

**Kuwaiti oil up**

The price of Kuwaiti oil went up by 97 cents to USD 63.52 per barrel Wednesday as oppose to USD 62.55 pb the day before, said the Kuwait Petroleum Corporation (KPC) Thursday. The OPEC basket went up by USD 1.54 to USD 63.39 per barrel on Wednesday as oppose to USD 61.85 last Tuesday, said the bulletin for the international organization Thursday. The annual price of the OPEC basket in 2020 was at USD 41.47 pb. (KUNA)

**EU court rejects 2 Ryanair challenges**

A top European Union court dealt another blow to Ryanair on Wednesday and rejected the low-cost carrier's arguments that the aid Sweden, Denmark and Finland gave two other airlines to get through the COVID-19 crisis was illegal. The Luxembourg-based EU General Court said the subsidies Denmark and Sweden granted to Scandinavian carrier SAS "comply with EU law." It said likewise of a Finnish loan guarantee for Finnair. The General Court handed down two

similar decisions two months ago in different cases involving France and Sweden. The EU's executive arm, the European Commission, which polices state aid and other competition issues, has approved several aid plans for struggling airline companies in the wake of the pandemic, especially after border closures and other restrictions halted most air travel. Ryanair had argued that the aid constituted unfair state bailouts for national carriers. (AP)



In this file photo, a Ryanair airplane approaching landing at Lisbon airport flies past the Monument to the Heroes of the Peninsular War, (in the foreground). A top European Union court rejected the low-cost carrier's arguments that the aid Sweden, Denmark and Finland gave two other airlines to get through the COVID-19 crisis was illegal. (AP)

# Asia mixed after Wall St slips from record

Crude oil prices retreat, dollar weakens against yen

**BEIJING, April 15, (AP):** Asian stock markets were mixed Thursday after Wall Street retreated from a record high as major banks reported strong profits.

Shanghai, Hong Kong and India declined. Tokyo, Seoul and Sydney advanced. Goldman Sachs, JPMorgan Chase and Wells Fargo announced quarterly earnings that beat forecasts. Much of the surge was due to strong trading revenue and expectations for better economic performance, which allowed banks to free up reserves held against the possibility loans might go bad.

The results showed "investment banking and trading are strong and that the party will go on for a couple more quarters," said Edward Moya of Oanda in a report.

The Shanghai Composite Index lost 1% to 3,382.40 while the Hang Seng in Hong Kong declined 0.8% to 28,666.99.

The Nikkei 225 in Tokyo gained less than 0.1% to 29,623.41. The Kospi in Seoul added 0.6% to 3,201.27 while the S&P-ASX 200 in Sydney was up 0.6% at 7,065.10.

India's Sensex opened down 0.6% at 48,227.21. New Zealand and Jakarta declined while Singapore advanced.

In early trading, the FTSE 100 in London rose 0.4% to 6,970.02. The DAX in Frankfurt added 0.3% to 15,257.13 and the CAC 40 in Paris advanced 0.2% to 6,222.15.

On Wall Street on Wednesday, the S&P 500 declined to 4,124.66. The Dow Jones Industrial Average rose 0.2% to 33,730.89. The Nasdaq composite dropped 1% to 13,857.84.

Apple and Amazon declined, but the majority of stocks in the S&P 500 rose.



In this photo provided by the New York Stock Exchange, traders work on the floor, Wednesday, April 14, 2021. Asian stock markets were mixed Thursday after Wall Street retreated from a record high as major banks reported strong profits. (AP)

Smaller companies rallied amid growing optimism as coronavirus vaccines are rolled out and businesses reopen. The Russell 2000 index of small-cap stocks climbed 0.8%.

Coinbase Global, an exchange for bitcoin and other digital currencies, closed at \$328.28 per share on its first trading day after surging to \$430 from an opening price of \$381. At that

price, investors say the company is worth more than \$85 billion, more valuable than Nasdaq or Intercontinental Exchange, the owner of the New York Stock Exchange.

Investor expectations are high as other companies prepare to report quarterly profits. Goldman Sachs rallied 2.3%, but JPMorgan Chase fell 1.9%. Wells

Fargo jumped 5.5%, but only after swerving from an early-morning loss.

Also Wednesday, Federal Reserve Chairman Jerome Powell said again the US central bank will wait to raise interest rates until the job market has healed and inflation is on track to stay above 2%.

In energy markets, benchmark US crude lost 24 cents to \$62.91 per barrel in electronic trading on the New York

Mercantile Exchange. The contract rose \$2.97 on Wednesday to \$63.15. Brent crude, used to price international oils, shed 24 cents to \$66.34 per barrel in London. It gained \$2.91 the previous session to \$66.58.

The dollar edged down to 108.77 yen from Wednesday's 108.94 yen. The euro rose to \$1.1984 from \$1.1970.

**TSMC's profit up 16.7% in first qtr**

TAIPEI, Taiwan, April 15, (AP): Taiwan Semiconductor Manufacturing Co., the world's biggest contract manufacturer of processor chips, said Thursday quarterly profit rose 16.7% over a year ago as global demand strengthened.

Profit after tax rose to 139.6 billion New Taiwan dollars (\$4.9 billion) for the three months ending in March, the Taipei-based company announced. Total revenue rose 16.7% over a year ago to 362.4 New Taiwan dollars (\$12.8 billion).

TSMC makes chips for major brands including Apple Inc and Qualcomm Inc.

The pandemic boosted demand for electronic equipment as more people worked from home. The revival of the global economy also has helped to rebuild demand for autos and other consumer goods that depend on processor chips.

TSMC this month announced plans to invest \$100 billion in the next three years to expand manufacturing and in research and development.

Most semiconductors used in smartphones, medical equipment, computers and other products are made in Taiwan, South Korea and China. That has prompted concern in the United States that possible excessive reliance on foreign sources.

TSMC previously announced plans to invest \$3.5 billion in a manufacturing site in North Phoenix, Arizona. TSMC also operates a semiconductor wafer fabrication facility in Camas, Washington, and design centers in San Jose, California, and Austin, Texas.

**'Our companies worked hard to mitigate the pandemic's impact; efforts are reflected in 2020 results'**

## KIPCO looks guardedly to 2021 as pandemic's impact continues to unfold

**At its Annual Shafafiyah 'Transparency' Investors' Forum, KIPCO – the Kuwait Projects Company (Holding) – said that it would remain guarded about 2021, as it closely monitors the impact of the ongoing COVID-19 pandemic on business.**

At the company's investors' forum, KIPCO presented a review of its activities in 2020 and its outlook for 2021. In line with the health authorities' guidelines regarding social distancing, the event was broadcast live to an audience of shareholders, financial analysts and institutional investors.

**Annual General Assembly**

The forum followed the company's General Assembly meeting where KIPCO's shareholders approved a cash dividend of 5% (5 fils per share). An Extraordinary General Assembly was also held, during which the shareholders agreed to raise the company's authorized capital from KD 200 million to KD 300 million.

**Highlights of 2020**

As part of its review of 2020, KIPCO highlighted a growth in revenue to KD 753 million (US\$ 2.5 billion) in 2020, compared to KD 698 million (US\$ 2.3 billion) in 2019.

The company's 2019 financials were restated during 2020 due to a change in the classification of OSN after an increase in ownership.

Despite the challenges that came with the COVID-19 pandemic, in July 2020, KIPCO successfully repaid bonds worth US\$ 500 million (KD 153.9 million) under its EMTN Program, using existing resources. The transaction has left KIPCO with no debt maturity until 2023 and is a reflection of the soundness of the company's financial strategy and its proactive management of liabilities.

**Performance of Group companies**

KIPCO highlighted the performance of its main operating companies in 2020. Burgan Bank reported a net income of KD 34 million (US\$ 112 million). The bank's capital adequacy ratio was at 18%, and it enjoyed stable asset quality with non-performing assets at 3.5%.

Gulf Insurance Group's (GIG) net profit was up 22% and gross written premiums (GWP) increased 13%. During the year, the company announced the acquisition of AXA's operations in the Gulf region which, when complete, will place GIG as one of the top three insurance companies in the region.

United Gulf Holding (UGH) completed a rights issue of US\$ 70 million in 2020. Its subsidiary, Kamco Invest, launched its new identity following the completion of its integration with Global Investment House.

KIPCO's real estate arm, United Real Estate (URC), was



affected by the closure of hospitality and retail activities due to the pandemic and gave exemptions and lower leasing rates to its tenants. Despite this, the company reported a revenue of KD 97 million (US\$ 320 million). URC also began the construction of Byout Hessah, a residential component in Hessah Al Mubarak District. Qurain Petrochemical Industries (QPIC), meanwhile, registered a 12% growth in revenue to KD 240 million (US\$ 791 million) for the 12 months of 2020 (its financial year starts in April). Despite lower oil prices, QPIC reported a net profit of KD 22 million (US\$ 72.5 million) for the 12 months of 2020.

Meanwhile, the Saudia Dairy and Foodstuff Company (SADAFCO) registered a 10% growth in revenue and 11% increase in net profit for the 12 months of 2020 (its financial year starts in April). The company maintains a healthy cash balance of SAR 691 million (US\$ 184 million) with zero leverage.

United Education Company (UEC) reported a revenue of KD 27 million (US\$ 89 million) and a net income of KD 1.8 million (US\$ 6 million) for the financial year ended August 31, 2020. To ensure that its students continued to receive quality education online, the company launched several digital platforms and study aids.

As for OSN, KIPCO said that the hard and long journey of transformation was in progress. The pay-tv and on-demand video operator ranks among the top three streaming players, with OTT subscribers up from 80,000 in April 2020 to 450,000 in February 2021. A best-in-



class technology platform is set to be launched in the second quarter of 2021 to further enhance subscriber experience.

OSN's strong content lineup now includes Paramount+, with Discovery+ to be added soon. Three original Arabic content series were released in 2020, with plans to double investments in Arabic content in 2021. Partnerships with all major telecommunication companies are now in place, and OSN has begun engaging non-telecom vendors to strengthen its positioning.

During 2020, OSN registered improved financial performance, following the completion of its operational turnaround. It also downsized costs after negotiating contracts with major studios and controlling operational expenses. A financial turnaround is expected in the second half of 2021.

**Focus in 2021**

KIPCO highlighted the focus areas of its main operating companies in 2021. Burgan Bank will be enhancing the operations of its Turkey franchise, while fine-tuning its business model overall. The bank will launch and monetize its digital products during the year.

GIG, meanwhile, will focus on the AXA integration, thereby reinforcing GIG's position in key markets.

As for OSN, it will continue to grow its customer base and revenue from the OTT platform, in addition to launching products that meet premium customer needs. The pay-tv and on-demand video company will continue to reduce costs and diversify content supply.

In 2021, URC will focus on returning revenue to pre-COVID levels, as progress continues in its residential projects in Hessah Al Mubarak District.

QPIC is expected to benefit from the recovery of oil prices and will continue to evaluate inorganic growth through acquisitions.

As for UGH, the company will look to exit non-core assets in 2021 and re-invent its operating model.

UEC, which has delivered its learning and programs effectively during the pandemic, will continue its digital transformation journey in 2021.

**Outlook for 2021**

In its outlook for 2021, KIPCO said that it remained guarded about this year, as it closely monitors the business impact of the pandemic. Whilst there is hope that the vaccine rollout will curb the spread of the virus, the second wave of the pandemic continues to pose a challenge despite efforts to bring economic activities back up to pre-COVID levels. Oil prices, however, are forecast to average US\$ 20 higher than last year, promising a more positive impact on the market at large.

KIPCO said it would continue to monitor the global impact of the pandemic as the year unfolds. Mr Faisal Al Ayyar, KIPCO's Vice Chairman (Executive) said:

"Throughout 2020, our companies worked hard to mitigate the impact of the COVID-19 pandemic. The rewards of these efforts are reflected in the results of the past year. Despite the highly conservative requirements of the Central Bank of Kuwait, Burgan Bank fared well in 2020. GIG continues to perform well, and successfully acquired AXA's operations in the Gulf. While the impact of closures on retail and hospitality was significant, URC's projects in Hessah Al Mubarak District continued uninterrupted. Both QPIC and its subsidiary, SADAFCO, recorded growth in revenue during the past year."

**He added:**

"It is evident that the virus will remain with us for some time to come, and though people have begun to adjust their way of life to take precautions against an invisible disease, we remain guarded about 2021. As we face a second wave of the pandemic, we hope that the rollout of the vaccine will bring us closer to the end of the pandemic."

