactive. A person familiar with WPP's thinking said they had balked at the price.

"S4 Capital seems to have abandoned commercial considerations in its desperate pursuit of landing the asset," the source

said.

Sorrell said the deal represented the first move by S4 Capital to create a "new era, new media solution embracing data, content and technology".

The Briton is seen as the godfather of the advertising holding companies that have dominated the industry for decades, providing strategy, media buying, research and data analytics. (RTRS)

the **bottomline**

**PURCHASE, NY:** PepsiCo's beverage sales are still struggling as the company tries to adjust to Americans' changing drinking habits.

The maker of **Gatorade**, **Mountain Dew** and **Tropicana** said Tuesday that sales volume declined for its North American beverage unit in the second quarter. The dip came despite the company's efforts in recent years to introduce new drinks that are in line with trends. Earlier this year, for instance, PepsiCo launched a sparkling, flavored water brand called **Bubly**, a nod to the success of drinks like **La Croix**.

Rival **Coca-Cola** has also been trying to update its lineup of drinks. It reports quarterly results later this month. (AP)

**SINGAPORE:** Singapore investment giant **Temasek Holdings** said Tuesday the value of its global portfolio reached a record high last year but will temper investments this year owing to brewing trade and geopolitical tensions.

Net global holdings expanded to **Sg\$308 billion** (\$235 billion) in the financial year ended March 31, up 12 percent from the year before in local currency terms, the company said in its annual report.

Temasek, one of the city-state's two main investment vehicles, said it invested **Sg\$29 billion** over the past year and divested **Sg\$16 billion**.

"This record net portfolio value... was up **Sg\$33 billion** from last year, bolstered by good global economic momentum and buoyant equity markets," chairman **Lim Boon Heng** said in the firm's annual report. (AFP)

**TOKYO:** Japanese internet company **SoftBank Corp** is investing about **\$2 billion** to raise its stake in **Yahoo Japan** through an acquisition from US investment company **Altaba Inc**.

SoftBank has been boosting its collaboration with **Yahoo Japan**, a search-engine company, to strengthen its e-commerce, smartphone services and other businesses.

The deal, announced Tuesday in a statement from Softbank, will raise its stake in **Yahoo Japan** to 48 percent from about 43 percent. The three-way transaction between **Altaba**, **SoftBank** and **Yahoo Japan** will cut the stake of **Altaba**, which was formerly known as **Yahoo**, to 27 percent.

SoftBank, a leading Japanese telecommunications company, has financial-technology, ride-booking services, solar energy and the **Pepper** human-shaped companion robot among its widespread businesses. (AP)

**MUMBAI:** India's largest IT services firm **Tata Consultancy Services** (TCS) reported on Tuesday a 24 percent rise in quarterly earnings thanks to strong growth in its banking and financial services division.

TCS, a subsidiary of the **Tata Group** conglomerate, gets more than 80 percent of its revenue from the United States and Europe.

Net profit for the three months ending June rose to **73.40 billion rupees** (\$1.07 billion) from **59.5 billion rupees** for the same period last year, the software giant said in its statement.

"We are starting the new financial year on a strong note, with the growth engine firing on all cylinders," chief executive **Rajesh Gopinathan** said.

"With a good set of wins during the quarter, a robust deal pipeline and

accelerating digital demand, we are positioned well for the future."

Net profit, helped by a weaker rupee, narrowly beat estimates by analysts polled by **Bloomberg News**.

In January, TCS had announced securing its biggest deal yet valued at more than **\$2 billion** from a US-based insurance company. (AFP)

**NEW YORK:** It's no secret that **Twitter** has been purging fake and malicious accounts in an attempt to make its platform more welcoming for real people.

But when a **Washington Post** report put an actual number on the effort — 70 million accounts deleted in May and June — the company's shares tumbled. Investors worried that the removals could put a dent in the company's reported user figures. As of the first three months of this year, **Twitter** had 336 million monthly users.

The San Francisco-based company's stock plunged as much as 9 percent Monday before closing down **\$2.51**, or 5.4 percent, at **\$44.14**.

But **Twitter** Chief Financial Officer **Ned Segal** says most of the removed accounts haven't been active for 30 days or more. As such, they don't count in **Twitter's** monthly user numbers. His comments helped the stock recover a bit midday Monday. (AP)

**TOULOUSE, France:** **Airbus** unveiled a new identity for the **110-130-seat CSeries** passenger plane on Tuesday as it prepares to broaden its battle with **Boeing** to small passenger jets.

The European firm said it was rebranding the plane as the **A220**, slotting it just under its longstanding **A300** portfolio which stretches from the **124-seat A319** to the **544-seat A380**.

**Airbus** expects to sell a "double-digit" number of the jets this year and sees demand for at least 3,000 of them over 20 years, said CSeries sales chief **David Duforens**.

The makeover seals the European takeover of one of Canada's most visible industrial projects and ends **Bombardier's** efforts to go it alone in the mainline jet market against larger rivals.

**Airbus** officials stressed it would be positive for jobs in **Quebec** where the lightweight jet is built.

The 110-seat and 130-seat models, previously known as **CS100** and **CS300**, will be known as **A220-100** and **A220-300** respectively.

A deal for **Airbus** to take majority control of the loss-making **Montreal-based aircraft programme** with **Bombardier** and **Quebec** as minority partners officially closed on July 1. (RTRS)

**BEIJING/SHANGHAI:** US carmaker **Tesla Inc** has hiked prices on its **Model X** and **S** cars by about 20 percent in **China**, becoming the first automaker to raise prices in the world's largest automotive market in response to a US-China trade war.

The move is the first indication of how much higher Chinese tariffs on certain US imports will flow through to showroom floors, with other automakers likely to follow suit or shift a greater portion of production to **China**.

"It's only chapter one of this story," said **James Chao**, a Shanghai-based analyst at consultancy **IHS Markit**, who anticipates more companies from around the world to be affected by the trade skirmish. (RTRS)

## NEW YORK, July 10, (Agencies): The S&P 500 stock index hit a four-month high on Tuesday, boosted by higher oil prices and strong earnings, while the US dollar rose against the safe-haven Japanese yen as investors bought riskier assets.

World share markets remained near three-week highs, supported by optimism about US company earnings and the notion that global economic growth can withstand trade tensions.

"The first major earnings report came out, and PepsiCo's earnings beat expectations and that's a good start for the market," said **Peter Cardillo**, chief market economist at **Spartan Capital Securities** in **New York**.

Energy shares were also lifted by oil prices, which rose due to growing supply outages as **Norway** shut one oil-field amid a worker strike and **Libya** said production fell by more than half in recent months.

**Brent crude** — up almost 20 percent this year — was last at **\$78.71**, up 0.82 percent on the day. **US crude** rose 0.22 percent to **\$74.01** per barrel.

The **Dow Jones Industrial Average** rose 128.19 points, or 0.52 percent, to 24,904.78, the **S&P 500** gained 7.66 points, or 0.28 percent, to 2,791.83 and the **Nasdaq Composite** added 11.46 points, or 0.15 percent, to 7,767.66.

Second-quarter US corporate results start in earnest this week and are expected to showcase earnings growth of over 20 percent across all sectors, thanks to recent tax cuts, high oil prices and robust economic growth.

The pan-European **FTSEurofirst 300** index rose 0.41 percent and **MSCI's** gauge of stocks across the globe gained 0.15 percent.

Investors have not forgotten about the underlying potential for an escalated trade war after **China** and the **United States** slapped tit-for-tat tariffs on **\$34 billion** worth of each other's goods. Even so, no fresh salvos have since been fired.

The risk-on sentiment nudged the **US dollar** toward a six-month high against the yen, with the greenback poised for a further boost if consumer price inflation figures come in higher than expected on Thursday.

The **dollar index** rose 0.15 percent, with the euro down 0.18 percent to **\$1.1728**.

In **Britain**, sterling has been pressured by fears that cabinet resignations could lead to rebellion in the ruling party's ranks, topping **Prime Minister Theresa May** or triggering fresh elections.

## US

US stocks rose on Tuesday, with the **S&P 500** at a four-month high, as

energy shares got a boost from higher crude prices and strong results from **PepsiCo** signaled a solid start to the earnings season.

**PepsiCo's** shares surged 3.9 percent and were poised for their biggest one-day jump in nearly seven years after the company's quarterly results topped estimates on strong sales of snacks.

The company also reaffirmed its full-year forecast amid signs of a gradual recovery in its soda business.

**PepsiCo** drove a 0.82 percent gain in the consumer staples index, with **Coca-Cola** rising 1 percent.

The energy index rose 0.62 percent as crude prices gained on growing supply disruptions in **Norway** and **Libya**, but gains were pared after the **United States** said it would consider requests for waivers from **Iranian oil** sanctions.

Shares of **Exxon** and **Chevron** were up around 1 percent each.

Overall, **S&P 500** companies are expected to post second-quarter profit growth of around 21 percent, slightly higher than what was forecast in **April**, according to **Thomson Reuters** data.

However, investors and analysts will parse quarterly reports to gauge the impact of an escalating trade dispute between **China** and the **United States** on company earnings.

**Wall Street** rose for a fourth straight session. At 12:45 pm EDT, the **S&P 500** was up 8.24 points, or 0.30 percent, at 2,792.45. The index reached a peak of 2,795.58, its highest since **March 13**.

The **Dow Jones Industrial Average** was up 137.75 points, or 0.56 percent, at 24,914.34 and the **Nasdaq Composite** was up 10.56 points, or 0.14 percent, at 7,766.76.

Ten of the 11 **S&P** sectors were higher, led by a 1.20 percent gain in the utilities sector. The lone laggard were financials, off 0.39 percent after a 2.3 percent surge on Monday.

**JPMorgan Chase**, **Wells Fargo** and **Citigroup** are scheduled to report results on Friday. Their shares fell between 0.3 and 1.3 percent.

**Nordstrom** dropped 4.5 percent, the most on the **S&P**, after the upscale department store operator issued a bleak sales forecast for the rest of 2018.

**Cerner** was the second-biggest loser on the **S&P**, falling 4.3 percent after **Evercore ISI** downgraded the stock to "underperform".

Declining issues outnumbered advances for a 1-to-1 ratio on the **NYSE** and a 1.37-to-1 ratio on the **Nasdaq**.

The **S&P** index recorded 28 new 52-week highs and no new lows, while the **Nasdaq** recorded 88 new highs and 18 new lows.

## Europe

European shares edged higher on Tuesday as investors shifted from worrying about a trade war to focussing on a corporate earnings season expected to deliver solid results.

The pan-European **STOXX 600** index rose 0.4 percent to a 2-1/2-week high, scoring its sixth straight day of gains as energy shares supported the market, while political bickering in the **UK** kept the **FTSE**, up 0.1 percent, slightly behind.

Fading concern over trade helped push **Wall Street** higher for a second day on Tuesday.

Oil stocks were the biggest boost to the **STOXX** index, rising 1.4 percent. Crude prices climbed on concern over potential supply shortages as **Norwegian oil** workers prepared to strike later in the day.

Industrials stocks like **Siemens**, **Deutsche Post** and **Safran**, among the worst-hit by news of tariffs, also boosted the European index. Trade-sensitive luxury stocks **Kering** and **LVMH** extended their recovery rally.

Analysts have been revising their earnings expectations higher for the **STOXX 600** before Europe's earnings season kicks off in earnest. According to **Thomson Reuters IBES** data, **STOXX** earnings are expected to have risen more than 7 percent.

On Tuesday however disappointing results caused the most eye-catching moves.

Shares in interdealer broker **TP ICAP** sank 35.9 percent to a two-year low, suffering their worst day ever. The company announced its CEO would depart and warned on profit, blaming **Brexit**-related costs.

**Airbus** shares rose 4 percent after **Bank of America Merrill-Lynch** added the stock to its "Europe 1" list of preferred stocks.

**Ocado** shares ended up 9 percent, despite the online supermarket saying its 2018 pre-tax loss would exceed market consensus as investment spending cut into first-half earnings. Earlier in the day, the share price initially fell as much as 7.4 percent after the earnings report.

Among other gainers, speciality chemicals firm **Wacker Chemie** rose 3.8 percent after **Societe Generale** analysts raised the stock to buy from hold.

Shares in **German wind turbine** maker **Nordex** jumped 4.5 percent after it won its biggest single contract ever, for a 595-megawatt wind turbine order in **Brazil**.

**Biotech** and **pharma** shares rose 0.7 percent as **M&A** and drug trial results boosted some small caps in the sector.

**UK** specialist healthcare services company **Cambian** soared 34 percent after the small-cap firm said it had received a **\$536 million** takeover offer from **Caretech Holdings**.

## Asia

Asian markets mostly rose on Tuesday following another strong lead from **New York**, as optimism about the **US** economy and the beginning of the earnings season provide a distraction from trade tensions.

The positive sentiment and **US** economic optimism has lifted the dollar

against the safe haven yen, helping **Tokyo's Nikkei** end 0.7 percent higher.

**Shanghai** added 0.4 percent and **Singapore** one percent. **Seoul** gained 0.4 percent, **Taipei** edged 0.3 percent higher, while **Manila** and **Jakarta** were also well up. **Hong Kong** pared early gains to end flat after a two-day advance.

■ **Key figures** around 0810 GMT  
**Tokyo** — **Nikkei 225**: Up 0.7 percent at 22,196.89 (close)

**Hong Kong** — **Hang Seng**: Flat at 28,682.25 (close)

**Shanghai** — **Composite**: Up 0.4 percent at 2,827.63 (close)

**Dollar/yen**: Up at 111.05 yen from 110.82 yen

## Oil

Oil prices rose by over 1 percent towards **\$79** per barrel on Tuesday due to growing supply outages, with **Norway** shutting one oilfield as hundreds of workers began a strike and **Libya** saying its production more than halved in recent months.

The disruptions add to supply worries around the world. **Venezuela's** production has collapsed due to a lack of investment and **Iranian exports** have suffered due to **US** sanctions. **OPEC** has little capacity to fill the gap as demand for oil quickens.

**Benchmark Brent** oil futures rose by 96 cents, or 1.2 percent, to **\$79.03** per barrel by 1147 GMT. They earlier hit an intraday high of **\$79.29**. **Brent** gained 1.2 percent on Monday.

**US** light crude futures were up 35 cents, or 0.5 percent, at **\$74.20**.

Mounting supply concerns could push **Brent** above **\$85** per barrel, **MUFJ Bank** said in a note.

"Renewed geopolitical supply-side disruptions stemming from **Canada**, **Iran**, **Libya**, **Venezuela** and the **US** raise the likelihood of oil trade interruptions and with it upside risks to oil prices in the near term," **MUFJ** said.

Hundreds of workers on **Norwegian offshore oil** and gas rigs went on strike on Tuesday after rejecting a proposed wage deal, leading to the shutdown of one **Shell-operated** oilfield.

## Gold

Gold headed lower on Tuesday, weighed down by a stronger dollar, and may re-test a seven-month low after a failed attempt to break higher in the previous session.

Spot gold was down 0.4 percent at **\$1,253** an ounce by 1405 GMT, after retreating from its highest since **June 26** at **\$1,265.87** in the previous session.

**US** gold futures for August delivery slipped 0.5 percent to **\$1,253.70** an ounce.

"If this dollar strength continues, we could see another test of **\$1,240**, the lows from last week and mid-December, a crucial technical level," said **Carsten Fritsch**, commodity analyst at **Commerzbank** in **Frankfurt**.

## exchange rates – July 10

	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					
<b>BEC</b>	Buy	299050	300900	300900	395638	393515	393515	348742	350224	350224	.002658	.002651	.002651	300015	296621	296621	226213	226523	226523	.030742	.030751	.030751	.079753	.080280	.080280	.081111	.081093	.081093	788004	796669	796669	781084	778048	778048	
	Sell	304350	303250	303250	.409538	.405515	.405515	.362442	.360224	.360224	.002838	.002831	.002831	311015	306621	306621	232523	233523	233523	.035742	.035751	.035751	.081053	.080920	.080920	.082211	.082589	.082589	805404	805169	805169	.786764	.787048	.787048	
<b>Muzaini</b>	Sell	300700	300700	300700	—	.426390	.426390	—	.371670	.371670	—	.002806	.002806	—	.315860	.315860	232500	231905	231905	—	—	—	.080500	.081705	.081705	.082250	.082910	.082910	—	—	—	—	—	—	—
<b>Dollarco</b>	Sell	303750	303040	303040	.402250	.402205	.402205	.356500	.354780	.354780	—	.002715	.002715	.306000	.303700	.303700	229000	229990	229990	—	.034498	.034498	.078000	.080508	.080508	.081932	.082208	.082208	.798243	.796375	.796375	.782545	.784332	.784332	
<b>Commercial Bank</b>	Buy	298000	301850	301850	.399000	.399644	.399644	.353000	.353421	.353421	—	.002715	.002715	.303000	.303154	.303154	224000	223190	223190	—	.034738	.034738	.082000	.081068	.081068	.082756	.082780	.082780	.806266	.801915	.801915	.790410	.789788	.789788	
	Sell	304200	303950	303950	.400000	.402445	.402445	.361000	.355880	.355880	—	.002734	.002734	.313000	.305263	.305263	228700	228700	228700	—	.034520	.													