

BUSINESS

In this file photo, Southwest Airlines planes are loaded at Seattle-Tacoma International Airport in Seattle. Southwest Airlines and a union representing its mechanics say they're on the verge of ending a bitter, long-running labor dispute that has triggered hundreds of flight cancellations and raised safety concerns. (AP)



Alitalia faces uncertain future as easyJet quits talks

The future of Alitalia was plunged further into uncertainty on Monday after British budget airline easyJet pulled out of talks to rescue the Italian carrier two weeks before a deadline to save it.

EasyJet said it had decided to withdraw from the process after discussions with Italy's state-controlled railway Ferrovie dello Stato Italiane and US airline Delta Air Lines.

Alitalia was put under special administration in 2017 after workers rejected the latest in a long line of rescue plans, leav-

ing the government once again seeking a buyer to save the airline.

Ferrovie is racing against the clock to meet deadline of the end of the month set by the Italian government to present a rescue plan for Alitalia, and had been in talks with easyJet and Delta over a possible deal.

But the parties had not seen eye to eye on the structure of a deal. Without an industrial partner fully on board, a source said last week that Alitalia could soon find itself in trouble since neither Ferrovie nor

the state have the skills to run the carrier. Delta said it was still in talks with Ferrovie.

"Discussions remain ongoing as Alitalia is a long-standing partner of Delta," the US airline said in a statement.

Alitalia and Ferrovie could not immediately be reached for a comment.

EasyJet, whose shares were unaffected by Monday's announcement, had said several times it was interested in Alitalia's short-haul operations and positions at primary airports. (RTRS)

Shares in both banks higher on Monday

Deutsche merger talks with Commerzbank raise job fears

Germany's govt 2020 budget plan calls for 1.7% boost in spending

Plan assumes economy will grow by 1.0% in 2019



In this file photo, German Chancellor Angela Merkel (center), poses for a group photo with economy leaders prior to talks about Germany's economy in Munich, Germany. The German government's budget plan for 2020 calls for a 1.7 percent hike in spending to 362.6 billion euros. (AP)

BERLIN, March 18, (RTRS): The German government's budget plan for 2020 calls for a 1.7 percent hike in spending to 362.6 billion euros and relies on ministries cutting costs to avoid incurring new debt given forecasts for slower economic growth, Finance Ministry sources said on Monday.

The plan assumes that Europe's largest economy will grow by 1.0 percent in 2019, down from an initially projected 1.8 percent, the sources said.

The Economy Ministry last week said the economy had a subdued start to 2019 and probably grew moderately in the first quarter, its outlook dampened by trade conflicts and sluggish demand for industrial products among other factors.

Budget

To balance the budget, government ministries will have to identify combined spending cuts of 625 million euros each year, with programme delays and other measures to contribute additional savings, the sources said.

In a move that could anger US President Donald Trump, the budget foresees a further increase in military spending in 2020 but does not provide a plan for how to reach the NATO target of spending 2 percent of economic output on defence.

The ministry sources said military spending would rise by 2.1 billion euros over a previous plan for 2020, boosting the share of defence spending to 1.37 percent of gross domestic product from 1.25 percent in 2018 and 1.3 percent this year.

The military budget is slated to rise to 45.1 billion euros in 2020 from planned spending of 43.2 billion this year, a separate government source said.

However, the share of military spending would drop back to 1.25 percent in 2023, with any further spending increases to be negotiated year by year, the sources said. "We're taking it one step at a time," said one of the sources.

That leaves Germany well below the 2 percent target set by NATO members for 2024, and below the 1.5 percent share that Germany has pledged to meet by that date.

BERLIN/FRANKFURT, March 18, (RTRS): Deutsche Bank and Commerzbank faced concerns from workers unions, Chancellor Angela Merkel's office and top shareholders on Monday after confirming merger talks.

Combining Germany's two largest banks could result in 30,000 job losses, a union warned, prompting Merkel's chief of staff to say the government was scrutinising the issue.

The concerns underline the obstacles to combining the banks, which confirmed talks about a tie-up on Sunday following months of pressure from Berlin, which has pushed for a deal amid concerns about the health of Deutsche Bank, which has struggled to sustain profits since the 2008 financial crisis.

Chancery Chief Helge Braun told Bild newspaper that it would be "difficult" if thousands of jobs would be cut, warning that the government was "never passive when it comes to deals of such magnitude".

Together the two banks employ 140,000 people worldwide, 91,700 at Deutsche and 49,000 at Commerzbank and a merged bank would have one fifth of the German retail banking market.

Despite the worries about jobs, the market reaction to news that the two banks were engaged in talks, which ended months of speculation, was positive. Shares in Deutsche Bank were up 5.0 percent at 1216 GMT while Commerzbank traded 6.7 percent higher.

The supervisory boards of both

banks are due meet on Thursday, with the merger likely to top the agenda.

However, two top shareholders in Deutsche Bank expressed their disapproval, with one questioning not only the logic but also the timing of a deal.

"There is no obvious reason why these two banks should be merged," a person close to another shareholder said.

And while international credit ratings agency Standard & Poor's, which downgraded Deutsche Bank last year, said a well executed merger could reap efficiencies, it warned a deal would "entail significant uncertainties and risks".

In addition to regulatory and anti-trust risks, an effort to merge would mean "several more years of significant internal restructuring," while competitors move forward.

The banks have "patchy track records in executing strategic programs," S&P said.

Berlin, which holds a stake of more than 15 percent in Commerzbank following a bailout, wants a national banking champion to support its export-led economy, best known for cars and machine tools.

However, the jobs impact could be a major hurdle.

A merger of Deutsche Bank and Commerzbank could result in as many as 30,000 job cuts over the long term, a representative of German union Verdi, who is a supervisory board member at Deutsche Bank, told n-tv broadcaster.



Headquarters of Deutsche Bank (left), and Commerzbank photographed in Frankfurt, Germany on March 18. Deutsche Bank and Commerzbank begin talks on a possible merger. (AP)

Move to protect citizens: EU's Timmermans

Tech giants will have to be regulated in future

BERLIN, March 18, (RTRS): The European Union and authorities around the world will have to regulate big technology and social media companies at some stage to protect citizens, the deputy head of the European Commission said on Monday.

First Vice-President Frans Timmermans said introducing regula-

tions would work better if online platforms, such as Google and Facebook, worked with authorities.

Big tech has been criticised by politicians in the United States and Europe over issues ranging from Facebook's losing track of users' data to how Google ranks search results.

"At some point, we will have to regulate," Timmermans told the

World Policy Forum in Berlin. "The first task of any public authority is to protect its citizens - and if we see you (tech giants) as a threat to our citizens, we will regulate and if you don't work with us, we will probably regulate badly."

Last month, the EU accused Alphabet's Google, Facebook and Twitter of falling short of promises to combat fake news before the European Parliament elections in May, after they signed a voluntary code of conduct to stave off regulation.

Facebook said on Monday it would increase efforts to fight misinformation before the vote and would partner with German news agency DPA to boost fact checking.

Friday's massacre in New Zealand has put social media giants in the spotlight. The assault in Christchurch was live-streamed by an attacker through his Facebook profile for 17 minutes, according to a copy seen by Reuters. Facebook said it removed the stream after being alerted by police.

Timmermans said pressure for regulation would come from beyond Europe. "I think globally there will be a call to regulate," he said.



In this file photo, the logo for Facebook appears on screens in New York's Times Square. (AP)

investment funds

Funds	Fund Manager	Valuation	Valued date	Currency	Net Asset Value (NAV)	Prev NAV	Prev NAV Dated
NBK CAPITAL							
Money Market Funds	Watani KD Money Market Fund II	Weekly	Mar 12, 2019	KD	1.062	1.061	Mar 05, 2019
	Watani USD Money Market Fund	Weekly	Mar 12, 2019	USD	10.516	10.511	Mar 05, 2019
	Watani KD Money Market Fund (Acc to Islamic Shariah principles) II	Weekly	Mar 12, 2019	KD	1.060	1.060	Mar 05, 2019
	Watani USD Money Market Fund (Acc to Islamic Shariah principles) II	Weekly	Mar 12, 2019	USD	10.335	10.331	Mar 05, 2019
	NBK Kuwait Equity Fund	Weekly	Feb 28, 2019	KD	0.716	0.717	Feb 21, 2019
	Gulf Equity Investment Fund	Weekly	Feb 28, 2019	USD	13.372	13.279	Feb 21, 2019
	Regional Bond and Sukuk Investment Fund	Weekly	Feb 28, 2019	USD	10.396	10.344	Feb 21, 2019
Gulf Bank							
	Al Basha'er GCC Equity Fund	Monthly	Feb 28, 2019	USD	7.265	7.331	Jan 31, 2019
	Coast Fund	Monthly	Nov 30, 2018	KD	0.710	0.716	July 31, 2018
	Markaz Real Estate Fund	Bi-annual	Feb 28, 2019	KD	4.523	1.351	Jan 31, 2019
Al Ahli Bank							
	Al Ahli Gulf Fund	Monthly	Feb 28, 2019	KD	1.054	1.054	Jan 31, 2019
	Al Ahli Kuwaiti Fund	Monthly	Feb 28, 2019	KD	0.841	0.846	Jan 31, 2019
Boubyan Bank							
	Boubyan KD Money Market Fund II	Weekly	Mar 03, 2019	KD	1.042	1.042	Feb 27, 2019
Boubyan Capital Investment Co.							
	Boubyan USD Liquidity Fund	Monthly	Mar 03, 2019	USD	10.500	10.499	Feb 27, 2019
	Boubyan Multi-Asset Holding Fund	Monthly	Mar 03, 2019	USD	11.147	10.884	Jan 31, 2019
Kuwait Investment Co.							
Local Fund	Al Raed Fund	Weekly	Mar 07, 2019	KD	1.072	1.097	Jan 31, 2019
	Kuwait Investment Fund	Weekly	Feb 28, 2019	KD	0.783	0.793	Jan 31, 2019
	Al Hilal Fund	Monthly	Mar 04, 2019	KD	0.736	0.736	Feb 11, 2019
	Al Atheer Fund	Weekly	Feb 28, 2019	KD	1.099	1.097	Jan 31, 2019
International	Diversified Fund	Weekly	Feb 28, 2019	USD	20.150	19.710	Jan 31, 2019
National Investment Co. (NIC)							
	Al-Wataniya Fund	Monthly	Feb 28, 2019	KD	0.625	0.626	Jan 31, 2019
	Al-Darji Fund	Monthly	Feb 28, 2019	KD	0.371	0.371	Jan 31, 2019
	Mawarid Fund	Monthly	Feb 28, 2019	KD	0.513	0.517	Jan 31, 2019
	Zajil Fund	Monthly	Feb 28, 2019	KD	0.769	0.765	Jan 31, 2019
	Al Mada Investment Fund	Weekly	Feb 28, 2019	USD	0.841	0.841	Jan 31, 2019
Kuwait Financial Centre (Markaz)							
	Mumtaz Fund	Weekly	Jan 31, 2019	KD	4.526	4.498	Dec 27, 2019
	Kuwait Financial Center	Weekly	Jan 31, 2019	KD	3.447	3.433	Dec 27, 2019
	Kuwait Financial Center	Weekly	Jan 31, 2019	KD	1.683	1.687	Dec 27, 2019
	FORSA Financial Fund	Monthly	Jan 31, 2019	KD	1.080	1.053	Dec 31, 2018
	Real Estate Fund	Monthly	Jan 31, 2019	KD	1.352	1.359	Nov 30, 2018

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	Feb 28, 2019	KD	1.298	1.301	Jan 31, 2019
Global Investment House								
Index Funds	GCC Large Cap Index Fund	Global	Weekly	Feb 21, 2019	KD	1.439	1.445	Jan 17, 2019
Equity Funds	Al-Mamoun Fund A	Global	Weekly	Feb 21, 2019	KD	0.723	0.732	Jan 24, 2019
	Al-Mamoun Fund B	Global	Weekly	Feb 21, 2019	KD	0.723	0.732	Jan 24, 2019
	GCC Large Cap Fund	Global	Weekly	Feb 21, 2019	USD	175.015	173.046	Jan 22, 2019
	Global Saudi Equity Fund	Global	Bi-weekly	Feb 26, 2019	SAR	275.707	276.273	Jan 22, 2019
Sectoral Funds	EPADI Fund	Global	Weekly	Feb 21, 2019	USD	105.221	105.944	Jan 15, 2019
Islamic Funds	Global GCC Islamic Fund	Global	Weekly	Feb 21, 2019	USD	111.274	112.484	Jan 15, 2019
	Al-Durra Islamic Fund	Global	Weekly	Feb 21, 2019	KD	1.313	1.335	Jan 17, 2019
Kuwait Finance & Investment Co (KFIC)								
	Al Wasim Fund	KFIC	Weekly	Feb 13, 2019	KD	0.467	0.467	Jan 23, 2019
	Al Basha'er GCC Equity Fund	KFIC	Monthly	Jan 31, 2019	USD	7.332	7.066	Dec 30, 2018
KAMCO								
	KAMCO Investment Fund	KAMCO	Monthly	Dec 30, 2018	KD	1.206	1.253	July 31, 2018
	KAMCO Real Estate Yield Fund	KAMCO	Monthly	Dec 30, 2018	USD	9.070	9.050	Nov 30, 2018
Wafra International Investment Co.								
	Wafra Equity Fund	Wafra Co.	Monthly	Feb 28, 2019	KD	0.967	0.963	Jan 31, 2019
	Wafra Bond Fund	Wafra Co.	Monthly	Feb 28, 2019	KD	1.063	1.060	Jan 31, 2019
	Masaref Investment Fund	ISKAN	Weekly	Feb 28, 2019	KD	1.256	1.201	Jan 31, 2019
	Fajr Islamic Fund	Wafra Co.	Monthly	Feb 28, 2019	KD	0.764	0.770	Jan 31, 2019
Al-Tharwa Investment Co.								
	Tharwa Investment Fund	Tharwa Investment Co	Weekly	Dec 31, 2018	KD	1.182	1.912	Nov 30, 2018
	Tharwa Islamic Fund	Tharwa Investment Co	Weekly	Dec 31, 2018	KD	0.678	0.676	Nov 30, 2018
Bank Al-Bilad								
	Al Seel Fund	Bank Al-Bilad	Daily	Feb 27, 2019	KD	0.458	0.462	Feb 17, 2019
Commercial International Bank								
	CIB Money Market Fund (Osoul)	CI Asset Management	Weekly	Mar 07, 2019	EGP	371.040	370.470	Mar 03, 2019
	CIB II Equity (Istithmar)	CI Asset Management	Weekly	Mar 07, 2019	EGP	220.800	218.830	Feb 28, 2019
	CIB and Faisal Islamic Al Aman	CI Asset Management	Weekly	Mar 07, 2019	EGP	116.020	115.410	Feb 28, 2019
	Hemaya	CI Asset Management	Weekly	Mar 03, 2019	EGP	224.780	218.730	Feb 03, 2019
	Thabat	CI Asset Management	Weekly	Mar 07, 2019	EGP	241.740	241.170	Mar 03, 2019
	Takamol	CI Asset Management	Weekly	Mar 07, 2019	EGP	195.590	196.970	Mar 03, 2019
	Misr El Mostakbel	CI Asset Management	Weekly	Mar 03, 2019	EGP	25.860	25.860	Mar 03, 2019
KFH Capital								
	Muthanna Islamic Index Fund (MUDX)	KFH Capital Investment Co	Daily	Nov 30, 2018	KD	0.407	0.406	Oct 31, 2018
	Muthanna GCC Islamic Banks Fund	KFH Capital Investment Co	Daily	Nov 30, 2018	KD	0.721	0.737	Oct 31, 2018
	Baltak GCC Fund	KFH Capital Investment Co	Weekly	June 29, 2017	KD	0.930	0.916	Feb 28, 2017