Ukraine currency rebounds from record low

LONDON: Ukraine's hryvnia currency rebounded yesterday from record dollar lows after the crisis-hit nation's central bank slapped a daily limit on cash withdrawals and reached out to the IMF amid simmering international tensions. The fast-moving Ukrainian crisis weighed on many European stock markets, which pulled lower amid fears of a potential wider conflict in the region.

Investors also digested a mixed session in Asia after Federal Reserve chief Janet Yellen provided an upbeat view of the US economy-and hinted the central bank could ease up on its stimulus taper if the growth outlook weakens. In a crisis measure, Ukraine's central bank capped cash withdrawals to 15,000 hryvnia (1,095 euros, $1,400) per day, in the latest sign of the desperate state of national finances and a run on bank accounts.

The news came one day after Ukraine requested financial support from the International Monetary Fund (IMF), as Kiev struggles to emerge from a bloody political crisis amid heightened tensions with Russia. The national hryvnia currency rose to 9.1800 against the dollar, having plunged to a historic low of 11.3075 on Thursday.

"Although the move by the central bank to limit foreign currency withdrawal seems to have propped up the currency, we think that the global show of support for Ukraine, especially from the US, and the IMF loan request are the bigger drivers of hryvnia strength today," said analyst Kathleen Brooks at trading site Forex.com.

"Capital controls tend to be currency negative, while having the US on your side when you face a formidable force like Russia is likely to have a bigger impact. "A pullback from record lows versus the dollar is to be expected, especially now that imminent bankruptcy looks like it has been avoided."

KIEV: People walk past a board of an exchange counter in central Kiev yesterday. Ukraine's central bank limited bank withdrawals to about 1,000 euros a day yesterday in the latest sign of the desperate state of national finances. — AFP

'Russian invasion'

Kiev meanwhile yesterday accused Russia of staging an "armed invasion" of Crimea and appealed to the West to guarantee its territorial integrity after pro-Kremlin gunmen took control of the peninsula's main airport. With this in mind, London's benchmark FTSE 100 stocks index fell 0.13 percent to stand at 6,801.10 points in midday deals. Frankfurt's DAX 30 shed 0.10 percent to 9,579.36 points and the Paris CAC 40 dipped 0.52 percent to 4,373.63.

"European markets are still in a consolidation pattern as optimism over the an accelerating global economy is currently being neutralized by uncertainty coming out of the Ukraine," said trader Markus Huber at London-based brokerage Peregrine & Black. "In the United States, focus will be on revised Q4 GDP figures expected to be coming in much weaker than the first reading." He added: "Towards the end of trading today ahead of the weekend it will be interesting to see who will keep the upper hand, with some (investors) possibly reducing their risk exposure due to the unrest in the Ukraine."

Euro hits 2014 high

Elsewhere, the euro jumped to $1.3813 — its highest level so far this year as stronger-than-expected eurozone inflation dampened talk of a rate hike next week from the European Central Bank (ECB). That compared with a level of $1.3710 late in New York on Thursday. Euro-zone inflation stood at 0.8 percent in February from a year earlier, official data showed yesterday. Market expectations had been for a reading of 0.7 percent. "The higher-than-expected inflation numbers reduce the chances of an ECB rate cut at next week's meeting and we maintain the view that on balance the central bank will keep rates on hold," said ABN Amro economist Nick Kounis. — AFP

It's music on your ears at Malabar Gold & Diamonds

Malabar Gold & Diamonds, the prominent retail jeweller announced the details of its unique campaign- 'Stud & Drops Festival' in the entire GCC countries & Singapore showcasing an extensive collection of studs and drops from over 20 countries in gold, diamond and platinum. The festival ran from 20 February to 25 March 2014.

A woman's jewellery collection is incomplete without the right pair of earrings, which speaks about her personality. The biggest hassle the customers go through during jewellery purchase is with the choice of studs and drops that suits them. This exclusive festival gives their customers a unique chance to choose from a stunning collection of earrings designed and handcrafted by skilled artisans around the world, ranging from lightweight daily wear to heavy party wear in traditional as well as international designs to suit every occasion.

Studs & Drops Festival

Their branded jewellery, Era- uncut diamond jewellery, Ethnix- hand crafted designer jewellery, Mine- diamonds unlimited, Divine- Heritage jewellery, Precia- precious gem jewellery, Starlet- kids jewellery and D'VA- the youth collection will also be on display during the festival.

Malabar Gold & Diamonds is always at the forefront when it comes to promotions and festivals. The immaculate collection of studs and drops are available at their outlets in Singapore, UAE, Bahrain, Kuwait, Qatar, Saudi Arabia and Oman with their unique exchange offers and buyback policies. The jewellery chain offers lifetime free repair and maintenance service for all its products.

India's anemic growth slows to 4.7%

MUMBAI: India's growth decelerated to 4.7 percent in the October-December quarter last year, the government said yesterday, showing that a return to the robust economic expansion of a few years ago remains far from reach. It was the fifth quarter in a row that year-on-year GDP growth was below 5 percent in Asia's third-largest economy. The growth rate was down from 4.8 percent for the previous quarter ending in September.

India's government has struggled to bring back the 8 percent growth rate the country averaged for a decade. That level is what the government says is needed to provide jobs for the 13 million people entering the workforce each year out of a population of 1.2 billion.

Growth in the latest quarter was dragged down by a year-on-year contraction of 1.8 percent in manufacturing and a 1.6 percent drop in mining. Just a few years ago, India was touted as a rising economic power that could even outdo China. But both growth and enthusiasm began to fade starting in 2012 as shortages of electricity for industry discouraged investment and the decrepit state of roads and ports hampered trade in goods. A tangled bureaucracy to approve new projects and delays in economic reforms added to the disillusion, while high inflation and weak Indian consumer spending have also hurt the economy. While India's has managed to bring down its worrisome fiscal and trade deficits in the last year, it has been unable to spur growth. While the government and businesses might like the central bank to cut interest rates to try to stimulate spending, the country's high inflation makes that difficult because any drop in interest rates could push prices even higher, hurting the hundreds of millions of poor Indians who spend half their income on food and basic necessities.

JAMSHEDPUR: India's Tata Steel Plant in Jamshedpur. India posted slightly lower-than-expected growth of 4.7 percent in the last quarter of 2013, data showed yesterday, marking more bad news for the ruling Congress party ahead of looming elections. — AFP

"There is little on the horizon to lift the economy in 2014," economist Glenn Levine wrote in a report for Moody's Analytics. "Business confidence is low and the government budget is just about all gone." Elections to be held by the end of May could produce a change in the government and possibly open the door for reforms to make the economy more productive and competitive, but regardless of which party wins, Levine said, "it will be a long road back for the Indian economy." — AP