

Arab Bank profit up

Jordan's largest lender, Arab Bank Group, reported a five percent rise in first-half net profit to \$436 million from \$415 million a year earlier driven by steady growth in core banking services.

A statement released on Saturday by the bank, one of the Middle East's major financial institutions, said net operating income rose 13 percent to \$668.5 million during the same period.

Total loans rose three percent to \$25.5 billion while deposits fell to \$33 billion compared with \$33.8 billion at the end of last year. (RTRS)

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

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 29, 2018	175.14	174.80	0.20%	0.37%	7.80%	4.61%	-2.47%	18.06%
Kuwait Sharia Compatible Index - Kuwait Only	AMIC July 29, 2018	170.36	170.00	0.21%	0.44%	8.05%	5.22%	-1.19%	18.22%
Kuwait Sharia Compatible Index - Active	AMIC July 29, 2018	73.35	72.96	0.53%	-0.99%	5.80%	-1.36%	-17.68%	4.80%
Kuwait Sharia Compatible Index - Banking Sector	AMIC July 29, 2018	318.55	319.68	-0.35%	0.23%	13.03%	14.53%	14.66%	36.03%
Kuwait Sharia Compatible Index - Investment Sector	AMIC July 29, 2018	48.34	48.40	-0.13%	-0.72%	15.27%	1.07%	-7.63%	-1.57%
Kuwait Sharia Compatible Index - Insurance Sector	AMIC July 29, 2018	13.72	13.72	0.00%	-8.23%	-9.89%	-36.80%	-30.83%	-11.39%
Kuwait Sharia Compatible Index - Real Estate Sector	AMIC July 29, 2018	47.76	47.87	-0.23%	-1.11%	1.71%	0.70%	-6.08%	5.30%
Kuwait Sharia Compatible Index - Industrial Sector	AMIC July 29, 2018	156.06	155.28	0.50%	0.24%	-0.33%	7.14%	10.26%	35.19%
Kuwait Sharia Compatible Index - Services Sector	AMIC July 29, 2018	216.62	214.92	0.79%	1.31%	7.80%	-1.07%	-8.91%	24.73%
Kuwait Sharia Compatible Index - Food Sector	AMIC July 29, 2018	126.94	126.94	0.00%	-16.19%	-5.81%	-25.93%	-58.71%	-65.32%
Kuwait Sharia Compatible Index - Islamic Sector	AMIC July 29, 2018	148.20	148.69	-0.33%	-0.12%	10.42%	10.21%	6.27%	33.04%
Kuwait Sharia Compatible Index - Non Kuwaiti Sector	AMIC July 29, 2018	330.21	330.73	-0.16%	-1.37%	1.66%	-13.75%	-29.02%	16.76%
S&P 500	SPX July 28, 2018	2,818.82	2,818.82	0.00%	0.61%	5.58%	4.88%	14.03%	30.10%
DJ Islamic Index	DJIM July 28, 2018	3,797.78	3,820.18	-0.59%	0.27%	4.41%	4.42%	13.58%	28.45%

weekly report on FX markets



Swiss International Financial Brokerage Co

Rate decisions, NFPs and more trade wars

Report prepared by Ahmed Shibley

The US Dollar managed a third consecutive week of tepid gains. US President Donald Trump and European Commission President Jean-Claude Juncker struck a deal avoiding trade war escalation, as expected. Meanwhile, second-quarter GDP data put the annualized growth rate at the highest in close to four years (albeit a hair lower than economists predicted).

The spotlight turns back to monetary policy in the week ahead as the FOMC rate-setting committee issues a policy announcement and a raft of top-tier statistical releases crosses the wires. PCE data is expected to put core inflation at the target 2 percent on-year for a second month. Separately, July's jobs report is expected to bring another near-200k rise in payrolls while wages grow at a brisk rate of 2.7 percent.

For their part, Fed Chair Jerome Powell and company are widely expected to keep policy settings unchanged this time having tightened further in June. The priced-in probability of a status-quo result implied by futures markets is 98.8 percent. That puts the spotlight on the statement accompanying the announcement as traders look for clues signaling the central bank might deliver four hikes in 2018.

Market expectations are heavily skewed in favor of a rate hike in September, putting the likelihood of such an outcome at 81.3 percent. That would mark the third increase this year. The chance for a fourth is currently at 59.1 percent. While that marks a notable hawkish shift in recent weeks, it is still only just a bit better than even and leaves ample room for the building of greater conviction to drive the US Dollar upward.

To that end, the central bank may be particularly motivated to dial hawkish rhetoric this time. The latest data flow would make such a position entirely understandable, giving policymakers the cover needed to assert their independence after President Trump complained about tightening efforts. Fed officials may now feel the need for a bit of indirect pushback to burnish their credibility.

We remain neutral on Sterling for the next week as the Bank of England releases its latest monetary policy announcement with growing expectations of a 0.25% rate hike.

The market probability of a rise is around 80%, yet GBP has had a poor week so far, especially against a strong US dollar. A rate hike and a slightly more hawkish QIR should underpin Sterling — ex-US dollar — at these levels and leave room for a move higher. GBPUSD currently trades at 1.3090 with a break and close below 1.3027 opening the way to larger move down to 1.2740 the late-August 2017 low.

UK inflation printed at 2.4% in June 0.1% below the BOE's expectation, while core inflation fell to 1.9%, from 2.1% in May. The QIR and MPC report will be closely parsed for any change in both GDP and inflation guidance and Sterling is more likely to react to these forecasts than to any change, or not, in base rate.

The latest round of Brexit talks bought nothing new this week, apart from UK PM Theresa May saying that she would be taking the lead role, with the UK's recent White Paper bringing a familiar, dismissive, response from EU negotiator Michael Barnier. With time running out before the important October meeting, progress needs to be made quickly to prevent the UK from falling out of the EU without a trade agreement, a situation that either gains from or wants.

A potential bear pennant is seen on the GBPUSD daily chart — starting on July 18, and a break lower could see the pair move back towards congestion around 1.9050 — 1.1900 (using the July 17 bearish candle as the flagpole). A move lower would also see the pair trade below all three moving averages, another bearish indicator.

The Australian Dollar faced a week that was filled with event risk: local CPI, US GDP, the ECB and a trade meeting between Donald Trump and Jean-Claude Juncker. By the end, the Aussie was lower as expected with most of the damage done from Australian CPI and Mario Draghi. However, AUD/USD's consolidation since mid-June still holds. The week ahead again offers a plethora of catalysts that may offer a lasting response.

At this point, the Australian Dollar has over the past two weeks failed to find momentum, whether it be lower or higher, from key local event risk. Those being a solid jobs report and lower-than-expected headline inflation data. Both seem unlikely to alter the RBA's

current anticipated path for monetary policy, which may bring one hike in 2019. As such, next week's trade balance and retail sales seem probably won't do much for AUD.

This turns the focus to external factors that may influence the US Dollar and sentiment. The former is an alternative high-yielding currency which faces the Fed's preferred measure of inflation, a Fed rate decision and a jobs report in that order. Recent US economic data performance has been resulting in slightly lower than expected results, opening the door for more cautiously softer surprises.

This was adamant when the first estimate of second quarter US GDP data clocked in at an annualized pace of 4.1% versus 4.2% expected. The greenback headed lower, allowing the Aussie to capitalize on its weakness. However, more of the same ahead may not derail the Fed's projected path of two more rate hikes this year, allowing the markets to eventually fully price that in. This could boost the greenback and send AUD lower.

Outside of the US, the Australian Dollar could be influenced by USD performance on the Bank of England rate decision ahead. The central bank is anticipated to raise rates to 0.75% from 0.50%. With the most recent UK CPI report underperforming, this may result in more patience from policymakers before another hike is upon us. Keep in mind the central bank will also release an inflation report.

Signs that we may not get another rate hike from the BoE soon could offer a lift to the US Dollar, sending AUD/USD lower. But there is more risk looking across the English Channel. Next week also offers aggregate Eurozone CPI data. Local economic news flow has also been tending to underperform relative to economists' expectations, perhaps leaving the Euro vulnerable to weaker inflation figures.

With ECB President Mario Draghi offering relatively positive remarks on the state of inflation last week, disappointing results here could push some of those 2019 central bank rate hike bets further out. This would allow the Fed and the US Dollar to continue reaping the benefits of a rising yield advantage, paving the way for greenback gains at the cost of the similarly high-yielding Australian Dollar.

Last but not least, keep a close eye on stocks and more earnings data. The S&P 500 struggled pushing higher last week following disappointing quarterly reports from Facebook Inc. and Twitter. We will get earnings next week from major car companies like Toyota, Tesla and BMW whose outlook may still be clouded by the potential threat of US auto tariffs.

The past three months have seen aggressively bearish price action take over Gold prices. After spending most of Q1 in a range, sellers started to gain control in mid-April as US Dollar strength began to show. That theme of USD-strength and Gold weakness remained through the rest of Q2 and into the first few weeks of Q3, until prices eventually ran into support last Thursday around the release of comments from President Trump regarding US interest rate policy. Current support continues to show at the 50% marker of the 2014-2016 major move.

After a bounce from this area to close last week, prices have continued to test this level through the week's price action but — to date, bears haven't yet been able to make much ground. This highlights an interesting area of support in a key market ahead of a really big batch of headline risk on the economic calendar for next week.

Next week the market's attention will be on Wednesday's FOMC meeting, but with expectations for the Fed to remain on hold with rates it will be about the language in the statement. The market is effectively pricing in two more hikes by year-end. On Friday, we have NFPs, with the U.S. economy expected to have added 190k jobs during July, down from the 213k print the month prior. Trade war headlines will continue to be a threat along with focus on corporate earnings in the week ahead.

The S&P 500 continues to find buyers, but that could soon change as the calendar flips to August. Historically, August and September have not been kind to stocks, and with record highs just around the bend we could see either a double-top or fake-out breakout. We will be watching for an uptick in volatility for signs of growing instability and the possibility of a setback to begin.

For more information please visit www.swissfs.com

'Food Forward'

In LA, fresh produce bound for trash helps feed the poor

LOS ANGELES, July 29, (AFP): Delighted to take home food that others would discard, Herlinda Mendoza looks excitedly over the bounty of fresh produce spread out before her.

"I like all of it, all of it. The grapes, the onions," Mendoza says in a soft grandmotherly voice as she and her daughter Laura man shopping carts, waiting to fill them up. "You have to be grateful for everything you are given."

The women are in a warehouse in a poor neighborhood of Los Angeles, one of many venues where a non-governmental organization called Food Forward is working to salvage some of the mountains of food that Americans throw away every year and give it to the needy.

On this particular day, the NGO and a community center distributed 15,000 pounds (6,800 kilos) of fruit and vegetables that wholesalers would otherwise have thrown out.

Doomed

There was nothing wrong with all that food. It was doomed only because more fresh deliveries were on the way and room had to be made, or because the produce had some slight bruise or other minor defect.

Every week, Food Forward collects some 353,000 pounds of surplus produce from people's fruit trees, farmers' markets and LA's Wholesale Produce Market.

It then donates the food to hundreds of organizations that help the needy throughout southern California. "With a program like this, where people can actually understand the two-sided connection of food waste and hunger, you start to see some change," said Rick Nahmias, the NGO's founder.

This particular twice-monthly handout is held in a warehouse in Watts, one of the poorest and roughest neighborhoods of Los Angeles, where most residents are black or Latino. "They can have two or more bags, and they fill up, and there are no restrictions," said Sheila Thomas, who works for the community center allied with Food Forward at this warehouse.

The center also helps people find work, and offers assistance to young people applying to college.

It even helps them with paying their tuition.

As they all wait in line, Herlinda and Laura chat and joke around with other Latinos. All told, some 500 people are expected to come by on this particular day and take home some fresh produce.

Spread

The spread at the center looks like any other market, with everything neatly organized.

When it comes time for the customers to choose, their neediness becomes more apparent.

They nervously use both hands as they try to stuff as much as they can in bags, as if they were participating in a TV game show race against the clock. "This is really good for the heart," Herlinda says, with a cucumber in her hand.

Later, she holds an ear of corn. "Do you know what I make with this? Atol," she says, referring to a hot beverage made from corn flour. "This food is so good. I don't understand why they were going to throw it away," said 61-year-old Salvadoran woman Paula Ramirez.

She saves a lot of money thanks to this charity, and she needs to: her husband uses a wheelchair and they get by on a small pension.

"He doesn't work and neither do I," she said. A study by the National Resources Defense Council has estimated that each American chucks out an average of more than 400 pounds of food per year.

Waste

Multiply that by America's population of 327 million. It is an astronomical amount of waste.

An orange tree in somebody's backyard might yield 200-300 pounds of fruit per year, according to Nahmias, who adds that he has heard of grapefruit trees yielding as many as 1,400 pounds in a year.

"That's a lot of fruit for one family or one person to use. So in every which way, there is a lot to share," he said as a team working with him picked oranges in the courtyard of a school. The volunteers, using a fruit-picking device with shears at the end of a long rod, fill crate after crate and end up with 149 of them — oranges that will presumably be eaten, not thrown out.

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	July 24, 2018	KD	1.046	1.045
	Watani USD Money Market Fund	NBK Global Asset Management Co. Ltd.	Weekly	July 24, 2018	USD	10.375	10.371
	Watani KD Money Market Fund (Acc to Islamic Shariah principles) II	NBK Global Asset Management Co. Ltd.	Weekly	July 24, 2018	KD	1.044	1.044
	Watani USD Money Market Fund (Acc to Islamic Shariah principles) II	NBK Global Asset Management Co. Ltd.	Weekly	July 24, 2018	USD	10.208	10.205
	NBK Kuwait Equity Fund	NBK Investment Co.	Weekly	July 19, 2018	KD	0.718	0.723
	Gulf Equity Investment Fund	Watani Investment Co.	Weekly	July 19, 2018	USD	13.180	13.041
	Regional Bond and Sukuk Investment Fund	NBK Capital	Weekly	July 19, 2018	USD	9.807	9.833
Gulf Bank							
	Al Basha'er GCC Equity Fund	Kwt. Fin. & Inv. Co. & Gulf Fin. House	Monthly	June 30, 2018	USD	7.259	7.199
	Coast Fund	Coast Investment & Dev. Co.	Monthly	June 30, 2018	KD	0.676	0.655
	Markaz Real Estate Fund		Bi-annual	June 30, 2018	KD	1.364	1.372
Al Ahli Bank							
	Al Ahli Gulf Fund	Al Ahli Bank	Monthly	June 30, 2018	KD	1.021	1.000
	Al Ahli Kuwaiti Fund	Al Ahli Bank	Monthly	June 30, 2018	KD	0.803	0.779
Burgan Bank							
	Burgan Equity Fund	Burgan Bank	Monthly	June 30, 2018	KD	1.866	1.859
Boubyan Bank							
	Boubyan KD Money Market Fund	Boubyan Bank	Weekly	April 17, 2018	KD	1.074	1.074
Boubyan Capital Investment Co.							
	Boubyan KD Money Market Fund II	Boubyan Bank	Weekly	July 10, 2018	USD	1.028	1.027
	Boubyan USD Liquidity Fund	Boubyan Capital Investment Co	Weekly	July 10, 2018	USD	10.359	10.351
	Boubyan Multi-Asset Holding Fund	Boubyan Bank	Weekly	Jan 30, 2018	USD	10.975	10.980
Kuwait Investment Co.							
Local Fund	Al Raed Fund	Kuwait Investment Co	Weekly	July 19, 2018	KD	1.086	1.064
	Kuwait Investment Fund	Kuwait Investment Co	Weekly	June 28, 2018	KD	0.771	0.750
	Al Hilal Fund	Kuwait Investment Co	Monthly	July 16, 2018	KD	0.730	0.730
	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	20.680	20.640
	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	June 30, 2018	KD	0.592	0.622
	Al-Daraj Fund	NIC	Monthly	June 30, 2018	KD	0.357	0.356
	Mawarid Fund	NIC	Monthly	June 30, 2018	KD	0.511	0.509
	Zajil Fund	NIC	Monthly	June 30, 2018	KD	0.772	0.755
	Al Mada Investment Fund	NIC	Weekly	June 30, 2018	USD	0.830	0.827
Kuwait Financial Centre (Markaz)							
	Mumtaz Fund	Kuwait Financial Center	Weekly	June 30, 2018	KD	4.303	4.182
	MIDAF	Kuwait Financial Center	Weekly	June 30, 2018	KD	3.295	3.207
	Islamic Fund	Kuwait Financial Center	Weekly	June 30, 2018	KD	1.608	1.554
	FORSA Financial Fund	Kuwait Financial Center	Monthly	June 30, 2018	KD	1.026	0.996
	Real Estate Fund	Kuwait Financial Center	Monthly	June 30, 2018	KD	1.365	1.374
	Markaz Fixed Income Fund	Kuwait Financial Center	Monthly	May 31, 2018	USD	11.620	11.590
	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 Rou'yah Fund	KMEFIC	Monthly	May 31, 2018	KD	1.239	1.359
Global Investment House							
Index Funds	GCC Large Cap Index Fund	Global	Weekly	July 12, 2018	KD	1.406	1.271
Equity Funds	Al-Mamoun Fund A	Global	Weekly	July 12, 2018	KD	0.743	0.688
	Al-Mamoun Fund B	Global	Weekly	July 12, 2018	KD	0.743	0.688
	GCC Large Cap Fund	Global	Bi-weekly	July 10, 2018	USD	167.350	163.421
	GCC Saudi Equity Fund	Global	Bi-weekly	July 10, 2018	SAR	265.350	261.769
Sectoral Funds	EPADI Fund	Global	Weekly	July 10, 2018	USD	115.110	111.027
Islamic Funds	Global GCC Islamic Fund	Global	Weekly	July 10, 2018	USD	109.030	106.094
	Al-Durra Islamic Fund	Global	Monthly	July 12, 2018	KD	1.403	1.289
Kuwait Finance & Investment Co (KFIC)							
	Al Warm 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 Fund	KAMCO	Monthly	June 30, 2018	USD	10.080	