



June 20 — 24, 2016

HEADLINES

GLOBAL MARKETS

- IMF cutting U.S. growth forecast
- Japan exports declining for 8th month in a row; IMF says Japan needs bold reforms
- PBOC discusses opening offshore yuan market to onshore banks
- Swiss watch exports slumping for the 11-month

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in DEPTH

The U.K. surprised the world with its decision to exit the European Union, sending global financial markets into turmoil while heightening political and economic uncertainties.

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AUSTRALIA

Australian shares market ending this week down by 0.96%. Major story picks:

- Fortescue may seek \$2 billion debt repayments in next year
- Rio Tinto to reduce gross debt By \$3 billion; forms New organizational structure
- ASX lifting stake in U.S. blockchain developer
- Telstra buying into mining technology sector
- Australian watchdog suing Heinz over 'Little Kids' health claims

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GREECE/CYPRUS

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- ECB taking Greek banks off emergency lifeline
- Greek primary surplus target should be cut to 1.5-2% after 2018
- Greek current account gap shrinking in April on lower trade deficit
- Greece's OTE launching voluntary redundancy scheme
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- Qatar fund Mayhoola buying French fashion brand Balmain
- Italy, Qatar Airways resuming tough talks over Meridiana stake sale - minister
- Six Flags Entertainment seeking to open Saudi theme parks
- Investcorp buying Italian luxury tailor Corneliani
- Dubai group pays \$2.4 billion for control of Kuwait's Americana
- Qatar navigation to buy Qatar Petroleum stake in Al Shaheen

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STOCK MARKETS

INDEX	PRICE	1 W %	HIGH	LOW
DJIA	17,400.75	-1.55%	18,011.07	17,356.34
S&P 500	2,037.41	-1.63%	2,113.32	2,032.57
NASDAQ	4,707.98	-1.92%	4,910.04	4,698.42
ASX 200	5,113.18	-0.96%	5,325.40	5,080.00
EUROX 50	2,776.09	-2.56%	3057.70	2736.43
FTSE 100	6,138.69	1.95%	6,380.58	5,788.74
DAX	9,557.16	-0.77%	10,340.84	9,226.15
CAC40	4,106.73	-2.08%	4,490.55	4,007.97
NIKKEI 225	14,952.02	-4.15%	16,389.17	14,864.01

FX & COMMODITIES

(vs US\$)	PRICE	1 W %	HIGH	LOW
EUR	1.1117	-1.42%	1.1428	1.0913
GBP	1.3679	-4.73%	1.5018	1.3229
AUD	0.7466	1.07%	0.7648	0.7306
NZD	0.7124	1.06%	0.7300	0.6974
JPY	102.22	1.86%	106.84	99.02
CHF	0.9720	-1.25%	0.9804	0.9522
CAD	1.3004	-0.85%	1.3099	1.2679
GOLD	1315.75	1.32%	1358.54	1250.89
SILVER	17.75	1.40%	18.33	17.12
U.S. CRUDE	47.64	-0.71%	50.54	46.70
B. CRUDE	48.41	-1.55%	51.24	47.54

WEEKLY ECONOMIC CALENDAR

DAY	EVENT	EST.	PRIOR
Jun 27	NZ Trade Balance	185M	326M
Jun 28	EU Economic Summit		
Jun 28	US Final GDP QoQ	1.00%	0.80%
Jun 29	US Personal Spending	0.30%	1.00%
Jun 29	US Bank Stress Test		
Jun 30	UK Current Account	-28.1B	-32.7B
Jun 30	Canada GDP MoM	0.10%	-0.20%
Jul 1	Japan CPI YoY	-0.40%	-0.30%
Jul 1	China Manufact PMI	50.0	50.1
Jul 1	UK Manufact PMI	50.2	50.1
Jul 1	US Manufact PMI	0.70%	-1.80%

IMF cutting U.S. growth forecast

The International Monetary Fund cut its forecast for U.S. growth this year, urging the Federal Reserve to lean toward modestly overshooting its inflation target in considering whether the economy can handle higher interest rates. The IMF said the U.S. economy will grow 2.2% this year, less than its projection of 2.4% in April. The fund left unchanged its forecast for a 2.5% expansion in 2017. There's a clear case for the Fed to proceed on a "very gradual" path in raising its benchmark rate, the IMF said in a statement Wednesday after concluding its annual assessment of the world's biggest economy. "The path for policy rates should accept some modest, temporary overshooting of the Fed's inflation goal to allow inflation to approach the Fed's 2% medium-term target from above," the fund said. A dovish tilt will ensure against the risk of disinflation and the possibility the central bank may have to reverse course and lower rates to zero, the IMF added. The Fed last week signaled it would raise rates more gradually than anticipated amid concerns about slow job gains and the potential exit of the U.K. from the European Union. The Fed left its target range for the benchmark federal funds rate unchanged at 0.25% to 0.5%. While the median forecast of 17 Fed policy makers remained at two quarter-point hikes this year, the number of officials who saw just one move rose to six from a single official in the previous forecasting round in March, according to Fed projections released June 15. Overall, the U.S. economy is in good shape, the IMF said. However, concerted action is needed soon to address the significant challenges it faces to achieving strong and sustained growth, it said. The U.S. economy faces a number of headwinds, including a strong dollar, sluggish business investment and weak global demand, the IMF said.

Japan exports declining for 8th month in a row

Japan's exports fell for an eighth consecutive month in May as shipments to China, the U.S. and Europe slumped, undermining Prime Minister Shinzo Abe's efforts to revive the economy. Overseas shipments declined 11.3% in May from a year earlier, the Ministry of Finance said on Monday. Imports fell 13.8%, leaving a trade deficit of 40.7 billion yen (\$389 million). Japan's modest economic gains this year are at risk as a slowdown in overseas demand and the yen's surge make the nation's products less appealing overseas and hurts the earnings of exporters. Finance Minister Taro Aso escalated his concern the yen on Friday, calling for coordination with his overseas counterparts to address what he described as disorderly moves in the currency market. While the yen slipped 3.8% in May, it's jumped more than 15% this year against the dollar, after the Bank of Japan left monetary policy unchanged. Aso said on June 17 that he was "very concerned" about one-sided, abrupt, and speculative moves in the currency market. Toyota Motor Corp. has warned that annual net income will probably decline for the first time in five years, due to the stronger currency. Monday's report also shows that: Exports to the

U.S. fell 10.7% in May from a year earlier, while shipments to the EU declined 4%. Exports to China, Japan's largest trading partner, dropped 14.9%. A 24% decline in the value of steel exports was the biggest drag on shipments, followed by a 20% decline in the value of semi-conductor parts. The biggest contribution to lower imports was from oil and natural gas, whose prices have fallen in Japan as the currency strengthens this year.

IMF says Japan needs bold reforms

The IMF on Monday said the Japanese government's quest to revitalize its economy faces a long slog in the absence of "bold" structural reforms, and urged Tokyo to move income policies and labor market reform to the forefront. The global lender called for a more flexible monetary policy framework with the Bank of Japan abandoning a specific calendar date for achieving its 2% inflation target. "Under current policies, the high nominal growth goal, the inflation target, and the primary budget surplus objective all remain out of reach within the timeframe set by the authorities," the IMF said in a statement after "Article 4" annual consultations on economic policy with Japan. The IMF's sober assessment comes as the effectiveness of PM Shinzo Abe's reflationary policies face renewed doubts as inflation has ground to a virtual halt and growth has remained anaemic.

PRC discusses opening offshore yuan to onshore banks

China's central bank said it has met with onshore lenders to discuss allowing them to trade in the offshore yuan market, a move that would accelerate convergence between the country's two exchange rates. As the country increasingly opens up its currency market, Chinese commercial banks have a growing need for better integration between the onshore and offshore markets, the People's Bank of China said in a statement on its official microblog. Such a relaxation would mark another step to bring the two rates into line after China said earlier it will allow more foreign institutions to trade the onshore yuan. While moves in the onshore rate are influenced by a trading band anchored around the daily fixing and occasional intervention, the freely traded currency in Hong Kong has been more volatile. The gap between the two spot rates widened to a record in January as global investors rushed to sell the currency amid an abrupt weakening of the fixing.

Swiss watch exports slumping for the 11-month

Swiss watch exports dropped in May, bringing the industry's slump close to a full year as the industry faced plunging demand across Asia and Europe. Shipments fell 9.7% to 1.56 million Swiss francs (\$1.62 million), the Federation of the Swiss Watch Industry said in a statement Tuesday. Exports have declined for the past 11 months, and had back-to-back monthly double-digit declines in March and April. Swiss watchmakers have been struggling with a wider slowdown in demand for timepieces across all of Switzerland's main markets so far this year. Hublot and Zenith, owned by LVMH Moët Hennessy Louis Vuitton SE, have decided not to open any additional stores in Hong Kong amid a market that's "more adapted for closing stores rather than opening stores," watch chief Jean-Claude Biver said on June 13.



U.K. voting to leave the European Union

The U.K. voted to quit the European Union after more than four decades in a stunning rejection of the continent's postwar political and economic order, prompting Prime Minister David Cameron to resign and sending shock waves around global markets.

The pound plunged to the lowest since 1985, European stocks followed Asian equities in tumbling and U.S. Treasuries surged in one of the most dramatic 24 hours in modern British history. The final tally, announced just after 7 a.m. London time, showed voters had backed "Leave" by 52% to 48%. The government's pro-EU campaign was defeated by more than 1 million ballots. The market rout had echoes of the 2008-2009 financial crisis. The pound fell to as low as \$1.3229. The selloff was compounded by the fact that markets had rallied over the past week on optimism that the U.K. would vote to stay.

The result sets the U.K. up for years of bitter divorce talks with the first salvos likely to be fired at an EU leaders' summit next week. The U.K. must now count the economic and financial cost of an exit that Cameron warned would spark a recession. JPMorgan Chase & Co. and HSBC Holdings Plc have said a so-called Brexit would lead them to move thousands of jobs out of London.

How the vote was geographically distributed?

The Leave campaign triumphed right across England and Wales, winning in large northern cities including Sheffield, the Welsh valleys, across the Midlands including Birmingham, and the south and east of England. Nine areas voted by over 70% to leave, many of them in eastern England including Boston, South Holland and Great Yarmouth. The Remain campaign, in contrast, dominated in London, Scotland and Northern Ireland. The highest share of the vote achieved by the Remain camp was in Gibraltar, which is not shown on the map above. Seven of the 10 areas with the highest share of the vote for Remain were in London, including Lambeth, Hackney and Haringey, all of which polled over 75% to stay in the European Union. Edinburgh polled over 74% for Remain and Belfast West polled 74.1%.

Overall the Leave campaign came top in nine of the UK's nations and regions, with the Remain campaign coming top in just three. The West Midlands had the highest vote share for Leave, with Scotland highest for Remain.

POST-VOTE

UK PM Cameron says will step down by October after Brexit vote

David Cameron said he would resign as Prime Minister by October after Britons ignored his pleas to stay in the European Union and voted in a referendum to leave. "I do not think it would be right for me to try to be the captain that steers our country to its next destination," Cameron told reporters on Friday outside his Downing Street office. Cameron, who choked back tears, gave no detailed timetable but said there should be a new leader by the time his Conservative Party holds its annual conference in October. "This is not a decision I've taken lightly but I do believe it is in the national interest to have a period of stability and then the new leadership required," he said. "I think it's right that this new Prime Minister takes the decision about when to trigger article 50 and start the process of leaving the EU."

Bank of England saying will take necessary steps

The Bank of England said on Friday it would take all necessary steps to shield Britain's economy from the shock decision by voters to pull the country out of the European Union which caused immediate turmoil on financial markets. "The Bank of England is monitoring developments closely," it said in a statement after the referendum victory of the "Leave" campaign triggered a 10% fall in the value of

sterling and a slump in government bond yields to a new record low. "It has undertaken extensive contingency planning and is working closely with Her Majesty's Treasury, other domestic authorities and overseas central banks." The BoE has previously said a decision to leave the EU -- which buys nearly half Britain's exports -- could deliver a material blow to the economy. But it could also push up inflation because of hit to sterling, complicating any decision to cut interest rates. The economy was already slowing as the referendum approached and BoE Governor Mark Carney said in May that it could suffer a technical recession -- a contraction in two consecutive quarters -- in the event of a vote to leave the EU. The BoE held two extra liquidity auctions ahead of the referendum and is due to hold another one on Tuesday in order to help banks avoid any problems around the time of the vote. It also has the option of using previously agreed foreign currency swap lines with other leading central banks around the world as a way to prevent a seizing up of financial markets. The Bank is expected to wait and see where the value of the pound settles before taking any policy decisions. Its next scheduled monthly policy announcement is due on July 14.

SNB stepping into currency market

The Swiss National Bank waded into currency markets on Friday in reaction to Britain's referendum on European Union membership that has upended global markets. "Following the United Kingdom's vote to leave the European Union, the Swiss franc came under upward pressure," the central bank said via e-mail. "The Swiss National Bank has intervened in the foreign exchange market to stabilize the situation and will remain active in that market." The announcement marks a rare instance of Swiss policy makers publicly making good on their pledge to use interventions to prevent an unwanted tightening of monetary conditions. SNB President Thomas Jordan and his fellow governing board members had reiterated that stance at their post-interest rate decision press conference on June 16 in Bern.

Moody's affirming European Union rating

Moody's Investors Service has affirmed the European Union's long-term Aaa issuer rating, and maintained the stable outlook. The rating action reflects their view that the EU's Aaa rating rests principally on the credit strength of its most highly rated members, and on their commitment to ensuring the continued soundness of its finances, underpinned by the joint and several obligations each EU member assumes to provide it with financial support where needed. Moody's does not expect that the UK's vote to leave and its eventual exit will alter either the capacity or the willingness of those very highly rated members to continue to honour their obligations to support the EU.

Moody's cutting UK's outlook to negative

Ratings agency Moody's said Britain's creditworthiness was now at greater risk after voting to leave the European Union, as the country would face substantial challenges to successfully negotiate its exit from the bloc. Moody's assigned a negative outlook to its 'Aa1' rating for British government debt after a Thursday referendum showed that a clear majority of Britons wanted to leave the EU, prompting Prime Minister David Cameron to announce he would resign. "During the several years in which the UK will have to renegotiate its trade relations with the EU, Moody's expects heightened uncertainty, diminished confidence and lower spending and investment to result in weaker growth," the agency said.

London Stock Exchange moves to merge with Deutsche Börse despite Brexit

The London Stock Exchange Group announced on Friday it would push forward with its planned \$30 billion merger with German exchange Deutsche Börse. In a joint statement both exchanges said that the merger was "not conditional on the outcome of the referendum," and that 'Brexit' does not "impact the compelling strategic rationale of the merger." The boards say the merger will result broaden the exchange's global reach and distribution network through Europe, Asia and the Americas regardless of a 'Brexit'. Both exchanges recommend shareholders approve the merger.



STOCK MARKET TOP MOVERS

ASX / SP 200	Price	1 W %
	5,113.18	-0.96%

GAINERS

PROGRAMMED MAINTENANCE	1.800	15.02%
SANTOS LTD	4.680	9.09%
WHITEHAVEN COAL LTD	1.070	7.00%
ST BARBARA LTD	3.070	6.97%
REGIS HEALTHCARE LTD	4.670	5.66%

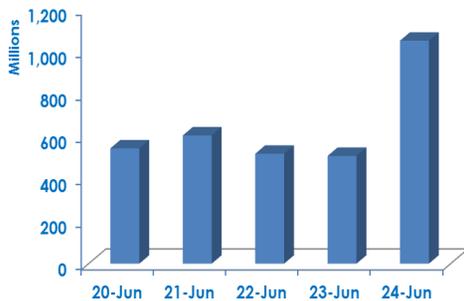
LOSERS

METCASH LTD	1.790	-15.57%
CYBG PLC - CDI	4.570	-12.28%
IRESS LTD	10.850	-7.74%
HENDERSON GROUP PLC-CDI	4.460	-7.66%
COSTA GROUP HOLDINGS LTD	2.670	-7.61%

TOP AVERAGE DAILY VOLUMES

ASX / SP 200	645,020,467
TELSTRA CORP LTD	29,865,063
SOUTH32 LTD	23,101,943
FORTESCUE METALS GROUP LTD	19,002,900
METCASH LTD	14,857,238
BHP BILLITON LIMITED	14,764,839

DAILY VOLUMES TRADED



Source: Bloomberg

Fortescue may seek \$2 billion debt repayments in next year

Fortescue Metals Group Ltd. may reduce its debt pile by about a further \$2 billion in the coming year as the world's fourth-biggest iron ore supplier looks to take advantage of healthy margins to reset its gearing targets. "At the current iron ore prices we are generating very strong cash flows on every ton," Chief Financial Officer Stephen Pearce said in an interview, after the producer agreed a \$500 million early loan repayment to take its total debt reduction in the past year to \$2.9 billion. "There's no reason we couldn't continue to do another couple of billion through fiscal 2017." The biggest iron ore miners have moved to cut costs and bolster balance sheets as prices tumbled to three straight annual declines. Perth-based Fortescue's efforts to reduce debt in the past year have cut annual interest expenses by \$186 million, helping to lower its break-even price. "We see the company being able to deliver on its deleveraging statements" as long the iron ore price holds up, Westpac Banking Corp. credit strategists including Brendon Cooper said Friday in a note. Fortescue "continues to be highly cash generative at current iron ore prices and has low capex requirements over the next few years," they said.

Rio Tinto to reduce gross debt By \$3 billion; forms New organizational structure

Anglo-Australian mining giant Rio Tinto Plc (RTNTE, RIO, RIO.L, RTPPF) Tuesday announced that it will reduce its gross debt by a further \$3 billion. This is after accepting for purchase a total of \$1.252 billion of debt under its Maximum Tender Offer and \$1.748 billion under its Any and All Offer. Both offers commenced on June 7 and are part of Rio Tinto's ongoing capital management. The final aggregate principal amount of Securities purchased under the Any and All Offer that expired on June 13 was \$1.748 billion. Rio Tinto's incoming chief executive shook up the mining giant's top ranks in an effort to steer the company through a prolonged slump in prices for the commodities it sells. Jean-Sébastien Jacques, the deputy CEO who takes over the company on July 2, installed Chris Salisbury to run the company's core iron-ore operations. Mr. Salisbury, currently acting chief of Rio's copper and coal division, succeeds Andrew Harding, a 25-year veteran of the company who had been widely seen as a potential CEO candidate. Mr. Salisbury's appointment was the most important move in the management overhaul at the world's second-largest diversified mining company, announced Tuesday.

ASX lifting stake in U.S. blockchain developer

Australian markets operator ASX Ltd said on Wednesday it was exercising an option to lift its stake in U.S. blockchain developer Digital Asset Holdings, stepping up its interest in a technology that backers say can ease information tracking and reduce transaction settlement times. ASX said it would pay \$7.16 million to increase its holding in Digital Assets to roughly 8.5% from the 5% it acquired in January. Blockchain, or distributed ledger, technology maintains a continuously growing list of transaction data which cannot be tampered with or revised. Other exchange operators, including Deutsche Boerse and London Stock Exchange have joined hands with financial services and tech heavyweights to build platforms and applications using the blockchain technology.

Telstra buying into mining technology sector

Australia's largest telecoms group Telstra Corp Ltd has taken a bet on the resource industry's appetite for cash-saving technology from drones to wireless production-tracking, snapping up a specialist firm to set up a dedicated mining services unit. In what could be one of the boldest bets yet for a major player outside the mining sector, Telstra said it would acquire wireless technology company CBO Telecommunications Pty Ltd for an undisclosed sum, using it to form the basis of its new mining technology arm. It has also hired the former chief automation researcher at mining giant Rio Tinto Ltd, Eric Nettleton, as well as the former head of technology and innovation at South Africa-listed Anglo American Platinum Ltd, Jeannette McGill.

Australian watchdog suing Heinz over 'Little Kids' health claims

Australia's consumer watchdog on Tuesday sued the Australian subsidiary of U.S.-based Kraft Heinz Co alleging it falsely advertised the nutritional value of its Little Kids Shredz range of food for young children. H.J. Heinz Company Australia Ltd was charged with multiple breaches of the consumer law, according to the Australian Competition and Consumer Commission (ACCC). It faces penalties of up to A\$1.1 million (\$821,700) for each breach. The company's marketing of its Little Kids Shredz range as "nutritious food" and "99% fruit and veg" was false and misleading, the ACCC said in a statement.



STOCK MARKET TOP MOVERS

	Price	1 W %
ATHEX COMPOSITE (GREECE)	534.780	-8.83%
FOURLIS SA	3.600	3.15%
GRIVALIA PROPERTIES REIC	7.000	2.79%
ELTON CHEMICALS-REG	0.932	2.08%
MARFIN INVESTMENT GROUP HOLD	0.123	-29.71%
EUROBANK ERGASIAS SA	0.616	-23.38%
NATIONAL BANK OF GREECE	0.194	-18.14%
GENERAL MARKET INDX (CYPRUS)	65.900	-4.19%
PANDORA INVESTMENTS PUBLIC	0.056	12.00%
LORDOS UNITED PLASTICS PLC	0.087	8.75%
CYPRUS CEMENT CO PLC	0.320	6.67%
BANK OF CYPRUS PUBLIC CO LTD	0.149	-11.83%
CYTRUSTEES INVESTMENT PCL	0.167	-9.24%
CYPRUS FOREST INDUSTRIES LTD	0.280	-8.50%

GREEK GOVERNMENT BONDS

	LAST	Δ 1 WEEK	HIGH	LOW
2 y	9.868	0.256	16.590	7.436
10 y	8.647	0.488	10.369	7.757
15 y	8.470	0.394	9.708	7.714
20 y	8.267	0.338	9.239	7.612

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	-4.30%	

Source: Bloomberg

Greece's bailout funds released; EU's Juncker hails Greek efforts

Greece got more than 7 billion euros in bailout funds on Tuesday after a review of the country's progress in implementing economic reforms, the head of the euro zone's bailout fund told reporters in Athens. Greece needs the money to pay off growing state arrears, maturing ECB bonds and International Monetary Fund loans. Talks with its foreign creditors over Greece's efforts to implement a reform program have dragged on for six months. The European Stability Mechanism "disbursed today 7.5 billion euros (\$8.50 billion) to Greece," Klaus Regling, the managing director of the fund, said after meeting Greek Finance Minister Euclid Tsakalotos in Athens. Athens will use 5.6 billion euros of the amount to pay debts and 1.8 billion euros for state arrears.

ECB taking Greek banks off emergency lifeline

The European Central Bank reinstated Greek banks' access to its cheap funding operations on Wednesday after more than a year on an emergency lifeline and said it would examine later whether to add Greek debt to its asset purchases. The restoration is a big step toward normalizing an economy that is still in recession, weighed down by capital controls and adjustments related to Greece's third bailout since 2010, agreed last year and worth up to 86 billion euros (\$97 billion). The ECB said it "acknowledges the commitment of the Greek government to implementing the European Stability Mechanism macroeconomic adjustment program and, therefore, expects continued compliance with its conditionality". Greek banks lost their access to the ECB's regular funding operations early last year when Athens came close to being ejected from the euro zone.

Greek primary surplus target should be cut to 1.5-2% after 2018

Greece's primary surplus budget target beyond 2018 should be lowered to 1.5-2% of gross domestic product, the country's Deputy Finance Minister George Chouliarakis said on Wednesday. Under its third international bailout, Athens has agreed to achieve a primary budget surplus of 3.5% of GDP in 2018, although the International Monetary Fund and some Greek officials have argued that the target is not realistic. "A commitment is a commitment ... and we have to honor this commitment if we want to restore and enhance credibility," said Chouliarakis, referring to the current primary surplus targets set in its bailout up to 2018. "But we need reconsider the level of primary surplus targets beyond the lifetime of the program, after 2018. Our preference is for a significantly lower primary fiscal target beyond 2018 in the range of 1.5 to 2%," he said during an Economist conference.

Greek current account gap shrinking in April on lower trade deficit

Greece's current account deficit shrank in April from the same month a year earlier, helped by a lower trade gap and an income account surplus, the Bank of Greece said on Tuesday. "The goods balance deficit fell by 276 million euros year-on-year as a result of a lower net oil bill. Net payments for purchases of ships rose," the central bank said. The data showed the deficit reached 822 million euros (\$931.8 million) from 1.038 billion euros in April 2015. Tourism revenues fell slightly to 443 million euros from 477 million in the same month a year earlier. In 2015 as a whole, Greece posted a current account deficit of 7.5 million euros, helped by higher tourism revenues - its biggest foreign currency earner.

Greece's OTE launching voluntary redundancy scheme

Greece's dominant telecoms operator OTE has launched a voluntary redundancy scheme and about 350 workers are expected to sign up for it, the company said on Wednesday. OTE, which is 40% managed and owned by Deutsche Telekom, has cut about 4,000 jobs through voluntary programmes since 2012 to deal with almost seven years of recession and tough competition in the country. It employs about 13,000 people in Greece, including around 2,000 hired in the 2013-2015 period. The redundancy programme - mainly extended to workers close to retiring - is estimated to cost about 54 million euros. It was part of company policy to boost competitiveness and renew its human resources, OTE said. The telecoms operator last month reported a 16% drop in first-quarter net profit, hurt by weakness in its domestic mobile business and in Romania. It then warned that an international bailout Greece signed up to last summer could hurt consumers' disposable income and demand for its services.

Cyprus planning new 750 million - 1 billion euro bond and buyback

Cyprus hopes to sell a new bond worth as much 1 billion euros and orchestrate a buy back of some of its older bonds this year, Phaedon Kaloziis, head of Cyprus' debt office, said on Tuesday. "We plan to access the market this year with a new benchmark-sized (bond)... A benchmark size for Cyprus is about 750 million to 1 billion euros (\$1.13 billion)," Kaloziis said at a Euromoney conference. "It will probably be of a seven-year maturity...the option for a liability management buy back transaction is also under consideration." He added Cyprus was also looking to set up a primary dealer network this year and was already in discussions with banks.



STOCK MARKETS				
INDEX	PRICE	1 W %	HIGH	LOW
K.S.A	6,550.97	0.13%	6,591.69	6,521.30
ABU DHABI	4,499.73	4.11%	4,587.87	4,322.18
DUBAI	3,367.64	1.81%	3,378.11	3,296.50
QATAR	9,966.35	1.78%	9,966.35	9,742.05
OMAN	5,796.93	-0.19%	5,814.41	5,780.47
EGYPT	7,253.31	-2.25%	7,453.58	7,153.08
KUWAIT	5,407.99	0.24%	5,472.13	5,381.73
BAHRAIN	1,118.98	0.18%	1,119.453	1,110.536

Source: Bloomberg

Kuwait suing IOC for \$1 billion over Olympic ban

Kuwait is seeking \$1 billion in damages from the International Olympic Committee (IOC) for banning the country from international competitions, state news agency KUNA reported. The IOC suspended Kuwait in October 2015, accusing the government of interference in its national Olympic Committee. The ban is unlikely to be lifted before the Rio Games which start on Aug. 5, meaning Kuwaiti athletes would only be allowed to compete under the Olympic flag.

Qatar fund Mayhoola buying French fashion brand Balmain

Qatari private investment company Mayhoola investment fund, owner of the Valentino brand, confirmed that it is set to acquire French luxury fashion label Balmain, the company said in a statement on Wednesday. Mayhoola gave no financial details, but sources told Reuters on Tuesday Mayhoola would pay more than 460 million euros (\$522 million). The deal marks the end of months of negotiations between the Qataris and Balmain investors, who include Sanofi co-founder Jean-Francois Dehecq and the family of former chief executive and controlling shareholder Alain Hivelin, who died in 2014.

Italy, Qatar Airways resuming tough talks

Italy's government has resumed talks with Qatar Airways over possibly selling a stake in Meridiana airline to the Gulf carrier, but the talks are fraught with difficulty, Italy's transport minister said on Wednesday. Qatar Airways said earlier in June it had reached an impasse in negotiations to buy 49% of the Italian airline, due to disagreements over working conditions. "We have resumed contact with Qatar Airways but there are lots of problems," Transport Minister Graziano Delrio said on the sidelines of a parliamentary hearing in Rome. Delrio was speaking the day before a deadline that has been set for the Italian government, the Qatari airline and Meridiana to agree on the terms of the deal.

Six Flags Entertainment seeking to open Saudi theme parks

U.S. theme park company Six Flags Entertainment Corp plans to expand to Saudi Arabia, its chief executive told Saudi-owned Arabiya TV on Monday, bringing roller coasters and bumper cars to the ultra-conservative kingdom. "We're very honored to be provided with an opportunity to enter into a partnership to bring Six Flags to the kingdom ... Our parks can provide the entertainment to which Saudis aspire," CEO John Duffey said. His comments were dubbed into Arabic. Duffey did not elaborate on the terms of the partnership. He was speaking following a meeting with Saudi deputy crown prince Mohammed bin Salman, who is visiting the United States to promote a reform plan to wean the kingdom away from oil revenue.

Investcorp buying Italian luxury tailor Corneliani

Gulf investment firm Investcorp has bought a majority stake in Italian menswear company Corneliani in a deal that values the group at \$100 million, it said on Tuesday. It is the latest such acquisition by a foreign buyer in a sector targeted by investors seeking returns from well-established niche brands. The Bahrain-based private equity fund will invest "a substantial amount" in the suitmaker, the group's Head of Corporate Investment in Europe Hazem Ben-Gacem told a press conference in Milan.

Dubai group pays \$2.4 billion for control of Kuwait's Americana

An investment group led by prominent Dubai businessman Mohamed Alabbar has agreed to buy a majority stake in Kuwait Food Co (Americana) from the Kharafis, a wealthy Kuwaiti merchant family, for about \$2.4 billion. Under a legally binding agreement with Al Khair National for Stocks and Real Estate, controlled by the Kharafis, all of Al Khair's Americana shares will be bought at 2.650 dinars each, the group, named Adeptio, said on Saturday. Al Khair had been offering a 69% stake in Americana, which owns the Middle East franchises for fast food chains KFC and Pizza Hut and also produces branded consumer foods.

Qatar Navigation to buy Qatar Petroleum stake in Al Shaheen

Qatar Navigation (Milaha) has reached a preliminary agreement to buy Qatar Petroleum's stake in oilfield services firm Al Shaheen Holding, Milaha said in a bourse filing on Sunday. Qatar Petroleum hired HSBC in February to advise it on the sale of Al Shaheen as the state-owned Qatari energy giant, grappling with low oil and natural gas prices, seeks to divest from non-core businesses. Al Shaheen has three joint ventures in oilfield services, two with GE Oil and Gas and one with the Middle East unit of Weatherford.



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