

Tesla to unveil next vehicle

Tesla CEO Elon Musk announced on Twitter that the company's next vehicle will be unveiled March 14. The Model Y is an SUV and is expected to share many of the same underpinnings as its lower-cost sedan, the Model 3. That shared technology should help expedite production. It also will be about 10 percent bigger than a Model 3, so cost about 10 percent more, Musk said in a series of tweets. Prices for a Model 3 start around \$35,000.

Exact specifications on the newest vehicle will be released at the unveiling. Tesla has an avid fan base for its cars but it has struggled with production issues for years. Musk insists the company has learned its lesson and that by using some overlapping technology it can get the product to market faster. Musk recently told investors that the Model Y will share about 75 percent of the same components as the Model 3. (AP)

Jaguar wins Car of Year

The electric Jaguar I-Pace has won the Car of the Year award in Europe, the first time the storied brand has been bestowed the prize. The four-wheel drive vehicle edged out the Alpine A110, which is not a mass production car, after they tied for top honors in the first round of voting by dozens of automotive journalists. It is the first such award for

Jaguar, a British brand now owned by India's Tata Motors, which touted the new platform used for the I-Pace. Monday's presentation of the award, which was established in 1964, marks the unofficial start of the 89th edition of the Geneva auto show. The five other finalists were the Citroen C5 Aircross, Ford Focus, Kia Ceed, Mercedes-Benz A-class and Peugeot 508. (AP)



The Jaguar I-Pace model was elected 'Car of the Year 2019', ahead of the 89th Geneva International Motor Show, at the Palexpo in Geneva, Switzerland on March 4. (AP)

Market Movements 04-03-2019

	Change	Closing pts		Change	Closing pts
AUSTRALIA - All Ordinaries	+28.70	6,302.50	S. KOREA - KRX 100	-24.29	4,544.09
JAPAN - Nikkei	+219.35	21,822.04	GERMANY - DAX	-9.02	11,592.66
FRANCE - CAC 40	+21.38	5,286.57			
EUROPE - Euro Stoxx 50	+5.02	3,317.12			
PHILIPPINES - All Shares	+19.04	4,748.97			
INDIA - Sensex	+193.37	36,063.81			
PAKISTAN - KSE 100	+210.73	39,749.74			

Business

New bunker fuel regulations at start of 2020 expected to boost consumption of gasoil

Hedge funds carry on buying oil despite Trump intervention

John Kemp is a Reuters market analyst. The views expressed are his own — Editor

By John Kemp

Hedge funds continued to boost their bullish position in crude and fuels last week despite a call from US President Donald Trump for OPEC to "relax and take it easy".

Hedge funds and other money managers were net buyers of an extra 16 million barrels of Brent crude futures and options in the week to Feb 26, according to ICE Futures Europe.

Fund managers have been net buyers of 155 million barrels of Brent futures and options since Dec 4, increasing their net long position in 11 out of the last 12 weeks.

Funds were net buyers in the week to Feb 26 despite the president's intervention a day earlier, which strongly suggests buying was even higher before his message on Twitter.

Portfolio managers seem increasingly convinced the United States and China will reach a trade deal and the global economy will avoid a prolonged and deep slowdown.

At the same time, production cuts by Saudi Arabia as well as US sanctions on Iran and Venezuela are expected to curb the growth in oil production in 2019/2020.

Fund managers now hold more than six bullish long positions for every bearish short one, up from a ratio of 2:1 in early December, and the most bullish ratio for four months.

Hedge funds were also net buyers of almost 13 million barrels of European gasoil futures and options in the week to Feb 26, taking their net long position to 64 million barrels.

Funds have bought gasoil futures and options in each of the last eight weeks and have purchased a total of 61 million barrels since the start of the year.

Gasoil positioning is now strongly bullish, with long positions outnumbering short ones by more than 17:1, up from an equal number of longs and shorts at the turn of the year.

Continued global economic expansion, albeit at a slower pace than in 2018, should underpin further increases in consumption of mid-distillates such as diesel and jet fuel.

Meanwhile the introduction of new bunker fuel regulations at the start of 2020 is expected to boost consumption of diesel and marine gasoil as the expense of heavy fuel oil. (RTRS)

the bottomline

DUBAI: Consumer prices in the United Arab Emirates fell 2.39 percent in January from a year earlier, government data showed.

Consumer prices also fell 0.12 percent from December, according to data released by the Federal Competitive-ness and Statistics Authority.

Economists have said prices would ease in 2019 in both Saudi Arabia and the UAE as the impact of the introduction of value-added tax last year on prices would ease. (RTRS)

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CAIRO: Egypt's Suez Canal revenues rose to \$468.7 million in January from \$451.9 million in the same month last year, the Suez Canal Authority said on Monday.

January's figure was lower than December's \$471.8 million in revenue.

The canal is the fastest shipping route between Europe and Asia and one of the government's main sources of foreign currency. (RTRS)

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ISTANBUL: Turkey's competition authority said on Monday it opened an investigation into 23 supermarket companies to determine whether they violated competition rules when setting prices for water, fruit and vegetables.

The chains that are to be investigated include BIM, Migros, Sok and Carrefour, the competition authority said in a statement. (RTRS)

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ISTANBUL: Kale Group is waiting for Turkey's defence industry directorate to respond to its final offer for a new fighter jet programme, a company official said on Monday, after Britain's Rolls-Royce said it had scaled back efforts to join the programme.

Turkey's Kale and British engine maker Rolls-Royce Holdings PLC presented a joint bid to develop the engine on Turkey's TF-X national fighter jet project last year.

"We presented the best and final offer at the end of last year. A reminder was made in January. We are now waiting for an answer," Selim Ergun, the TF-X programme leader at Kale Group told Reuters when asked about the Rolls-Royce comments. (RTRS)

OPEC likely to defer output policy 'decision' until June, sources say

DUBAI/LONDON, March 4, (RTRS): OPEC and its partners are unlikely to decide on their output policy in April as it would be too early to get a clear picture of the impact of their supply cuts on the market by then, three OPEC sources said on Monday.

The sources said the production policy by the so-called OPEC+ alliance is expected to be agreed on in June with an extension of the pact the likely scenario so far, but much depends on the extent of US sanctions on both OPEC members Iran and Venezuela.

"So far the likely decision is to extend the agreement in June. Nothing much is planned for April,

just to discuss the OPEC and non-OPEC (cooperation pact)," one OPEC source said.

OPEC and its allies meet next in Vienna on April 17-18.

Another OPEC source said the most likely outcome of the June meeting was "a rollover" of the current oil supply cuts.

"But production by the exempt countries is already more than 700,000 bpd below the October level. Maybe there will be some adjustment," the second source said.

On Jan 1, the Organization of the Petroleum Exporting Countries and its allies began new production cuts to avoid a supply glut that could soften prices. OPEC, Russia and other non-members — the OPEC+ alliance — agreed to reduce supply by 1.2 million barrel per day for six months.

OPEC's share is 800,000 bpd, to be delivered by 11 members — except Iran, Libya and Venezuela, which are exempt from cuts.

OPEC oil supply fell to a four-year low in February, a Reuters survey found, as top exporter Saudi Arabia and its Gulf allies over-delivered on the group's supply pact while Venezuelan output registered a further involuntary decline.

The United States has imposed sanctions on state oil firm PDVSA in January, slowing exports. Output in the country, once a top three OPEC producer, has already been in decline for years due to economic collapse.

Venezuelan oil minister Manuel Quevedo, who was included in the US sanctions list, currently holds the OPEC presidency. OPEC sources say that Quevedo will continue in his post as the exporting group's president.

Iran is also subject to US sanctions. The sanctions have roughly halved Iran's oil exports. But in November, Washington granted waivers to some buyers of Iranian crude allowing them to continue their imports as long as they cut the purchases significantly. The US is set to decide whether it will renew waivers to oil-consuming countries on May 4.

"OPEC is now watching whether things are going to be more severe with Venezuela or Iran," the first OPEC source said.

"That is our concern now."

US sanctions roughly halved Iran's oil exports

Data reveals ongoing struggles in the housing sector

US construction spending drops 0.6% in Dec

WASHINGTON, March 4, (AP): US construction spending edged down 0.6 percent in December with declines in residential construction and government projects. Even with the December setback, construction spending for all of 2018 reached record levels, though it was the smallest increase seven years.

The December decline followed a 0.8 percent rise in November, the Commerce Department reported Monday. Residential construction fell by 1.4 percent, revealing ongoing struggles in the housing sector. Nonresidential activity rose 0.4 percent, while spending on government projects fell 0.6 percent, with both federal and state and local activity falling.

For the year, construction spending rose 4.1 percent to \$1.3 trillion. It was an all-time high, but the 4.1 percent gain was the weakest performance since spending fell 2.6 percent in 2011.

Construction spending had hit a previous record high of \$1.16 trillion in 2006, the peak of a housing boom that would begin declining in 2007, helping to trigger a deep recession and five-year retreat in construction spending.

Beginning in 2012, construction activity started rising again and in 2016 surpassed the 2006 high. After double-digit gains of 11 percent in 2014 and 10.7 percent in 2015, spending increases



In this file photo, a construction crew works on an already sold new home in north Dallas. US construction spending edged down 0.6 percent in December with declines in residential construction and government projects. Even with the December setback, construction spending for all of 2018 rose to a new record although the annual increase was the smallest in seven years. (AP)

have slowed in the past three years.

The drop in residential activity in December reflected a 3.2 percent fall in single-family construction which was partially offset by a 3.1 percent rise in apartment construction.

The 0.4 percent increase in nonresidential construction reflected a solid

1 percent gain in hotel and motel construction, but a flat reading for office construction and a 1 percent drop in the category that includes shopping centers.

The 0.6 percent fall in public construction echoed a sharp 2.2 percent drop in spending by the federal gov-

ernment and a 0.5 percent fall in construction spending at the state and local levels.

The December construction spending report was one of a number of government reports that have been delayed because the 35-day partial government shutdown.

Stop trying to calculate the odds of something going wrong

Money mistakes even smart people make

NEW YORK, March 4: Certified financial planner Jill Schlesinger has seen smart people make some pretty spectacular money mistakes.

One client who repeatedly refused to buy disability insurance later developed multiple sclerosis. A doctor she knew put off writing a will and left behind a six-figure tax bill. A technology company engineer balked at her suggestion to sell some of his stock options, only to watch their value and his retirement plans evaporate when the market plunged.

Schlesinger, a CBS News business analyst and author of "The Dumb Things Smart People Do With Their Money", admits to financial missteps as well, including waiting for "just the right moment" to invest and missing a big jump in the stock market.

"We're emotional animals, not just rational ones," Schlesinger says. "So even otherwise intelligent people are stymied by their emotions — usually fear and greed — and their cognitive biases."

In fact, a whole field of economics is devoted to exploring how we make financial decisions — including the bad ones. Behavioral economics tries to pinpoint where our brains and emotions lead us wrong, as well as what we can do about it.

Most of us don't like to dwell on what could go wrong, Schlesinger notes, and many of us believe we're better at predicting the future than we actually are. Overconfidence, excessive optimism and the conviction that the recent past will continue into the future

mean many of us don't adequately protect ourselves.

The client who wouldn't buy disability insurance, for example, thought he wouldn't need it because he was healthy. The stock option guy didn't want to sell a winning investment, not understanding how vulnerable he was to a downturn. The doctor just didn't want to think about dying.

The antidote to this kind of thinking is to stop trying to calculate the odds of something going wrong. Focus instead on how much you or your loved ones have to lose if the worst happens. If you can't easily absorb that loss, then buy the insurance, diversify your investments and write your will.

A common sales tactic is to try to create a sense of urgency so people will act. But we tend to make mistakes when we rush. If you feel pressured to buy a product, sign up for a service or invest in something, take a step back.

Schlesinger recommends asking these five questions before making investments, but they could easily apply to other financial decisions:

- How much will this cost?
- What are the alternatives?
- How easy is it to get my money out and what fees or penalties will I pay?
- What tax consequences will this carry for me?
- What's the worst-case scenario I face with this?

Most financial advisers aren't required to put your interests ahead of their own. They can sell you an investment that costs more or performs worse than an alternative, simply because it puts more money

in their pocket.

This lack of a so-called fiduciary duty has convinced many people they're better off handling their own financial affairs. A do-it-yourself approach may actually be appropriate, Schlesinger says, when you're getting a handle on the basics: paying off credit card debt, starting to save for retirement and building an emergency fund.

You still would be smart to seek out an expert if you're confronting a situation that's complex or out of the ordinary, she says. If the IRS is auditing you, you need a tax pro. If you're being sued by a creditor, you need a lawyer. If you're about to inherit a large sum — more money than you're accustomed to dealing with — you should talk to a fee-only financial planner who agrees in writing to put your interests first.

The more money you have, the more likely you are to face complex situations that require expertise you don't have. The consequences of making a mistake or not spotting a problem can be greater as well, which is why financial planners often hire their own financial planners.

Two areas that are particularly tricky are estate planning and retirement income strategies, including when to start Social Security and how to tap retirement funds. The cost of getting an expert second opinion could be a fraction of what you would pay for a mistake.

"We all make dumb mistakes, but some of them can be costly — and life-altering," Schlesinger says.

Rate cut expected in May

Turkish annual inflation falls

ANKARA, March 4, (RTRS): Annual Turkish consumer price inflation fell to 19.67 percent in February, official data showed on Monday, dropping below 20 percent for the first time since August as food price inflation eased following a government price-cutting campaign.

Economists said the decline was not sufficient to prompt an immediate interest rate cut by the central bank, which is expected to leave key rates unchanged at its policy-setting meeting on Wednesday.

Inflation is a key concern for policy makers, having peaked at a 15-year high above 25 percent in October. A near 30-percent slide in the lira against the dollar last year has fuelled the inflation and led to a sharp slowdown in economic growth.

Finance Minister Berat Albayrak hailed the February data as showing the success of state sales of cheap vegetables last month and said there will be a significant fall in inflation from this summer due to structural measures on food prices.

"Despite a negative seasonal impact, food inflation remained below expectations, showing the success of the regulated sales decision in curbing food prices," Albayrak wrote on Twitter.

Month-on-month, consumer price inflation was 0.16 percent in February. Economists in a Reuters poll had forecast an annual rate of 19.9 percent, down from January's 20.35 percent.

"We fully believe we will end 2019 with a better performance than targeted and will reach our single-digit inflation targets sooner than expected," Albayrak added. Under its medium-term programme, the government sees end-2019 CPI of 15.9 percent.

The lira was 0.23 percent weaker against the dollar at 5.3905 by 0910 GMT. It had stood at around 5.38 percent before then data and had initially firmed slightly.

"There is no change in our expectation regarding the course of inflation and the interest rate decision," said Is Invest economist Muammer Komurcuoglu, forecasting inflation of 19-20 percent in the first half before falling in the third quarter.

"We think the central bank will begin rate cuts with its June meeting," he added.

Announcing the bank's quarterly inflation report at the end of January, Central Bank Governor Murat Cetinkaya said the bank will maintain its tight monetary stance until it is convinced that inflation is falling.

Food and non-alcoholic drinks prices rose 0.90 percent month-on-month in February, down from 6.43 percent in January. The biggest February price drop was in clothing, where prices fell 4.81 percent while health sector prices rose 2.48 percent.

The government last month opened low-priced vegetable market stalls in Turkey's biggest cities Istanbul and Ankara to fight what officials called "food terror", saying they would punish anyone trying to keep prices artificially high.

Speaking ahead of local elections on March 31, President Tayyip Erdogan said on Saturday inflation would fall to 6 or 7 percent, but did not specify a timeline for the goal.

Data on Monday showed the trade deficit tumbled 62 percent in February to \$2.19 billion, with imports sliding 16.6 percent, illustrating the slowdown in economic activity.