



June 27 — July 1, 2016

HEADLINES

GLOBAL MARKETS

- S&P cutting European Union's credit rating to "AA"
- U.S. Q1 growth exceeding previous estimates; S&P cuts growth forecasts after Brexit
- Canada's economy posting first growth in 3 months
- German unemployment extending decline in June; inflation at 5-month high
- Japan industrial production dropping while inflation falls for 3rd month

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AUSTRALIA

Australian shares market ending this week up by 2.61%. Major story picks:

- BHP, Vale to fight reinstated \$6 billion claim for Samarco disaster
- Telstra blaming year's seventh internet outage on faulty device
- Chevron suspending Gorgon LNG production after gas leak
- Telecom firm Vocus buying rival, gains ground on market heavyweights
- Icon Group expecting majority owner Quadrant to seek IPO by mid-2017
- Mayne Pharma shares soaring after U.S. drug deal
- Asciano resolving dispute gnawing at \$6.8 billion buyout

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GREECE/CYPRUS

- Greek central bank chief sees QE participation at end of 2016
- Greek parliament rubber-stamping sale of Piraeus stake to COSCO
- Greek bank deposits edging up in May after four-month decline
- Greek retail sales falling 1.5% YoY in April
- Bank of Cyprus says London listing plans unchanged

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- Egypt bourse securing \$4.3 billion finances for national projects in 3 years
- Saudi, Japanese officials to discuss investment into Aramco IPO—minister
- Saudi Aramco and SABIC signing oil-to-chemicals project deal
- Saudi Electricity getting \$1.5 billion loan from China's ICBC
- Abu Dhabi fund IPIC recording \$2.6 billion loss due to low oil price
- Oman oil company PDO raising \$4 billion of project financing

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in DEPTH

A quick look over major political and economic events after the historic Brexit vote

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STOCK MARKETS

INDEX	PRICE	1 W %	HIGH	LOW
DJIA	17,949.37	3.15%	18,002.38	17,063.08
S&P 500	2,102.95	3.22%	2,108.71	1,991.68
NASDAQ	4,862.57	3.28%	4,880.17	4,574.25
ASX 200	5,246.61	2.61%	5,278.90	5,051.00
EUROX 50	2,883.06	3.85%	2895.19	2678.27
FTSE 100	6,577.83	7.15%	6,587.44	5,958.66
DAX	9,776.12	2.29%	9,806.47	9,214.10
CAC40	4,273.96	4.07%	4,288.72	3,955.98
NIKKEI 225	15,682.48	4.89%	15,781.69	14,987.79

FX & COMMODITIES

(vs US\$)	PRICE	1 W %	HIGH	LOW
EUR	1.1136	0.17%	1.1169	1.0971
GBP	1.3267	-3.01%	1.3566	1.3121
AUD	0.7498	0.43%	0.7503	0.7325
NZD	0.7175	0.72%	0.7198	0.6981
JPY	102.52	-0.29%	103.39	101.41
CHF	0.9733	-0.13%	0.9837	0.9707
CAD	1.2912	0.71%	1.312	1.2866
GOLD	1341.35	1.95%	1344.52	1305.60
SILVER	19.76	11.35%	19.90	17.53
U.S. CRUDE	48.99	2.83%	50.00	45.83
B. CRUDE	50.35	4.01%	50.74	46.69

WEEKLY ECONOMIC CALENDAR

DAY	EVENT	EST.	PRIOR
Jul 4	US Holiday		
Jul 5	AU RBA Policy Meeting		
Jul 5	AU Trade Balance	-1.72B	-1.79B
Jul 5	UK BoE Fin Stability Rep		
Jul 5	Eurozone Services PMI	52.5	52.4
Jul 6	US FOMC Minutes		
Jul 6	Canada Trade Balance	-2.6B	-2.9B
Jul 6	US ISM Non-Manufact	53.3	52.9
Jul 7	UK Manufact Product	1.2%	2.3%
Jul 7	US ADP Nonfarm Empl	158k	173k
Jul 8	Canada Jobs Report		
Jul 8	US Jobs Report		

S&P cutting EU rating to AA

S&P Global Ratings said Thursday that it has lowered its long-term credit rating on the European Union to AA from AA+. The ratings agency said it reassessed its outlook after the U.K. voted last week to leave the EU. S&P said this move "lessens the supranational's fiscal flexibility, while weakening political cohesion." "We think that, going forward, revenue forecasting, long-term capital planning and adjustments to key financial buffers of the EU will be subject to greater uncertainty," S&P said in a statement. S&P also said that its previous rating reflected its "baseline scenario was previously that all 28 member states would remain inside the EU." The firm also said the outlook is stable.

S&P cutting U.S. growth forecast

S&P Global Ratings lowered its forecast for US economic growth Friday, citing UK's vote last week to leave the European Union. The global ratings company said it now expects US real GDP to grow by 2.0% this year, down from 2.3% previously, and 2.4% next year, down from 2.5% before. S&P said it also sees a 20% to 25% chance of a recession in the next 12 months, up from a 15% to 20% forecast previously. The report also estimated that the Federal Reserve won't increase interest rates until its December meeting, will raise rates three times in 2017, and three more times in 2018. S&P expects the Fed to reach its "neutral" interest rate by 2019.

U.S. Q1 economic growth exceeding previous estimates

The world's largest economy expanded more than previously projected in the first quarter as improved performance in trade and business investment more than made up for weaker consumer spending. Gross domestic product, the value of all goods and services produced, rose at a 1.1% annualized rate, compared with a previously estimated gain of 0.8%, a Commerce Department report showed Tuesday in Washington. Corporate profits at the start of the year were also revised up, giving a brighter picture to gross domestic income. The economy shows signs of accelerating so far this quarter as the drivers of growth have switched, with consumer spending rebounding while business investment lags behind.

Canada's economy posting first growth in 3 months

Canada's gross domestic product eked out the first gain in three months in April, as the real estate boom in Toronto and Vancouver and robust consumer spending offset weakness in oil production, at least for a month. Output grew 0.1%, Statistics Canada said Thursday in Ottawa. The increase follows declines of 0.2% in March and 0.1% in February. Canada is becoming increasingly reliant on households to drive growth in an economy ravaged by the oil crisis, with the data poised to only get worse when the impact of Alberta's May wildfires gets factored in. Bank of Canada Governor Stephen Poloz signaled this month the economy probably shrank in Q2.

German unemployment declining "before" Brexit vote

German unemployment extended its decline in June, signaling economic growth remained robust before Britons unexpectedly voted to exit the European Union. The number of people out of work fell by a seasonally adjusted 6,000 to 2.69 million, data from the Federal Labor Agency in Nuremberg showed on Thursday. The jobless rate remained unchanged at a record low of 6.1%. German companies shrugged off the risk of the U.K. quitting the EU before a June 23 referendum, with business confidence rising to the highest level since November and private-sector growth accelerating to the fastest pace this year.

German inflation hitting 5-month high

German annual inflation hit a five-month high in June, in encouraging signs for the European Central Bank as it frets over persistently low inflation across the euro zone. Economists have warned that Britain's decision to leave the European Union could further dampen growth and inflation across the euro zone, raising expectations that the ECB may beef up its monetary stimulus. German consumer prices, harmonized to compare with other European countries (HICP), rose by 0.2% on the year after being unchanged in May, the Federal Statistics Office said. A breakdown of non-harmonized inflation data showed that energy prices remained the main drag on the headline figure, but they fell less sharply than in the previous month. Costs for food and services increased faster than in May. The German data came after Spain's National Statistics Institute said Spanish consumer prices fell slightly less than expected in June, dropping 0.9% year on year against a forecast of 1.0%. In Spain, which depends heavily on energy imports, EU-harmonized consumer prices have been deep in negative territory for almost a year and have not topped 2% in around 3 years, weighed down by low global oil prices.

Japan industrial production dropping

Japan's industrial production declined more than economists forecast as a drop in exports hit most of the country's manufacturing sectors. Output declined 2.3% in May from April when it rose 0.5%, the trade ministry reported on Thursday. The weak reading on production, along with Wednesday's report that retail sales were flat in May and data showing another monthly drop in exports, adds to concern that Japan's recovery is faltering after the economy returned to growth in Q1. Output dropped in 11 of 15 sectors, with chemicals excluding pharmaceuticals the biggest contributor to the overall decline. Other categories that also contributed to the drop were general purpose machinery and electronic parts and devices.

Japan's consumer prices fall for 3rd month

Japan's consumer prices continued to slide in May, putting more pressure on the Bank of Japan to expand monetary stimulus at its meeting later this month. Consumer prices excluding fresh food fell 0.4% in May from a year earlier, after dropping 0.3% in April and March, according to a statistics bureau report on Friday.



A week after the historic Brexit vote

Major Economic Data & Events

U.K. banks get BOE help with capital minimums in weaker economy

U.K. banks made it through the initial Brexit turmoil without undue stress on their liquidity or borrowing costs. Now the Bank of England is moving to reassure investors that even a recession, and the potential impact on earnings and asset prices, won't put them at risk of breaching minimum capital levels. With the economic outlook darkening after the nation's decision to leave the European Union, the central bank will announce as soon as next week that lenders won't be required to set aside extra capital next year under a measure known as the countercyclical capital buffer, people with knowledge of the discussions said. The buffer is designed to guard against the cycle of banks excessively boosting lending in good times, then slashing credit in a downturn.

Carney signaling rate cuts

Mark Carney signaled the Bank of England could cut interest rates within months as the central bank tries to shield an economy rattled by the shock of Brexit and the chaos engulfing Britain's political classes. In his second televised address since the country voted to leave the European Union, the governor said on Thursday that officials won't hesitate to act when it comes to safeguarding the economy or the resilience of the financial system. The BOE will also continue its liquidity auctions for banks on a weekly, rather than monthly, basis and consider a "host of other measures." The pound slumped as investors increased bets on a rate cut by August.

Fitch and S&P downgrading UK's credit rating to "AA"

The U.K. was stripped of its top credit grade by S&P Global Ratings, and Fitch Ratings also lowered its rank, the latest crushing verdicts on the country's decision to leave the European Union that has left it in political and economic paralysis. S&P reduced the grade by two steps to AA from AAA, citing the risk of a less predictable, stable, and effective policy framework in the U.K. Fitch cut its credit rank by one step, to an equivalent level. Both have negative outlooks. The downgrade "reflects the risks of a marked deterioration of external financing conditions" and constitutional issues arising from the majority of voters in Scotland and Northern Ireland having opted to remain in the EU, according to S&P. Fitch cited the likelihood of "an abrupt slowdown" in economic growth.

U.K. consumer confidence down

U.K. consumer confidence dropped this week after the country voted to leave the European Union, according to a survey. YouGov Plc and the Centre for Economics and Business Research said their daily tracker of sentiment has dropped to the lowest in more than two years. From a level of 111.9 earlier in the month, it has since slumped to 104.3. Also released on Thursday, a separate report from GfK showed that households' faith in the economic outlook was shaky even before the referendum on June 23. The vote has created uncertainty about the possible future relationship of the U.K. and the EU, further complicated by Prime Minister David Cameron's decision to resign and leave his successor to start formal exit negotiations. That's increased tensions with other European leaders, who excluded Cameron from a meeting in Brussels on Wednesday and want the process to start soon.

UK current account gap remaining near record high "before" Brexit vote

Britain's current account deficit remained near an all-time high in early 2016, official data showed on Thursday, highlighting its reliance on foreign financing and the risk of more pressure on its currency after it voted to leave the European

Union. The deficit edged down to 32.6 billion pounds (\$43.86 billion) in the first quarter from 34.0 billion pounds in the last three months of 2015. Bank of England Governor Mark Carney said before the EU vote that leaving the bloc would test the "kindness of strangers" who cover Britain's balance of payments shortfall. Earlier this week sterling fell to its lowest against the dollar since 1985 in response to the referendum result - something that may help narrow the deficit as it makes British exports cheaper and increases the value of foreign currency returns from Britain's overseas investments. As a percentage of GDP, the first-quarter deficit was 6.9%, only just off a record of 7.2% set in the fourth quarter, which was the highest since three-monthly records started in 1955 and far more than in other advanced economies. For 2015 as a whole, the deficit was revised up to 5.4% of GDP, the highest for a full year since annual records began in 1948.

U.K. house prices steady in June "before" Brexit vote

U.K. house prices continued their steady advance in June, rising by 0.2% for a third month, Nationwide Building Society said. Values increased 5.1% from a year earlier, the lender said on Wednesday. That lifted the average price to 204,968 pounds (\$273,000). The outlook for Britain's housing market has altered in the past week after the U.K. voted to leave the European Union. With uncertainty about the economy on the rise and the country possibly heading for a recession, that could undermine property demand and halt price gains. The market was boosted at the start of the year when investors brought forward purchases to beat a tax change that came into effect in April. Nationwide said it will be difficult to assess whether the likely drop in transactions will be due to the investor timing or the impact of the referendum result. "This Brexit vote is a knock to confidence, particularly in London," Richard Donnell, research director at property assessor Hometrack, said on Bloomberg Television. "The fundamentals remain. There's still lots of demand, we're not building enough homes. The question is who's motivated to transact in the near term."

Major Political Events

June 27 - George Osborne, the Chancellor who campaigned strongly for Remain, appeared again after a quiet weekend to talk contingency plans for the economy. George Osborne has said the UK is ready to face the future "from a position of strength" and indicated there will be no immediate emergency Budget. He said there would still need to be an "adjustment" in the UK economy. However, it was "perfectly sensible to wait for a new prime minister" before taking any such action. He also said that only the UK could begin the process of leaving the EU by triggering Article 50 of the Lisbon Treaty. The chancellor made the comments in a statement aimed at calming financial markets after the Brexit vote triggered market turmoil on Friday. He had not spoken since the Leave campaign won Thursday's referendum.

June 29 - Angela Eagle emerged as the main challenger to Jeremy Corbyn for the Labour leadership, although she held off announcing her challenge, hoping for Mr Corbyn to resign and avoid a possibly acrimonious contest. A few hours before she planned to make the formal announcement that she was a candidate, Ms Eagle decided to give the Labour leader more time to decide whether he really wants to carry on.

Labour's leftwing party leader, Jeremy Corbyn, was elected only in 2015 by a Bernie Sanders-style upsurge among party activists. Last week, he saw more than half his senior colleagues resign their posts and back a parliamentary vote of no confidence (by 170 MPs to 40) in his leadership.

June 30 - Boris Johnson, one of the leading voices in the Brexit campaign and the man considered to be the favorite to replace outgoing Prime Minister David Cameron, delivered a bombshell Thursday when he announced he didn't want the job. The former London mayor outlined the demands of the role over the course of a lengthy speech in London and then said: "Having consulted colleagues and in view of the circumstances in Parliament, I have concluded that that person cannot be me."



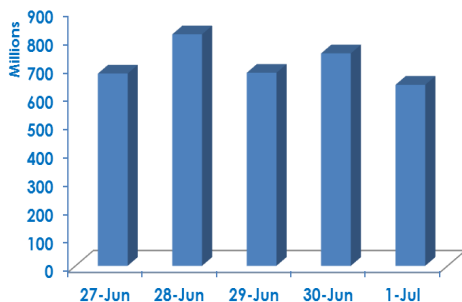
STOCK MARKET TOP MOVERS

ASX / SP 200	Price	1 W %
	5,246.61	2.61%
GAINERS		
MAYNE PHARMA GROUP LTD	1.875	30.73%
MESOBLAST LTD	1.240	17.54%
SEVEN GROUP HOLDINGS LTD	6.350	14.41%
FORTESCUE METALS GROUP LTD	3.630	11.01%
METCASH LTD	1.985	10.89%
LOSERS		
HENDERSON GROUP PLC-CDI	3.740	-16.14%
CYBG PLC - CDI	4.090	-10.50%
BT INVESTMENT MANAGEMENT	7.880	-9.53%
COMPUTERSHARE LTD	9.290	-6.07%
IPH LTD	6.150	-5.38%

TOP AVERAGE DAILY VOLUMES

ASX / SP 200	710,734,042
TELSTRA CORP LTD	39,400,347
MAYNE PHARMA GROUP LTD	24,020,181
SOUTH32 LTD	21,612,972
FORTESCUE METALS GROUP LTD	17,772,479
HENDERSON GROUP PLC-CDI	16,562,196

DAILY VOLUMES TRADED



Source: Bloomberg

BHP, Vale to fight reinstated \$6b claim for Samarco disaster

BHP Billiton and Vale SA said on Friday they would appeal a Brazilian court's decision to reinstate a \$6 billion public civil claim from Brazilian authorities over last year's Samarco iron ore mine disaster. Samarco, along with BHP and 50-50 joint-venture partner Vale, had agreed in March to settle that claim with staggered payments over a 15-year period, with the total amount dictated by the clean-up and repairs. Brazil's government expected the cost of the work to reach 20 billion reais (\$6.23 billion), though the mining companies expected the total cost to be significantly less. The deal was ratified in May, but federal prosecutors appealed the decision, describing it as insufficient and little more than a "letter of intent." Brazil's Superior Court responded to the appeal by issuing an interim order suspending its ratification, BHP and Vale said. That decision reinstates the government's original 20 billion real civil claim for clean-up costs and damages against Samarco, Vale and BHP. It also has the potential to reenergize a separate \$44 billion lawsuit filed by federal prosecutors.

Telstra blames year's 7th internet outage on faulty device

Businesses in one of Australia's biggest states suffered an internet outage for more than six hours, thanks to a faulty network device, the country's No. 1 telecoms company, Telstra Corp Ltd, said on Friday. The outage, Telstra's seventh this year, will pile pressure on the former state monopoly, beset by smaller rivals that are consolidating in a bid to chip away at its lengthy market dominance. In an email, a Telstra spokesman said a "device in the network behaving in a way that wasn't expected" caused Thursday's outage that hit about a fifth of the firm's business customers in Victoria, a state of nearly 6 million people. He gave no details of the malfunctioning device, but said the issue was resolved by late on Thursday.

Chevron suspending Gorgon LNG production after gas leak

Chevron on Friday suspended production at Australia's Gorgon liquefied natural gas (LNG) export facility after a leak but remained on track to make a second shipment in coming days, it said. "Chevron Australia plans to undertake some minor repair work on the low pressure flare system at the acid gas removal unit before recommencing production in the coming week," it said in a statement. "Plans remain on track to load the second cargo of Gorgon LNG in the coming days." News of the leak was cited as a reason for a boost in Asian LNG prices to the highest level since February.

Telecom firm Vocus buying rival, gains ground

Australia's Vocus Communications Ltd said it plans to buy smaller rival Nextgen Networks and two undersea cable projects in a deal worth up to \$640 million, as it seeks to close the gap on market leader Telstra Corp Ltd. Telstra dominates the Australian telecoms and internet market, but rivals like highly acquisitive Vocus are jostling for exposure to a government-led A\$40 billion national broadband network which aims to bring high speed internet to all Australians by 2020. Vocus, Australia's no. 4 telecoms firm, said it planned to buy Nextgen and the undersea cable projects from Canada's Ontario Teachers' Pension Plan and Spanish-controlled infrastructure giant CIMIC Group, which was formerly called Leighton Holdings.

Icon expect majority owner Quadrant to seek IPO by 2017

Australian cancer treatment provider Icon Group said it expects its biggest investor, private equity firm Quadrant, to sell its 55% stake in an initial public offering by mid-2017, and said Icon is now worth A\$1 billion (\$745 million) in total. After rapid development in Australia's healthcare business since Sydney-based Quadrant first invested in 2014, Icon expects revenue of A\$700 million in 2017, according to officials in New Zealand on Friday to attend the announcement of a planned treatment center. Quadrant was now looking to exit one of Australia's biggest cancer care firms, Icon Chief Executive Officer Mark Middleton told Reuters, and the IPO timing was "looking (likely) within the next 12 months".

Mayne Pharma shares soaring after U.S. drug deal

Mayne Pharma's big push into the US market through a \$652 million deal has been cheered by investors, who sent its shares soaring after its placement to fund the acquisition was heavily oversubscribed. Mayne chief executive Scott Richards said the deal was consistent with its strategy. "We have been talking about the scalability of the generics business for some time and talking about the fact that we are trying to bulk up our portfolio with complimentary products," he said. "While I think the market has been surprised by the size of this, it is right on strategy. Straight out of the gate that has been well received and well understood."

Asciano resolving dispute gnawing at \$6.8 billion buyout

Australian freight giant Asciano Ltd on Monday said it has resolved a legal dispute with a trucking subsidiary that had threatened to delay a A\$9.1 billion buyout led by Canada's Brookfield Asset Management Inc. Asciano said it agreed to give its half stake in Sydney trucking business Australian Container Freight Services Pty Ltd (ACFS) to the family which owned the other half. It did not say whether the transaction involved payment. Asciano added in a statement that it would also hand over some port leases to the joint venture.



STOCK MARKET TOP MOVERS

	Price	1 W %
ATHEX COMPOSITE (GREECE)	544.760	1.87%
ELLAKTOR SA	1.380	14.05%
J&P-AVAX SA	0.370	13.15%
HELLENIC PETROLEUM SA	3.800	11.11%
EUROBANK ERGASIAS SA	0.530	-13.96%
PIRAEUS BANK S.A	0.153	-13.07%
EUROCONSULTANTS SA	0.862	-8.78%
GENERAL MARKET INDX (CYPRUS)	65.620	-0.42%
CYTRUSTEES INVESTMENT PCL	0.178	6.59%
KEO PLC	0.440	4.76%
LORDOS HOTELS HOLDINGS PLC	0.225	4.65%
CYPRUS FOREST INDUSTRIES LTD	0.187	-33.21%
ERMES DEPARTMENT STORES PLC	0.090	-14.29%
AGROS DEVELOPMENT COMPANY	1.080	-10.00%

GREEK GOVERNMENT BONDS

	LAST	Δ 1 WEEK	HIGH	LOW
2 y	7.157	-2.711	11.060	6.409
10 y	7.880	-0.767	8.811	7.852
15 y	7.739	-0.731	8.571	7.728
20 y	7.657	-0.610	8.439	7.642

MONTHLY ECONOMIC CALENDAR

DAY	EVENT	ACT	PRIOR
Jun 1	GR—Manufacturing PMI	48.4	49.7
Jun 2	CY—CPI MoM	0.62%	0.16%
Jun 2	CY—CPI YoY	-2.13%	-2.47%
Jun 9	GR—Unemployment Rate	24.10%	24.20%
Jun 9	GR—Industrial Prod YoY	2.80%	-4.00%
Jun 9	GR—CPI YoY	-0.90%	-1.30%
Jun 9	CY—GDP QoQ	0.90%	0.90%
Jun 9	CY—GDP YoY	2.60%	2.60%
Jun 21	GR—Current Account Bal	-822m	-708m
Jun 30	GR—Retail Sales YoY	-3.9%	-4.30%

Source: Bloomberg

Greek central bank chief sees QE participation at end of 2016

Greece expects to take part in the European Central Bank's bond-buying programme at the end of the year, Greek Central Bank Governor Yannis Stournaras said in a newspaper interview published on Saturday. Participation in the ECB's massive quantitative easing (QE) scheme would mark another key step towards normalizing Greece's battered economy, which remains in recession, weighed down by capital controls and austerity measures linked to its third multi-billion euro bailout programme. "Realistically, I could see something like that at the end of the year," Stournaras, who is also a member of the ECB's Governing Council, was quoted as telling Avgi newspaper.

Greek parliament rubber-stamping sale of Piraeus stake to COSCO

Greek lawmakers on Thursday ratified the sale of a majority stake of Piraeus Port to China COSCO Shipping, a major privatisation project of the bailed-out nation under a left wing government. Under the 368.5 million euro deal signed in April between COSCO and Greece's privatisation agency, COSCO is to buy 51% of Piraeus for 280.5 million, with a further 16% for 88 million after a five year period. It is also contingent on completing investments worth 350 million euros over the next decade.

Greek bank deposits edging up in May after four-month decline

Greek bank deposits rose slightly in May, pausing a four-month decline, data released by the country's central bank showed on Monday. Business and household deposits rose by 278 million euros, or 0.2% month-on-month to 121.7 billion euros (\$134.2 billion), their lowest level since July 2003. They had declined to 121.43 billion euros in April. Greek banks have seen only a trickle of deposit inflows 10 months after the country clinched a third international bailout to stay in the euro zone. They remain dependent on central bank borrowing to plug their funding gap. Greece's banking sector saw a 42 billion euro deposit outflow from December to July last year. Capital controls imposed on June 28 helped contain the flight but sharply increased banks' dependence on emergency liquidity assistance (ELA) from the Bank of Greece.

Greek retail sales falling 1.5% YoY in April

Greek retail sales by volume dropped 1.5% in April compared to the same month a year ago after an upwardly revised 1.2% slide in March, statistics service ELSTAT said on Thursday. Retail sales were led lower by cosmetics, pharmaceuticals, fuels, lubricants and household appliances, the data showed. Data on gross domestic product showed weakness in Greek consumer spending in the first three months of the year, when the economy contracted by 0.5% compared to last year's final quarter. Consumption declined 0.5% quarter-on-quarter in January-to-March. Tax hikes and capital controls, imposed at the end of June last year to stem a flight of deposits have weighed on the sector.

Bank of Cyprus says London listing plans unchanged

Bank of Cyprus said on Thursday its plans to pursue a premium listing on the London Stock Exchange were unchanged, but that it was closely following market reaction in the wake of Britain's decision to leave the European Union. The bank, Cyprus's largest, had announced plans in April to pursue a listing in the UK. "While its plans to pursue a premium listing on the LSE are at this stage unchanged, the bank is closely monitoring market reaction to inform its decisions on timing of the intended listing," it said.



STOCK MARKETS				
INDEX	PRICE	1 W %	HIGH	LOW
K.S.A	6,499.88	-0.78%	6,550.20	6,256.68
ABU DHABI	4,497.64	-0.05%	4,497.64	4,339.12
DUBAI	3,311.10	-1.68%	3,364.39	3,208.81
QATAR	9,885.22	-0.81%	9,911.06	9,689.91
OMAN	5,777.31	-0.34%	5,792.68	5,757.09
EGYPT	6,942.52	-4.28%	6,991.36	6,831.59
KUWAIT	5,364.57	-0.80%	5,407.29	5,311.76
BAHRAIN	1,118.37	-0.05%	1119.62	1108.01

Source: Bloomberg

Saudi Arabia raises commissions on stock exchange trades

Saudi Arabia's market regulator raised the commission on trades on the kingdom's Tadawul stock exchange, which is seeking to attract foreign investors and sell state assets. As well as raising the commission from 12 basis points to 15.5 basis points per transaction, Saudi's Capital Market Authority (CMA) said on Thursday it had eliminated the fixed commission on equity transactions equal to or less than 10,000 riyals (\$2,668). Trading commissions are shared between the CMA, the Tadawul and brokers, with the majority going to brokers. Small traders will pay only the new percentage, with effect from July 17.

Egypt bourse securing \$4.3 billion finances for national projects in 3 years

Egypt's bourse has contributed around 38.2 billion Egyptian pounds (\$4.3 billion) finances to its listed companies since the outbreak of June 30 mass protests in 2013, its chief announced Thursday. Mohamed Omran, Chairman of the Egyptian Exchange (EGX), further said the bourse had played a significant role in boosting the country's economic growth in the last three years.

Saudi, Japanese officials to discuss investment into Aramco IPO—minister

Saudi and Japanese officials will hold meetings on Wednesday to discuss Japanese investment into the planned initial public offering (IPO) of a small part of Riyadh -controlled Saudi Aramco, said Khalid Al-Falih, the kingdom's energy minister. Saudi's Deputy Crown Prince, Mohammed bin Salman, unveiled ambitious plans earlier this year aimed at ending the country's "addiction" to oil and transforming it into a global investment power. The IPO of less than 5% of state-run Aramco is a centerpiece of that effort.

Saudi Aramco and SABIC signing oil-to-chemicals project deal

Saudi Aramco has agreed a deal with Saudi Basic Industries Corp (SABIC) to set up a joint oil-to-chemicals project in the Red Sea city of Yanbu, Aramco's chief executive Amin Nasser said on Tuesday. SABIC has previously said the proposed project could cost as much as \$30 billion and would process petrochemicals directly from crude oil instead of first refining the oil into products such as naphtha. It is the first time the two companies have teamed up to build a joint project in Saudi Arabia.

Saudi Electricity getting \$1.5 billion loan from China's ICBC

State-controlled utility Saudi Electricity Co (SEC) has obtained \$1.5 billion in financing from Industrial and Commercial Bank of China (ICBC), one of the largest loans ever extended by a Chinese bank in the Gulf. The loan from ICBC, the world's biggest bank by assets, underlines growing business ties between China and the region. In January, China and the six Gulf Cooperation Council nations said they aimed to conclude a free trade agreement this year. The five-year "direct commercial funding agreement" was signed on June 29 and will be used to finance some of SEC's capital projects, the company said on Thursday without giving financial terms.

Abu Dhabi fund IPIC recording \$2.6 billion loss due to low oil price

Abu Dhabi state investment fund International Petroleum Investment Co (IPIC) said it suffered a net loss of \$2.6 billion in 2015, reflecting the blow to the wealthy emirate's finances from low oil prices. The loss compared with a profit of \$1.5 billion in 2014, IPIC said in a statement on Thursday. Cheap oil caused the fund to take pre-tax impairment losses of \$5.2 billion on its oil and gas assets last year, as well as further impairments of \$2.9 billion on downstream operations. IPIC owns a wide range of energy assets across the world, including Spanish firm Cepsa and Canadian petrochemical maker NOVA Chemicals, and a majority stake in Austrian plastics company Borealis.

Oman oil company PDO raising \$4 billion of project financing

Petroleum Development Oman (PDO), the country's top oil and gas exploration and production company, has obtained a \$4 billion loan from international banks, part of a rush of foreign borrowing by Oman as low oil prices strain state finances. The five-year pre-export facility is the company's first international loan and was priced at 160 basis points over the London interbank offered rate (Libor), state-owned PDO said on Wednesday.



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For further inquiries, comments, and trading services, please contact:

GLOBAL MARKETS DIVISION

Phone:

Lebanon: +961 1 960501

Sydney: +612 8262 9000

Email:

treasury@bankofbeirut.com

fm.research@bankofbeirut.com

BANK OF BEIRUT GROUP

Lebanon

www.bankofbeirut.com

Australia

www.banksyd.com.au

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