

BUSINESS

EU tells US: stop threatening our companies with sanctions

The European Union is warning the Trump administration to hold off threatening trade sanctions against EU companies involved in the completion of new German-Russian and Turkish-Russian natural gas pipelines and instead discuss differences as allies.

This week, the Trump administration warned companies involved in the projects they will be subject to US penalties unless they halt their work.

The move has further increased tension in already fraught US-European ties.

"I am deeply concerned at the growing use of sanctions, or the threat of sanctions, by the United States against European companies and interests," EU foreign policy chief Josep Borrell said in a statement, adding similar attempts had already been made in cases involving Iran, Cuba and the International Criminal Court.

"Where policy differences exist, the European Union is always open to dialogue. But this cannot take place against the threat of sanctions," Borrell said.

"European policies should be determined here in Europe, not by third countries."

US Secretary of State Mike Pompeo announced this week the administration is ending grandfather clauses that had spared firms previously involved in the pipelines' construction from sanctions authorized by the Countering America's Adversaries Through Sanctions Act, a 2017 law aimed at punishing Russia, in particular, for interference in US elections and other matters.

The move opens the door for US economic and financial penalties to be imposed on any European or other foreign company over the Nord Stream 2 and TurkStream pipelines, including those that had been working on the projects before the passage of the act and had been previously exempted from the penalties.

Borrell said that "as a matter of principle the European Union opposes the use of sanctions by third countries on European companies carrying out legitimate busi-

ness."

The Trump administration has lobbied Europe, particularly Germany, to abandon the pipelines, which it believes put Europe under greater influence from Russia, which has used its energy exports as political leverage.

Pompeo called the pipeline projects the "the Kremlin's key tools to exploit and expand European dependence on Russian energy supplies," which he said "ultimately undermine trans-Atlantic security." (Agencies)

Asian shares advance; gold extends gains

Investors focus on Federal Reserve meeting



A woman wearing a face mask walks past a bank's electronic board showing the Hong Kong share index at Hong Kong Stock Exchange in Hong Kong on July 28, 2020. Shares advanced in Asia on Tuesday after US stocks re-summed their upward march on Wall Street, while the price of gold pushed to nearly \$1,970 per ounce. (AP)

MITO, Japan, July 28, (AP): Shares advanced in Asia on Tuesday after US stocks resumed their upward march on Wall Street, while the price of gold pushed to nearly \$1,975 per ounce.

Benchmarks climbed in Hong Kong, Tokyo and Shanghai after the S&P 500 rose 0.7% overnight.

Much attention will be focused on a two-day meeting for the Federal Reserve that begins Tuesday, while hopes for more help for the American economy are rising as Congress debates another stimulus package.

The closure of the US Consulate in western China's Chengdu, following the shutdown of China's consulate in Houston, Texas, highlighted antagonisms between Washington and Beijing that are adding to jitters at a time when the coronavirus pandemic appears to be regaining its grip in parts of Asia, including Hong Kong, Japan and Vietnam.

Such "acute geo-political uncertainties and socio-political strains all align with preference for a currency-like, safe-haven hard asset such as gold at the expense of the U.S. dollar," Hayaki Narita of Mizuho Bank said in a commentary.

The price of gold jumped a fresh intraday high of \$1,974.70 an ounce on Tuesday before retreating slightly. As of 0530 GMT it was trading at \$1,932.60, up \$1.60.

Gold usually tends to rise when worries about the economy are high.

Share prices advanced across Asia, with Tokyo's Nikkei 225 index up 0.3% to 22,792.76 and the Hang Seng in Hong Kong adding 1% to 24,844.54. The Shanghai Composite index surged 1.1% to 3,241.44 and the S&P ASX/200 in Sydney gained 0.7% to 6,083.50.

South Korea's Kospi picked up 1.2% to 2,243.66.

The yield on the 10-year Treasury note ticked up to 0.62% from 0.60% late Monday.

Benchmark US crude gave up 8 cents to \$41.52 per barrel in electronic trading on the New York Mercantile Exchange. It gained 31 cents to settle at \$41.60 per barrel on Monday.

Brent crude, the international standard, added 6 cents to \$43.96 per barrel.

In currency dealings, the US dollar strengthened to 105.66 Japanese yen from 105.40 yen late Monday. The euro slipped to \$1.1727 from \$1.1752.

Wall Street's rally got back on track Monday, while gold rushed to a record at the start of a week packed with potentially market-moving events.

The S&P 500 rose 0.7% to more than recover all its losses from last week, as Apple and other tech giants returned to their winning ways. Nervousness was still hanging over markets, though, and gold briefly topped \$1,940 per ounce for the first time.

The S&P 500 climbed 23.78 points to 3,239.41. The Dow Jones Industrial Average rose 114.88, or 0.4%, to 26,584.77, and the Nasdaq composite gained 173.09, or 1.7%, to 10,536.27.

"If there ever was a week to pay attention, this is likely the one," Kevin Giddis, chief fixed income strategist at Raymond James, wrote in a report. "There is as much going on for the markets as there has been since the crisis began, and almost all of it has some potential meaning on the future of the US economy."

At the head of the pack is a two-day meeting for the Federal Reserve on interest rates that begins Tuesday. The Fed helped end the market's sell-off in March, catapulting it into a tremendous rally, after promising to keep interest rates at record lows and to hoover up a wide range of bonds to support the economy. Investors

are waiting to hear what the Fed says this week about the economy's prospects and what it plans to do on interest rates.

This week is also a busy one for corporate earnings, with more than a third of the companies in the S&P 500 scheduled to report how they fared from April through June.

So far, profit reports have been better than Wall Street forecast, though still far weaker than a year earlier because of the recession. Companies that have reported results topping expectations, though, have been getting a smaller bump than usual versus the rest of the market the following day, analysts wrote in a BofA Global Research report.

Several of the market's most influential companies are scheduled to report this week, including Amazon, Apple, Facebook and Google's parent company. Those four account for 16% of the S&P 500's total value, which gives their movements outsized influence on the index.

Such tech-oriented giants have cruised through much of the pandemic on expectations that they can continue to grow regardless of whether the economy is quarantined. But critics say their stocks have bubbled too high, even after accounting for the huge profits they produce.

The tech titans stumbled last week on such concerns, which helped pull the S&P 500 to its first weekly loss in four weeks.

Worries about an uptick in layoffs across the country also hurt stocks last week, as businesses close down again amid rising coronavirus counts across much of the Sun Belt. An extra \$600 in weekly unemployment benefits from the US government is set to expire soon, and Congress is still arguing about how to offer more aid for the economy.

The Trump administration's chief negotiators spent the weekend on Capitol Hill working on a relief bill, though Democrats and Republicans

MSCI announces alliance with Microsoft

WASHINGTON, July 28, (Agencies): MSCI Inc and Microsoft Corp have formed a strategic alliance to accelerate innovation among the global investment industry. By bringing together the power of Microsoft's cloud and AI technologies with MSCI's global reach through its portfolio of investment decision support tools, the companies will unlock new innovations for the industry and enhance MSCI's client experience among the world's most sophisticated investors, including asset managers, asset owners, hedge funds and banks.

Initially, the companies will focus on migrating MSCI's existing products, data and services onto Azure as its preferred cloud platform in stages, starting with its Index and Analytics solutions followed by its Environmental, Social and Governance (ESG) products and ratings; Real Estate data and solutions; and MSCI's risk analytics platform Beon. By modernizing MSCI's data and analytics services and infrastructure, the compa-

nies will be able to deliver new capabilities which will help investors more swiftly and efficiently manage data and understand the drivers of risk and performance.

In addition, MSCI and Microsoft will explore collaboration opportunities to drive climate risk and ESG solutions, leveraging Microsoft's Azure and Power Platform and MSCI's ESG and climate solutions capabilities. This future collaboration, in line with both organizations' commitment to sustainability, is intended to help investors better understand and interpret the business risks and opportunities that climate change brings.

"Investors' needs to rapidly innovate and adapt as strategies and business models evolve, build and manage big data, and improve operational efficiencies are growing at a critical speed around the world," said Henry Fernandez, Chairman and CEO of MSCI. "Our strategic alliance with Microsoft underscores MSCI's commitment to

driving relentless innovation in the technology of our products and services to help investors achieve their desired investment outcomes."

"Our strategic collaboration with Microsoft is the latest step in our long and established heritage of innovation and we are excited about the long-term potential of this relationship," added Jigar Thakkar, Chief Technology Officer and Head of Engineering at MSCI. "MSCI is a future-focused business and Azure enables us not just to enhance our capabilities and client solutions of today, but also provide the platform to accelerate our journey in building world-class technology and tools to solve the investment industry's challenges of tomorrow."

"Investors rely on cutting-edge technologies to deliver intelligent insights, manage risk and detect anomalies so they can help customers achieve their investment goals," said Scott Guthrie, Executive Vice-President, Cloud + AI, Microsoft.

Mabane gains 11 fils, Thuraya dips

Kuwait bourse forges ahead, volume swells

By John Mathews
Arab Times Staff

KUWAIT CITY, July 28: Kuwait stocks forged ahead on Tuesday extending last session's robust gains. The All Shares Index soared 96.06 points in a broad advance to 5018.37 points led by blue chips even as the overall mood turned cheery.

The Premier Market spiked 136.67 pts to 5488.8 points while Main Market climbed 14.55 pts. The BK 50 Main Index scaled 33.73 points to close at 4063.6 pts. The volume turnover meanwhile raced past the 100 million mark. Over 124 million shares changed hands - a 96 pct surge from the day before.

All sectors, barring one, closed in green. Banking sector outpaced the rest with 2.49 pct gain whereas Basic Materials, the only loser, fell 0.22 percent. Financial Services topped the volume with 47.3 million shares while Banking sector were ahead in value with KD 15.9 million.

Among the standout performers, sector bellwether National Bank of Kuwait extended its last session's gains with 27 fils jump to 800 fils on back of 5.5 million shares while Kuwait Finance House paced 15 fils after pushing 8.4 million shares and settled at 8.4 million shares. Mabane Co continued to shine with 18 fils gain.

Zain climbed 12 fils to 554 fils on back of 3.7 million shares and Ooredoo gained 8 fils. STC was up 5 fils at 840 fils and logistics major Agility sprinted 18 fils to 645 fils with a volume of 3.5 million shares. Humansoft Holding soared 118 fils to KD 2.728 and KIPCO took in 1 fil.

The market opened firm and pulled higher in early trade. The main index drifted sideways thereafter as sentiment turned mixed before revving up in the final hour amid buying spurt in most of the blue chips. It turned flat again before closing with strong gains.

Top gainer of the day, ALOLA rallied 20.25 pct to 27.8 fils and Argan Real Estate climbed 9.59 pct to stand next. Thuraya skidded 9.93 percent, the steepest decliner of the day and ALOLA also topped the volume with 24.7 million shares.

Reflecting the day's rally, the market spread was skewed towards the gainers. 65 stocks advanced whereas 39 closed lower. Of the 115 counters active on Tuesday, 11 closed flat. 7,588 deals worth KD 27.17 million were transacted during the session.

National Industries Group rose 3 fils to 159 fils and Mezzan Holding took in 2 fils. Boubyan Petrochemical Co extended last session's losses with 25 fils drop to 525 fils while Al Qurain Petrochemical Co gained 11 fils. Integrated Holding Co eased 1 fil to 379 fils and Gulf Petroleum Investment inched 0.4 fils higher to 14.6 fils.

Jazeera Airways swung 9 fils higher to 605 fils and ALAFCO dialed up 2 fils. OSOS added 2.7 fils with razor thin trading whereas Invest trimmed 1 fil before settling at 57 fils. Oula Fuel took in 2 fils and Soor Fuel slipped 3 fils to 107 fils. IFA Hotels and Resorts inched 0.1 fils into red and FuturKid clipped 2 fils.

Kuwait Cement Co fell 2 fils to 166 fils and Kuwait Portland Cement gave up 5 fils. Gulf Cable climbed 14 fils to 548 fils and ACICO was down 3 fils at 102 fils. Educational Holding Group gained 10 fils and Kuwait Hotels erased 4.1 fils.

Combined Group Contracting Co added 3 fils on back of 1.7 million shares and SPEC dialed up 1.5 fils. Kuwait and Gulf Links Transport Co edged 0.9 fil up and KGL Logistics inched 0.5 fil into green.

The market has been largely upbeat so far during the week and has gained 144 points in last three sessions. It has tumbled 301 points from start of the month and is down 1,353 points year-to-date.

cash prizes worth KD250 each

KFH Announces Winners of "Win with Hesabi" 12th draw



Kuwait Finance House (KFH) announced the winners of the 12th draw of "Win with Hesabi" campaign that offers 3 Jeep Wrangler Sport cars and 120 cash prizes worth KD250 each.

The draw was held at KFH Headquarters under the supervision of the Ministry of Commerce and Industry.

The winners are: Taif Al-Shaibah, Shaikhah Al-Khaldi, Batool Al-Otaibi, Waleed Al-Saad, Dana Al-Azmi, Sultan Al-Sultan, Muneerah Al-Najim, Deemah Al-Azmi, Sarah Al-Mousab and Farah Al-Enzi.

This campaign comes as part of KFH continuing efforts to add value to Hesabi customers including advantages, discounts, prizes and exclusive rewards.

Once the social allowance is transferred to Hesabi program, customers enter the monthly draw on 10 prizes of KD250 each, in addition to 3 special draws on Jeep Wrangler Sport cars.

KFH offers "Hesabi for Youth" with a variety of privileges as part of its continued endeavor to provide adequate customer care, innovate new products and services and fulfill the needs of all customers of various age categories and interests. Services and products are tailored to suit customers' needs and provide distinguished service as per global standards regarding quality, accuracy and speed.

Hesabi" program has been designed to meet the needs of youth and aspire for their active life style. This program presents for youth many exclusive offers and a wide range of privileges including Hesabi ATM card with a unique design, eligibility to issue Hesabi prepaid card (as per credit regulations of KFH), distinguished offers and discounts etc.

KFH continues to launch marketing campaigns to reward youth customers. Hesabi for Youth represents the ambitions and expectations of youth category and copes with KFH aspirations to attract the largest portion of youth who represents the major part of Kuwaiti society. Also, the account represents KFH initiative to diversify banking services and products •