UniCredit offers investors $2.2 bln buyback

UniCredit promised 8 billion euros ($9 billion) in dividends and share buybacks on Tuesday in a bid to revive its sickly share price, although profit at Italy's top bank will barely grow despite plans to shed 9% of its staff.

Like other European banks, UniCredit is grappling with negative interest rates which make lending unprofitable, while Italy's stagnant economy and unstable politics are compounding its problems, outweighing years of successful restructuring.

After cutting a fifth of its staff and shutting a quarter of its branches in mature markets in recent years, UniCredit said it would make a further 8,000 job cuts and close 500 branches under a new plan to 2023.

However, costs will hardly budge under the plan, while underlying profit is expected to make little progress, rising to 5 billion euros in 2023 from 4.7 billion this year.

UniCredit's announcement triggered anger among unions in Italy, where 5,500 layoffs and up to 450 branch closures are expected given the relative size of the network compared with franchises in Germany, Austria and central and eastern Europe.

"These numbers are unacceptable," the UNISIN union said of the cuts, which will cost UniCredit 1.4 billion euros between this year and the next.

In an attempt to lift its share price, the bank is devoting 2 billion euros ($2.2 billion) to buy back shares from 2019 to complement its 30% dividend payout, due to rise to 40% in 2023. (RTRS)

This file photo shows signage for Target, Bed Bath & Beyond, AMC Theaters, and Sears in Metairie, La. Nine months out of bankruptcy, Sears is limping into the holiday shopping season. (AP)

Market Movements 03-12-2019

			Change	Closing pts
GERMANY	-	DAX	+24.61	12,989.29
CHINA	-	Shanghai SE	+8.89	2,884.70

			Change	Closing pts
AUSTRALIA	-	All Ordinaries	-146.94	6,818.36
JAPAN	-	Nikkei	-149.69	23,379.81
FRANCE	-	CAC 40	-59.52	5,727.22
EUROPE	-	Euro Stoxx 50	-15.67	3,610.99
S. KOREA	-	KRX 100	-19.62	4,473.09
PHILIPPINES	-	PSEi	-22.01	7,855.18
INDIA	-	Sensex	-126.72	40,675.45

Business

France and EU ready to fight back over US tariff threats, ministers say

China trade deal might have to wait for 2020 election: Trump

LONDON, Dec 3, (RTRS): President Donald Trump said a trade agreement with China might have to wait until after the US presidential election in November 2020, denting hopes of a resolution soon to a dispute that has weighed on the world economy.

"I have no deadline, no," Trump told reporters in London, where he was due to attend a meeting of NATO leaders.

"In some ways, I like the idea of waiting until after the election for the China deal. But they want to make a deal now, and we'll see whether or not the deal's going to be right; it's got to be right."

European share prices and US stock futures fell, while the Chinese yuan currency sank to a five-week low on the comments by Trump, who has sought to increase trade pressure on other countries in the past 24 hours.

On Monday, he said he would hit Brazil and Argentina with trade tariffs for "massive devaluation of their currencies".

The United States then threatened duties of up to 100% on French goods, from champagne to handbags, because of a digital services tax that Washington says harms US tech companies.

Investors have been hoping that the United States and China can defuse their trade tensions, which have strained ties between the world's biggest and second-biggest economies since 2017, the first year of Trump's presidency.

US officials have previously said a deal could happen this year, depending on China.

The pan-European STOXX 600 index turned negative as Trump spoke, weighed down by export-heavy mining stocks.

Washington and Beijing have yet to ink a so-called "phase one" agreement announced in October, which had raised hopes of a de-escalation.

Trump and Chinese President Xi Jinping had planned to meet and sign the preliminary trade deal at an Asia-Pacific leaders' summit in Chile in mid-November, but the summit was cancelled because of violent anti-government protests in Santiago.

China reported its slowest economic growth in 27 years in October as the trade tensions with the United States hit its manufacturing sector.

Meanwhile, France and the European Union are ready to fight back over the latest US tariff threats on French products, French government ministers said on Tuesday.

On Monday, the US government said it may impose punitive duties of up to 100% on $2.4 billion of imports from France, including champagne, handbags, cheese and other products, after concluding that France's new digital services tax would harm US tech companies.

French Finance Minister Bruno Le Maire described the US proposals as "unacceptable". "In case of new American sanctions, the European Union would be ready to riposte," Le Maire told Radio Classique.

French junior economy minister Agnes Pannier-Runacher told Sud Radio that France would be "pugnacious" in its dealings with the US on the matter, and that France would not back down on its digital tax plans.

France's 3% levy applies to revenue from digital services earned by companies with more than 25 million euros ($27.86 million) in French revenue and 750 million euros ($830 million) worldwide.

But the US Trade Representative's office said on Monday that its investigation found that the French tax was "inconsistent with prevailing principles of international tax policy".

It said it found the French tax proposal "unusually burdensome for affected US companies," including Alphabet Inc's Google, Facebook Inc, Apple Inc and Amazon.com Inc.

The latest ruling by the US government knocked down leading French luxury-goods stocks. Shares in LVMH, Kering and Hermes fell 1.4% to 1.5% in early trading.

OPEC unlikely to change output policy this week – IEA head of oil

Russia yet to finalise stance before OPEC+ considers deeper oil cuts

LONDON, Dec 3, (RTRS): Oil producers from the Organization of the Petroleum Exporting Countries (OPEC) are unlikely to agree to change their current deal on curbing output until the market outlook becomes clearer, a senior official at the International Energy Agency (IEA) said on Tuesday.

"OPEC is quite likely to do what it has often done in the past: put off taking a decision which involves changing the current system until things become clearer," said Neil Atkinson, head of the Paris-based IEA's oil industry and market division.

OPEC and allies led by Russia, a grouping known as OPEC+, meet in Vienna on Thursday and Friday to decide what to do about their current deal, which ends in March.

They are currently cutting output by 1.2 million barrels per day, or about 1.2% of global demand, in order to reduce oversupply and support prices.

"The Russians, we understand from press reports, are keen at least on the political level not to change anything immediately," he told a conference organised by S&P Global Platts in London, stressing his comments were not a policy recommendation.

"There's a lot of uncertainties out there, not least the US shale outlook, strength in demand, the overall economic outlook, all the rest of it, that more likely than not they will leave it in place and meet again in March", Atkinson said.

Meanwhile, Russia's energy minister said Moscow had not decided on its position before a meeting of OPEC oil producers and their allies that is expected to discuss additional curbs to output, although he said he expected talks to be constructive.

The Organization of the Petroleum Exporting Countries and its allies, a group known as OPEC+ that meets on Thursday and Friday, already has a deal that runs to March to cut 1.2 million barrels per day (bpd), or about 1.2% of global demand.

Two sources told Reuters that OPEC+, which will discuss policy beyond March at the Vienna meeting, was now considering deepening the cuts by at least 400,000 bpd more.

OPEC lynchpin Saudi Arabia was lobbying for the extra cuts to secure high oil prices that would help it balance its budget and support Thursday's pricing for the initial public offering in its state-owned oil giant Saudi Aramco, they said.

Russia, the world's second biggest oil exporter behind Saudi Arabia, has so far opposed deeper cuts or extending the supply cutting pact, although Moscow has typically taken a tough stance before every meeting before approving the policy.

"I will not tell you anything now as we are still finalising our position," Russian Energy Minister Alexander Novak said when asked about Moscow's stance before the talks.

"Let's wait ... But I think the meeting, as usual, will be of constructive nature," he told reporters in Russia's capital.

The report on Monday that OPEC+ was considering deeper cuts helped lift oil prices. Benchmark Brent was trading near $61 a barrel on Tuesday.

Goldman Sachs said OPEC and its allies were likely to extend output curbs through June, but said an extra three months of cuts would provide little support to prices, which it expected to continue trading around $60 in 2020.

Other sources said on Monday that the latest OPEC analysis, drawn up by OPEC's Economic Commission Board (ECB), showed a large oversupply and build up in inventories in the first half of 2020, if no additional cuts were made.

Russia has agreed to reduce output by 228,000 bpd to about 11.18 million bpd in 2019 under the existing OPEC+ deal, although it pumped 11.244 million bpd in November.

In this file photo, packages move down a conveyor system were they are directed to the proper shipping area at the new Amazon Fulfillment Center in Sacramento, California. 'Cyber Monday' is still holding up as the biggest online shopping day of the year, even though the same deals have been available online for weeks and the name harks back to the days of dial-up modems. (AP)

Protesters march outside Amazon CEO's New York penthouse

US Cyber Monday sales to hit record $9.2bn

NEW YORK, Dec 3, (RTRS): Cyber Monday sales were on course to bring in a record $9.2 billion, according to evening estimates, building on a bumper Black Friday weekend for US retailers driven by earlier-than-usual promotions and free shipping.

Shoppers have already had nearly a month of offers and deals as retailers look to draw out their vital holiday season, which is six days shorter this year due to a late Thanksgiving.

Adobe Analytics predicted that $72.1 billion was spent online in the month ending Dec 1, and Cyber Monday – now traditionally the US economy's biggest internet shopping day – had logged a 16.9% jump in sales over the year prior as of 7 pm ET.

Adobe, which measures transactions from 80 of the biggest 100 US retailers, said it marked down its prior $9.4 billion forecast slightly as more data came in.

Amazon.com Inc and rivals such as Target Corp and Walmart Inc were poised to benefit from the event, having beefed up delivery services to fulfill online orders more quickly. In-store pickup of online orders has become smoother, too, said Carol Spieckerman, president at consultancy Spieckerman Retail.

"At the end of the day, Cyber Monday is just Black Friday revisited so the momentum, and the deals, really started last week," Spieckerman said.

Adobe also said $3 billion of the estimated sales would be from smartphones, a new US record.

Large companies did well in this channel, outpacing small businesses due to investment in mobile apps and other technology, as well as to larger product and deals selections, said Taylor Schreiner, director of Adobe Digital Insights.

"The big companies are still getting disproportionate growth versus the small ones," he said.

The event was not all smooth sailing for the world's biggest online retailer, Amazon. Protesters, who have described poor treatment of warehouse workers and rising climate emissions from the company's push for speedier deliveries, marched outside CEO Jeff Bezos' Fifth Avenue penthouse in New York City on Monday. "We're humans, not robots," read one sign.

Amazon spokeswoman Kristen Kish said unions and groups funded by competitors were "conjuring misinformation" about Amazon, which had industry-leading pay and benefits. The company aims to be carbon neutral by 2040.

Activists also tried to blockade a shopping mall in Paris, denouncing the spread of Black Friday to European shores. The day's shopping in the United States still paled in comparison to Alibaba Group Holding Ltd's "Singles Day" last month, when the Chinese e-commerce giant raked in $38.4 billion in sales.

The US National Retail Federation estimates nearly 69 million Americans will scour the web on Monday for deals on everything from mobile phones to kitchenware, with Adobe estimating the biggest discounts on televisions and computers.

Top sellers included toys from the film "Frozen 2," LOL surprise dolls and Nintendo Co Ltd's Switch games console, Adobe said.

"#CyberMonday2019 The day of the year 85% of the US population pretends to actually be working," tweeted Erika Mayor, a user in Miami.

Russians face market skills test for right to buy 'foreign stocks'

MOSCOW, Dec 3, (RTRS): Millions of Russians will have to take a test to prove they understand financial markets if they want to carry on trading foreign stocks, under a central bank plan aimed at stemming potentially heavy losses among retail investors.

The central bank had sought to limit access for non-professional investors, arguing that some lacked the knowledge and experience needed to play foreign markets without undue risk.

But after talks last week with Russian brokerages and two market lobby groups, it agreed to introduce a test instead, the bank's first deputy governor Sergey Shvetsov said on Tuesday.

"The testing which we have agreed on with self-governing organisations regarding splitting investors to 'qualified' and 'non-qualified' will be a natural barrier against ... emotional purchases," he told a news conference.

Turkish wealth fund to invest $10b in refinery

ANKARA, Dec 3, (RTRS): The Turkish wealth fund will invest around $10 billion for the construction of a petrochemical refinery in southern Turkey, the state-run Anadolu news agency said on Tuesday, in a move it said was aimed at alleviating the country's trade deficit.

Data on Monday showed Turkey's trade deficit had more than tripled from a year ago to stand at $2.15 billion in November, according to a special trade system. Both exports and imports rose year-on-year, the data showed.

The Turkish Wealth Fund (TVF), worth $50 billion, was set up in 2016 by the government to develop and increase the value of Turkey's strategic assets and provide resources for investment. Last year, President Tayyip Erdogan appointed himself chairman of the fund and completely changed its board.

Anadolu, citing information it obtained from the TVF, said the fund would to invest around $10 billion for the construction of a refinery and petrochemical complex in the southern province of Adana. It said that construction will begin in 2021.

The project will create 10,000 jobs during the construction period and another 5,000 jobs when the complex is operational, Anadolu said. It added that the project would contribute around $1.5 billion annually to Turkey's trade deficit.

The TVF later confirmed to Reuters that it was planning a greenfield investment in the area, but did not provide further details.

The government has previously transferred to the TVF stakes worth billions of dollars of state assets, including stakes in flag carrier Turkish Airlines, major banks and fixed-line operator Turk Telekom.

In October, the fund's general manager was quoted as saying the TVF wants to buy the 10% stake of the European Bank for Reconstruction and Development's (EBRD) in the Istanbul bourse. EBRD is set to sell its stake after the appointment of a former Halkbank executive who was jailed in the United States as CEO of the stock exchange.