

BUSINESS

Ferrari reports 11 pct profit drop last year

Italian luxury sports car maker Ferrari on Tuesday reported that its profits last year sank 11% as it shifted its geographical footprint, but raised its forecasts for 2020.

Ferrari said net profit fell to 699 million euros (\$772 million) from 787 million euros the previous year.

Shipments rose 9.5% to 10,131 vehicles, while net rev-

enues rose 10% to 3.76 billion euros, beating forecasts of 3.5 billion euros.

Ferrari upgraded its revenue forecast to over 4.1 billion euros, from 3.8 billion euros outlined in its business plan.

Shipments to the Americas shrank by 3% to 2,900 vehicles, which Ferrari said was part of a planned geographic shift.

At the same time, shipments to the largest market, Europe and the Middle East, rose by 16%, to 4,895 vehicles, and to greater China by 20% to 836 cars.

Engine revenue was down by a third due to lower sales at Maserati. The company said fourth-quarter profits dropped 13% percent to 166 million euros. (AP)

Carlsberg sees 2019 profits rise on strong sales

Danish brewer Carlsberg says its 2019 net profit rose nearly 24% to 6.6 billion kroner (\$977 million) on strong beer sales in major markets, but noted it had lost market share in Russia due to tough competition.

The company said Tuesday its revenue increased 5.4% to 65.9 billion kroner (\$9.76 billion). The brewer said it "delivered

well" despite "experiencing a continued difficult competitive environment in Russia." The Russian market saw low-single-digit growth and Carlsberg said it had lost market share, adding the total volumes were down by 8%.

"At the same time, we are facing a more volatile business environment including the current coronavirus out-

break in China, of which the full impact is not yet known," the group said, adding its Chinese business continued to deliver strong performance.

CEO Cees't Hart said he was "pleased with our results in 2019" and said its operating profit outlook for 2020 was "mid-single-digit percentage organic growth." (AP)

Technology companies lead Wall Street rally

Alphabet gave investors a disappointing revenue report

NEW YORK, Feb 4, (AP): Technology companies and banks led a broad rally for US stocks in early trading Tuesday following solid gains overseas as China took more steps to soften the financial impact of the virus outbreak.

Investors snapped up tech stocks, which are often sensitive to China's economic health because of ties to supply chains and sales. Apple rose 2.3% and chipmaker Nvidia climbed 1.9%.

Banks and health care stocks also made big gains. Citigroup rose 2.2% and UnitedHealth Group climbed 3%.

Utilities, real estate companies and other safe-play assets lagged the market as investors became more comfortable taking on risk. Prices for US government bonds fell sharply and the price of gold also fell.

Wall Street is also assessing a busy round of corporate earnings. Ralph Lauren jumped 6.2% and Clorox gained 4.4% on solid financial results. Google's parent, Alphabet, gave investors a disappointing revenue report and was among the few companies to slip in the early going.

The S&P 500 index rose 1.4% as of 10:20 am Eastern time. The Dow Jones Industrial Average rose 432 points, or 1.5%, to 28,831. The Nasdaq rose 1.5%. The Russell 2000 index of smaller company stocks rose 1.5%.

Bond prices fell, pushing yields sharply higher. The yield on the 10-year Treasury jumped to 1.60% from 1.52% late Monday. Perhaps more importantly, the 10-year yield also jumped above the three-month Treasury yield of 1.56%. The leapfrog move silenced a recession warning that had been ringing in the bond market, at least for now.

China's central bank is putting \$57 billion in funds into its markets. The measure is on top of an advance announcement from Monday that the government would put \$173 billion into the markets as they reopened from an extended break because of the virus.

The world's second-largest economy is in a lockdown that is threatening economic growth there and globally. More companies, including Sony, are warning investors of a potential hit to revenue and profit because of the virus.



Yvette Arrington, with the New York Stock Exchange, monitors trading activity on Feb 4. Stocks opened broadly higher on Wall Street, following gains overseas. (AP)

More than 20,000 cases have been confirmed globally, along with over 400 deaths. The cases have been mostly in China.

Alphabet, the parent of internet search giant Google, fell 4% after reporting weak revenue growth for its fourth quarter. The company's revenue surged 18%, but still fell short of Wall Street's expectations. It is the second rocky quarter in a row, following a third quarter that brought a profit shortfall due to higher spending.

Cruise ship operators steamed forward as Royal Caribbean climbed 2.2% after taking tougher measures to screen and restrict passengers amid the virus outbreak, including cancelling eight cruises in China. The cruise line also gave Wall Street a solid quarterly earnings report and profit forecast for the new fiscal year.

Carnival rose 2.4% and Norwegian

Cruise Line gained 1.5%.

Shares are higher in Asia, with the Shanghai Composite up 1.3% as China's central bank stepped up its intervention by channeling another 400 billion yuan (\$57 billion) in extra funds into the market.

Markets were still far from giving the all-clear on the virus outbreak that has spread to more than 20 countries and killed more than 400 people. But calm returned after Monday's 8% plunge in Shanghai, despite news that the number of people infected by the virus from China has risen to more than 20,000.

The communist party newspaper People's Daily said in a tweet that a net 400 billion yuan in funds went into the markets following the People's Bank of China's injection of a net 150 billion yuan (\$21 billion) on Monday. The central bank announced in ad-

vance that it would put 2 trillion yuan (\$173 billion) into the market through reverse repurchases of securities on Monday when the markets reopened after a 10-day break that was prolonged to help reduce risks of further spreading the virus. The lion's share of that money went to cover maturities falling due.

Chinese leader Xi Jinping has declared the crisis the country's biggest priority, as tens of millions of people remain in lockdown as a precaution against contagion.

Japan's Nikkei 225 index gained 0.6% to 23,104.76, while the Kospi in South Korea jumped 2% to 2,158.30. Australia's S&P ASX/200 rose 0.4% to 6,948.70, while the Hang Seng in Hong Kong climbed 1.0% to 26,628.96. The Shanghai Composite jumped 1.3% to 2,783.45. Taiwan's benchmark surged 1.8% and the

Sensex in India gained 2%.

"The market is still, for the most part, in the fear mode, but as traders consume more economic data fallout, the hit to the real economy should become more apparent. Then the market will get steered by data, not opinions, or the herd mentality," Stephen Innes of AxiCorp said in a commentary.

Overnight, US stocks recovered some of their losses from earlier weeks, though a warning signal of recession in the bond market was still flashing red, and oil tumbled on worries about weakened demand. The S&P 500 rose 0.7%, to 3,248.92. The Dow Jones Industrial Average picked up 0.5%, to 28,399.81, and the Nasdaq added 1.3%, to 9,273.40.

Markets have been wracked by uncertainty over how much the virus will spread, how many it might kill and how long the outbreak might persist, hurting

economies and corporate profits.

Some major companies have closed factories in central China. Airlines have cancelled hundreds of flights and economists are cutting growth forecasts for the world's second-largest economy.

The crisis struck just as investors believed economic growth would pick up thanks largely to interest-rate cuts and other bold actions by the Federal Reserve and other central banks around the world. A report on Monday said U.S. manufacturing returned to growth in January for the first time in six months, but many investors paid little attention because it doesn't fully reflect all the virus concerns.

"Think about what global central bankers are thinking about now," said Emily Roland, co-chief investment strategist at John Hancock Investment Management. She imagined them saying: "Are you kidding me? We pumped so much liquidity into the economy last year, and now the yield curve is inverting again?"

The yield curve is a tool used by investors that sits in the dusty corners of the bond market. Markets don't pay it much attention until it becomes inverted, a relatively rare occurrence that happens when short-term Treasuries offer higher yields than longer-term Treasuries. An albeit imperfect rule of thumb says a recession may be a year or so away when the three-month Treasury's yield is higher than a 10-year Treasury's.

On Tuesday, the three-month yield was at 1.55%, above the 1.54% yield of the 10-year, which itself rose from 1.51% late Friday.

"Sentiment builds on sentiment, and there's so much uncertainty right now," Roland said. "We're not ready to call the all-clear until we see a sustained re-acceleration not only in earnings estimates but also in the economic data."

In the US stock market, gains were relatively widespread on Monday with two stocks rising for every one falling. But nearly a quarter of the gain for the S&P 500 came from just two stocks: Microsoft and Google's parent company, Alphabet.

These two, along with other tech behemoths, have increasingly been driving the market as the top five stocks in the S&P 500 account for roughly 18% of the index by market value. Alphabet will report its latest quarterly reports after markets close on Monday, while Microsoft reported much stronger-than-expected earnings last week.

Sony warns of China virus impact on raised forecast for year

TOKYO, Feb 4, (AP): Japanese electronics and entertainment company Sony Corp warned Tuesday that forecasts and results were at risk because of the new virus in China, as it reported a drop in fiscal third quarter on stumbling video game, networking and film businesses.

Tokyo-based Sony, which makes PlayStation video-game consoles,

Bravia TVs and Spider-Man films, said the impact of the virus was unclear, but production and sales of its image sensor division were at risk. The company promised to release any new forecasts as soon as possible.

The new coronavirus has caused more than 400 deaths in China, and confirmed cases have climbed to more than 20,000, mostly in China, since the outbreak started late last year.

Sony reported an October-December profit of 229.5 billion yen (\$2.1 billion), down from 429 billion yen a year earlier. Quarterly sales rose 3% to 2.46 trillion yen (\$22.6 billion). Both quarterly profit and sales were better than the FactSet forecasts.

Sony raised its profit forecast for the year through March 2020 to 590 billion yen (\$5.4 billion), up from an earlier projection of 540 billion yen

(\$5 billion) profit.

That still trails the 916 billion yen Sony earned in the fiscal year that ended in March 2019.

Sales and profit from Sony's PlayStation 4 business have been faltering. The PlayStation 5 is set to go on sale later this year. An announcement of an upgrade for a machine that's been on sale several years tends to dampen sales of the current model.

Sony's image sensors, used in a wide variety of smartphones and digital cameras, continued to be in demand, while sales of its electronics products including smartphones and TVs declined, the company said.

An unfavorable exchange rate also hurt earnings, it said.

Revenue from movies fell on-year partly because of the strong perfor-

mance the previous year of "Venom," a film about the Marvel comics superhero, according to Sony.

Higher sales from TV shows, including licensing revenue from the series "The Crown," were offset by higher expenses.

Sony's music operations benefited from publishing sales from the acquisition of EMI as well as streaming revenue.

exchange rates - Feb 04

	US dollar			Sterling pound			Euro			Japanese yen			Swiss franc			Canadian dollar			Swedish krona			Saudi riyal			UAE dirham			Bahraini dinar			Omani riyal			
	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer				
BEK	Buy	300550	302300	302300	389304	388803	388803	329280	331259	331259	002714	002714	002714	308388	309387	309387	223792	221791	221791	027540	027540	027540	080153	080653	080653	082311	081525	081525	801838	801019	801019	786168	779400	779400
	Sell	305100	304650	304650	342960	340259	340259	342960	340259	340259	002894	002894	002894	319388	316387	316387	232792	231791	231791	032540	032540	032540	081453	081293	081293	083139	082974	082974	809998	809519	809519	794069	790890	790890
Muzaini	Buy	297050	297050	297050	401940	401940	401940	399370	399370	399370	002781	002781	002781	313000	313647	313647	227000	228162	228162	031490	031490	031490	080622	080854	080854	082311	082589	082589	801838	804889	804889	786168	787906	787906
	Sell	304500	304500	304500	394000	394195	394195	334000	335379	335379	002800	002800	002800	321000	315819	315819	234000	229742	229742	031708	031708	031708	081432	081414	081414	083139	083161	083161	809998	810463	810463	794069	793364	793364
Commercial Bank	Buy	297000	303250	303250	402000	396924	396924	341000	337702	337702	002777	002777	002777	311947	311947	311947	226913	226913	226913	031394	031394	031394	080688	080688	080688	082371	082371	082371	800770	800770	800770	786269	786269	786269
	Sell	305600	305350	305350	402000	396924	396924	341000	337702	337702	002777	002777	002777	311947	311947	311947	226913	226913	226913	031394	031394	031394	080688	080688	080688	082371	082371	082371	800770	800770	800770	786269	786269	786269
Gulf Bank	Buy	303250	303250	303250	220747	220747	220747	333559	333559	333559	002820	002820	002820	318238	318238	318238	231499	231499	231499	031748	031748	031748	081798	081798	081798	083387	083387	083387	812057	812057	812057	797133	797133	797133
	Sell	305350	305350	305350	220747	220747	220747	333559	333559	333559	002820	002820	002820	318238	318238	318238	231499	231499	231499	031748	031748	031748	081798	081798	081798	083387	083387	083387	812057	812057	812057	797133	797133	797133
NBK	Buy	303250	303250	303250	394290	394290	394290	335240	335240	335240	002785	002785	002785	314280	314280	314280	225100	225100	225100	031321	031321	031321	080790	080790	080790	082510	082510	082510	803200	803200	803200	787150	787150	787150
	Sell	305350	305350	305350	394290	394290	394290	335240	335240	335240	002785	002785	002785	314280	314280	314280	225100	225100	225100	031321	031321	031321	080790	080790	080790	082510	082510	082510	803200	803200	803200	787150	787150	787150
Burgan Bank	Buy	303250	303250	303250	398700	398700	398700	339240	339240	339240	002818	002818	002818	318270	318270	318270	233100	233100	233100	031718	031718	031718	081560	081560	081560	083270	083270	083270	811240	811240	811240	794350	794350	794350
	Sell	303400	303400	303400	404920	404920	404920	338490	338490	338490	002818	002818	002818	318270	318270	318270	233100	233100	233100	031718	031718	031718	081460	081460	081460	083270	083270	083270	811240	811240	811240	794350	794350	794350
ABK	Buy	303250	300750	300750	393320	389800	389800	334140	331150	331150	002780	002780	002780	312180	312180	312180	022736	022736	022736	031331	031331	031331	080120	080120	080120	082100	082100	082100	797800	797800	797800	783950	783950	783950
	Sell	305350	306850	306850	398430	400730	400730	338920	340880	340880	002820	002820	002820	317230	317230	317230	023047	023047	023047	031331	031331	031331	081650	081650	081650	083470	083470	083470	812880	812880	812880	796570	796570	796570
KFH	Buy	301540	303250	303250	388685	391344	391344	331212	333545	333545	002770	002770	002770	311441	311441	311441	022744	022744	022744	031331	031331	031331	080727	080727	080727	082459	082459	082459	804035	804035	804035	787294	787294	787294
	Sell	307070	305350	305350	402035	397230	397230	341707	339030	339030	002816	002816	002816	316885	316885	316885	023081	023081	023081	031754	031754	031754	081490	0										