Emirates NBD has cut over 400 jobs since Oct

Dubai's largest bank, Emirates NBD, has cut between 400 and 500 jobs since October, sources familiar with the matter said, as banks in the United Arab Emirates (UAE) reduce costs amid slower economic growth.

The cuts have been across several areas of the bank, which employs 12,000 people in the UAE, and the process has ended, said one of the sources.

A second source said the retail and technology operations were the most affected.

Emirates NBD declined to comment. Dubai's economy grew 1.9% last year, its slowest pace since a contraction in 2009 during the depths of a debt crisis.

But in the first half of this year, growth edged up to 2.1%, the government said earlier this week, with wholesale and retail trade activities contributing to 25.5% of Dubai's gross domestic product (GDP).

A regional hub for foreign trade, tourism and business services, Dubai is among the most diversified economies in the Gulf, but it has been suffering from a property downturn.

Other banks in the UAE have been cutting staff this year, partly also because of bank mergers.

UAE central bank data shows local banks had laid off 446 people by the end of September from the same period a year ago. (RTRS)

Sberbank agrees venture with driverless tech firm

Russia's largest lender, Sberbank, has added driverless cars to its list of technology ventures, by teaming up with AI transport developer Cognitive Technologies, the two companies said on Thursday.

Sberbank and Cognitive Technologies have signed a legally binding document to create a new company, Cognitive Pilot, they said in a statement.

Sberbank will have a 30% share in the company, while Cognitive Technologies will take 70%. The two companies did not disclose financial details of the deal, which will be completed in December.

The move marks the latest foray into Russia's digital economy for state-owned Sberbank, which finalised the terms of a food delivery joint venture with Mail.Ru earlier this month and agreed to buy an equity stake in the internet company.

The new company will be engaged in developing "digital economy projects in transport, agriculture, computer vision and artificial intelligence," the statement said.

Russian internet giant Yandex currently leads the way in Russia's driverless car market, testing its technology on the streets of Moscow and Israel, with a licence to begin testing in the United States from next summer. (RTRS)

Market Movements 28-11-2019

			Change	Closing pts
AUSTRALIA	-	All Ordinaries	+14.99	6,965.62
INDIA	-	Sensex	+109.56	41,130.17
PAKISTAN	-	KSE	+583.55	38,706.27

			Change	Closing pts
JAPAN	-	Nikkei	-28.36	23,409.14
GERMANY	-	DAX	-46.04	13,241.03
FRANCE	-	CAC 40	-16.62	5,910.22
EUROPE	-	Euro Stoxx 50	-8.37	3,704.48
S. KOREA	-	KRX 100	-23.29	4,554.19
PHILIPPINES	-	PSEi	-68.23	7,768.66
CHINA	-	Shanghai SE	-13.50	2,889.69

Business

UK house prices rise by most in 7 mths

Slump in demand pulls down British car production, again

LONDON, Nov 28, (RTRS): British house prices rose more than expected in November, according to figures from mortgage lender Nationwide, suggesting next month's national election was not putting further pressure on the market which remains sluggish.

House prices rose by 0.8% compared with November 2018, the strongest increase since April, Nationwide said on Thursday.

A Reuters poll of economists had pointed to a rise of 0.2%.

However, it was the 12th month in a row that annual price growth remained below 1%, compared with gains of about 5% at the time of the Brexit referendum in 2016.

In November alone, house prices rose by 0.5%, compared with a median forecast in the poll for a 0.1% increase.

Robert Gardner, Nationwide's chief economist, said Britain's housing market typically displayed little volatility at the time of elections.

"Rightly or wrongly, for most home buyers, elections are not foremost in their minds while buying or selling their home," Gardner said.

Prime Minister Boris Johnson has called an election for Dec 12 in a bid to break the impasse in parliament over Brexit, which has left the economy mired in uncertainty three-and-a-half years after voters decided to leave the European Union.

Also:

LONDON: British automotive output dropped by an annual 4% in October, the 16th month out of the last 17 to record a fall, as demand from both domestic and overseas buyers decreased, according to a trade body.

Production stood at 134,752 cars last month, hit by a nearly 11% drop in demand from Britons and a 2.6% drop in export demand, which accounts for roughly 80% of output, statistics from the Society of Motor Manufacturers and Traders (SMMT) showed.

The global automotive industry has had a torrid year, hit by declining sales in **China**, trade war worries between the world's two biggest economies, a slump in diesel sales in **Europe** and the need to invest heavily in electrification.

Model changeovers at some sites were also blamed by the SMMT which has called for Britain to negotiate the closest possible trading relationship with the European Union after Brexit as part of a trade deal due to take effect in 2021.

"Our global competitiveness is under threat," said SMMT Chief Executive **Mike Hawes**.

"To safeguard it, we need to work closely with the next government to ensure frictionless trade, free of tariffs, with regulatory alignment and continued access to talent in the future."

Cenbank to take steps to direct loans across economy

Turkey to record 4-5% growth in Q4: finmin

ISTANBUL, Nov 28, (RTRS): Finance Minister Berat Albayrak said on Wednesday that Turkey's economy will grow 4-5% in the last quarter of 2019, the state-owned Anadolu news agency reported.

Growth expectation for the third quarter was around 1%.

"If December continues at this pace as well, Turkey is going towards a last quarter where it will grow around 4-5%," Anadolu quoted him as saying.

Turkey's economy contracted year-on-year in the last quarter of 2018 and the first two quarters of this in the wake of a currency crisis that saw the lira lose nearly 30% of its value against the dollar last year.

The Turkish Statistics Institute is expected to announce the third quarter growth figures next Monday.

Meanwhile, Turkey's central bank is set to adjust a tool it introduced this summer to boost lending in specific sectors of the recession-hit economy, starting by tweaking reserve requirements to squeeze more credit from lenders, two people familiar with the matter said.

The planned move, which has not yet been reported, could be one of the boldest to kick-start growth after last year's currency crisis pushed Ankara into sometimes unorthodox steps to defend the lira and revive lending.

Under the plan, the central bank would strengthen the link between lending and reserve requirements and adjust settings regularly to steer credit toward sectors such as construction and energy, which remain mired in bad loans, the sources told Reuters.

The central bank is set to sign off on the changes, they said, requesting anonymity due to the sensitivity of the matter.

Finance Minister Berat Albayrak and Central Bank Governor Murat Uysal have hinted publicly they would take such a step, but the government and the bank have made no announcements.

"We are adopting a policy framework that uses ... tools such as required reserves effectively directed at the pace of increase of loans, their composition and their healthy growth in terms of sectoral distribution," Uysal said in Istanbul on Wednesday.

Albayrak flagged plans in September to "redirect credit to the right spots", without elaborating.

The two sources said the first step is expected to be an adjustment to a rule adopted in August, when the bank lowered reserve requirements and raised remuneration rates for lenders that had 10% to 20% loan growth.

That move has helped lift credit growth, so the plan is to essentially double down and raise the loan-growth range.

A higher ceiling would help preserve the benefits for state banks on which the government has leaned to drive lending but which risk losses on their aggressive credit extension.

It may also encourage more reticent private banks closer to the 10% floor to extend more credit.

"Loan extensions need to seriously increase. Most private banks have not been taking the necessary initiative to extend loans until now," one of the sources said.

Two state banks risk running over the 20% ceiling and could "take a hit" if they do so, so "precautions will be taken to prevent this," the source said.

The central bank has already slashed its benchmark interest rate by 10 percentage points since July to help hit an ambitious 5% government growth target for 2020.

The new powers could allow the central bank to funnel credit to export sectors that have long been eclipsed by imports. Turkey's yawning current account deficit last year helped spark the crisis that at its worst halved the value of the Turkish lira.

Such lending incentives could risk a rebound in inflation, which dipped below 10% last month after having soared above 25% last year.

The move also risks exacerbating Turkey's problem of tens of billions of dollars worth of bad loans still on banks' balance sheets. Lenders' non-performing loan (NPL) ratio is expected to rise to 6.3% by year-end.

The changes to reserve regulations are expected to be made over the next year, boosting lending in sectors such as construction, energy, exports and those boosting muted Turkish productivity, the sources said.

The central bank could prioritize sectors reliant on foreign-currency income at first, they said.

The second source said the bank may also discourage lending by banks with high levels of loan growth to ensure financial stability. "The system is not being designed in a one-sided way," the source said.

"The legal infrastructure is ready today," the source added of the plan.

Annual Turkish loan growth has edged up to about 5% from near zero in July, official data shows, in part thanks to the August adjustment to required reserves.

Fitch Ratings said growth has been "largely driven by state banks, resulting in erosion of their capital and profitability buffers." This month it said that at more than 18%, overall capital adequacy remains comfortable.

In July, weeks after President Tayyip Erdogan ousted the former central bank chief for not following instructions, the bank began a round of policy rate cuts to 14% from 24%.

Chicago fares for single rides flat

Uber drives up prices for shared rides, data reveals

CHICAGO, Nov 28, (RTRS): How much ride-hailing companies Uber and Lyft charge customers throughout a day is one of the most closely held secrets in Silicon Valley.

But a law in Chicago requiring the companies to disclose fare data shines a light on how at least one of the former "unicorns" is trying to turn a profit for the first time.

A Reuters analysis of the data shows fares for shared rides in the city have risen significantly over the past year, while fares for single riders have remained stable.

The price increases for shared rides predominantly affect Chicago's low-income neighborhoods, which is where most of the carpool rides are booked, the analysis showed. Over this period of increased fares, carpool ridership fell.

The Chicago data does not differentiate between rides operated by Uber Technologies Inc, Lyft Inc, or smaller ride-share rival Via. Data by Second Measure, which tracks credit card expenditures, estimates that Uber commands a roughly 72% market share in Chicago. The data also does not indicate whether similar strategies are being rolled out in other cities.

The fare changes in Chicago show an attempt to reduce discounts for customers in order to help convince investors that ride-hailing can be a profitable business model.

But the shift comes with political risks, as cities from Chicago to London take ride-hailing companies to task over congestion, driver treatment and passenger rights. On Monday, regulators in London stripped Uber's license for the second time in just over two years, pending an appeal, over a "pattern of failures" on safety and security.

After reviewing the findings from the Chicago data, Uber said it has traditionally seen losses in its shared Pool rides segment. Earlier this month, Chief Executive Dara Khosrowshahi said Uber was "losing significant sums" due to heavy discounts on those rides.

"We want Pool to be available to as many people and in as many cities as possible, and to do that it has to be financially sustainable for years to come" through measures including pricing and better algorithms to find more pool riders, an Uber spokesman said.

Lyft declined to comment on its pricing strategy, but said shared rides have increased access to affordable and reliable transportation, particularly in neighborhoods under served by public transit and passed over by taxis.

Lyft said that given Uber controls nearly two-thirds of the Chicago market, the data most closely reflected Uber's strategy, and noted its own data did not show a decrease in shared rides.

Via, the smallest Chicago player almost exclusively focused on shared rides with an estimated 1% market share, also declined to comment on pricing but said its own interpretation of the Chicago data was consistent with the analysis.

"In city after city, we have seen that there is far more price sensitivity with pooled rides than with private, single passenger ones," Via said, adding that it was crucial for fees and taxes on shared rides to stay low in order to decrease congestion.

Chicago Mayor Lori Lightfoot has proposed taxes on ride-hailing services to combat congestion, by increasing the tax for solo trips and lowering taxes on shared rides. She also is pushing a new surcharge of $1.75 on weekday rides in the downtown area.

Chicago's city council on Tuesday approved the congestion tax changes as part of the city's 2020 budget.

Uber and Lyft, which have supported congestion taxes in New York and other cities, are fighting Lightfoot's congestion proposal, calling it unfair for not including regular taxi services and disproportionately hurting lower-income residents.

They also said Lightfoot's measures help some of the city's richest parts in the north, dominated by white residents, while hurting predominantly black and Hispanic residents on the South and West Side.

Lightfoot, Chicago's first female African-American mayor, has rejected those claims, accusing Uber of stirring up racial tensions in opposition to the proposal.

Uber and Lyft put forward an alternative taxation plan that was rejected by the city as doing too little to ease downtown congestion. Uber in a statement said it wished Chicago would remove fees on shared rides altogether.

The Reuters analysis of more than one million Chicago rides between January and September 2019 – the only full quarters for which the city currently makes data available – found that fares per mile increased 13% for shared rides. But they remained unchanged for private rides.

Russian oil producers meet energy minister

Russia signals no change to its oil quotas

MOSCOW, Nov 28, (RTRS): Russian oil companies proposed on Thursday not to change their output quotas as part of a global deal until the end of March, when the current agreement expires, putting pressure on OPEC+ to avoid any major shift in policy when the group meets next week.

They also offered to exclude production of gas condensate, a light oil, from the output quotas as Russia has been struggling to meet its supply-reduction targets in recent months.

The proposals to preserve the deal between the Organization of the Petroleum Exporting Countries and non-OPEC nations until the end of March were made at a gathering with Energy Minister Alexander Novak, who will attend next week's meetings in Vienna.

OPEC and its allies have so far been expecting to extend output cuts until mid-2020, with non-OPEC producer Russia supporting Saudi Arabia's push for stable oil prices amid the listing of state oil giant Saudi Aramco.

On Thursday, Russian oil firms suggested to Novak that they meet again at the end of March to discuss the oil deal, Ravil Maganov, a first vice president of Russian oil major Lukoil , told reporters after the meeting.

"We remain in the deal with the same quotas. We will meet at the end of the first quarter to discuss. Those are (our) proposals," Maganov said.

"We will stay in the deal until the end of March," Yevgeny Tolochyok, head of Russneft, said.

Russia, other non-OPEC oil producers and OPEC nations are due to discuss their global output deal on Dec 5-6. OPEC and non-OPEC oil producers have curbed output to balance the market and support prices for the last three years.

Russia's position on the deal is "currently a secret", Novak said.

One sticking point, however, is production of gas condensate, a high-premium light crude oil. In Russia, unlike Saudi Arabia and other OPEC producers, condensate is included in its oil production data.

Last week, Novak suggested it was time to remove gas condensate from the country's overall oil statistics. On Thursday, he said no such decision had been taken yet.

Former Russian natural resources minister Sergei Donskoi, now a board member at Irkutsk Oil Co, said after Thursday's meeting that his company supported the idea, which may be enforced after the first quarter.

"We've got a lot of condensate," he said.

A gas station pump is closed during a protest against tight supply of dollars from the central bank in Beirut, Lebanon, on Nov 28. Scores of Lebanese businesses have closed in recent months and thousands of employees were either laid off or are getting half their salaries amid the crisis. Local banks have imposed capital controls worsening the economic conditions amid a liquidity crisis and shortage in US dollars. (AP)

Protests put pressure on country's financial system

IMMS sues Lebanon's BankMed for $1 bln

LONDON/BEIRUT, Nov 28, (RTRS): Oil trader IMMS has taken Lebanese bank BankMed to court in the US state of New York, accusing it of failing to return $1 billion of its deposits when requested, according to court documents seen by Reuters.

IMMS Chief Executive Murtaza Lakhani, who trades European, Middle Eastern and Asian oil and oil products, said he would not comment beyond the case, filed with the Supreme Court of the State of New York on Nov 22.

In a statement on Wednesday, BankMed responded: "The $1 billion deposit is a blocked deposit by instructions of IMMS maturing in about 2 years from now."

It also said that it had discovered "material breaches of contract and attempts by IMMS to direct funds due to BankMed overseas" between Oct 30 and Nov 12, 2019, without providing further details.

"BankMed opposed such attempts by IMMS and took appropriate actions," it said.

The lawsuit appears to represent one of the first major challenges to restrictions Lebanese banks have begun applying to transfers and withdrawals as they grapple with a hard currency shortage and fears of capital flight.

Protests that have swept Lebanon since Oct 17 have put pressure on the country's financial system, deepening the hard currency crunch and prompting commercial banks to put curbs on foreign currency withdrawals and nearly all transfers abroad.

IMMS, which is incorporated in Belize, said in its lawsuit that it had instructed BankMed to return a $1 billion deposit on Nov 8.

BankMed responded on Nov 12 saying it was terminating all of IMMS' credit facilities "due to the material adverse change in the economic condition of Lebanon and the Lebanese financial market", according to the court filing.

As part of the same agreement, BankMed had provided credit and services to IMMS including revolving and overdraft credits to help it trade oil, the court filing said.

"By this action, plaintiff IMMS Limited (IMMS) seeks remedies against defendant BankMed SAL (BankMed) for BankMed's brazen theft of more than $1 billion from its banking client IMMS," the court filing said.

IMMS made a similar claim in a Lebanese court just prior to the US filing, with a hearing set for December, according to the BankMed statement.

"As per the contracts, the relationship between BankMed and IMMS is subject to Lebanese law and to the exclusive jurisdiction of the Lebanese courts," it said.

"BankMed remains committed to its high standards of banking, to the protection of its customers' interests, and to the application of Lebanese laws and practices as required under the current circumstances," the statement added.

S&P Global Ratings said on Nov 14 it had cut BankMed's rating further into junk territory, citing rising liquidity pressures due to faster deposit erosion. S&P's long-term credit rating for BankMed is now CCC and the ratings agency said it was vulnerable to further downgrades.

IMMS started working with BankMed in November 2017 by placing short-term deposits for up to nine months earning annual interest rates of up to 6.5%.

IMMS, represented by New York law firm Meister Seelig & Fein, said in its filing that in November 2018 it deposited $1 billion with BankMed for three years at "a high interest rate".