

GULF MARKETS MOSTLY FIRM AFTER IRAN DEAL

DUBAI: Gulf stock markets were mostly firm yesterday, moving little in response to the international deal on Iran's nuclear program, which opened up new business opportunities for some local companies but also depressed oil prices. The Iranian agreement will eventually see economic sanctions against Tehran lifted in exchange for curbs on its nuclear development.

Analysts think it would take Iran many months to fully ramp up its oil export capacity after an easing of sanctions. But even a modest initial increase could be enough to pull international oil prices down as the market is already oversupplied; Brent crude fell as much as 2 percent yesterday, though it pared its losses later in the day.

Kuwait's index added 0.9 percent to close at 6,535 points. Saudi Arabia's petrochemical index slipped 0.3 percent, tracking oil, but the main stock benchmark closed 0.1 percent higher, buoyed by other sectors. Al Rajhi Bank was the main support,

climbing 1.3 percent. The retail-focused lender posted a marginal drop of 0.4 percent in its second-quarter net profit last week, beating analysts' forecasts. Another major support was food maker Savola Group, which rose 1.7 percent. According to equity research house Alphamena, Savola holds a controlling stake in an Iranian company which accounts for 40 percent of the country's edible oil market.

Optimism about Savola's Iran operations even

offset poor results posted by Herfy Food, in which Savola has a 49 percent stake. Herfy tumbled 4.4 percent after reporting an 11.7 percent fall in second-quarter earnings, which it said was partly due to the holy month of Ramadan, a time of fasting for Muslims. Ramadan, which is tracked using the lunar calendar, fell in the third quarter last year but began on June 18 this year.

foreign trade from sanctions relief. "In general, exports to Iran from the rest of the MENA region are relatively small, which is not too surprising given that trade profiles are similar," Jason Tuvey, Middle East economist at London-based Capital Economics, said in a note. "The one exception is the UAE, where exports to Iran are equivalent to around 7 percent of GDP."

Investors' mood was also positive in Oman, whose main stock index climbed 0.9 percent, outperforming all other Gulf markets. Like the UAE, Oman has strong political and economic ties with Iran and is also well positioned to boost trade with it thanks to geographical proximity. Qatar's bourse edged up 0.2 percent and Qatar Islamic Bank, up 1.8 percent, was the main support and top gainer after posting a 27 percent jump in second-quarter profit. Egypt's index rose 1.3 percent, recovering from the previous day's sell-off as local investors who dominate the market turned net buyers, according to bourse data. Beltone Financial Holding led gains, surging 7.2 percent after it received regulatory approval for a 200 million Egyptian pound (\$25.5 million) capital increase, enabling the financial services firm to offer shares on the Cairo bourse in August.

UAE, Oman

Dubai's index rose initially in response to the Iranian deal but closed flat as some stocks, which had earlier risen on expectations of the agreement, pulled back. Dubai Islamic Bank, for instance, slipped 0.3 percent after gaining 1.8 percent in the two previous sessions. Port operator DP World, which is one of Dubai's major logistics companies and might enjoy an increase in cargo traffic through the Gulf after sanctions are lifted, rose 1.4 percent. Deyaar Development, which on Monday became the first local property firm to post earnings this season and recorded a 37.5 percent jump in second-quarter net profit, added 1.5 percent.

Abu Dhabi's bourse edged up 0.4 percent as most blue chips rose. Analysts say the United Arab Emirates could be one of the main beneficiaries of a boost to Iran's

CRUDE SLIDES AS IRAN CLINCHES NUCLEAR DEAL

LONDON: Oil dropped yesterday after Iran and six global powers reached a landmark nuclear deal that would see an easing of sanctions against Tehran and a gradual increase in its oil exports. Earlier heavy losses were trimmed as traders digested initial news of the deal, with the expected rise in global crude supply already priced in over recent weeks. The agreement, which capped more than a decade of on-off talks, was hailed by US President Barack Obama as an opportunity worth seizing while Iranian President Hassan Rouhani said it marked a new phase in international relations.

Under the deal, sanctions imposed by the United States, European Union and United Nations would be lifted in exchange for curbs on Iran's nuclear program. There were no immediate details on how sanctions would be eased on oil. Front-month Brent crude futures were 35 cents lower at \$57.50 a barrel by 1245 GMT, off a session low of \$56.43 a barrel. US crude was trading down 8 cents at \$52.12 per barrel after declining earlier to \$50.38. "A lot of people had expected the deal. After an initial move the market reached an equilibrium as a lot was already priced in," Simon Wardell, analyst at Global Insight, said.

The weakening dollar - which makes commodities more attractive for investors - and easing concerns over a Greek default further supported oil prices, Wardell said. Analysts say it would take Iran many months to fully ramp up its

export capacity following any easing of sanctions. But even a modest initial increase would be enough to pull international oil prices down further as the market is already producing around 2.5 million barrels per day above demand.

"Even with a historic deal, oil from Iran will take time to return, and will not be before next year, most likely the second half of 2016," Amrita Sen, chief oil analyst at London-based consultancy Energy Aspects, told Reuters. "But given how oversupplied the market is with Saudi output at record highs, the mere prospect of new oil will be bearish for sentiment."

Sanctions on the Islamic Republic have almost halved its exports to a little over 1 million barrels per day. A deal could see Iran increase its oil exports by up to 60 percent within a year, a Reuters survey of analysts said. A rise in Iranian crude exports could put further pressure on the market. "It is hard to imagine Saudi Arabia surrendering market share to its arch enemy," Carsten Fritsch, senior oil and commodities analyst at Commerzbank, told the Reuters Global Oil Forum. "In the case of a price war we could see oil prices to drop below \$50 a barrel again."

Several of the world's biggest oil companies have held talks with Iranian officials in Tehran in recent months to discuss cooperation following the easing of sanctions. Royal Dutch Shell said on Tuesday it was interested in doing business in Iran. —Reuters

GOLD RECOVERS LOSSES AFTER WEAK US DATA

LONDON: Gold steadied yesterday, recouping earlier losses, after downbeat retail sales data stoked concern over the outlook for the US economy, knocking the dollar and fuelling uncertainty over the timing of a Federal Reserve rate rise. US retail sales unexpectedly fell in June as households cut back on purchases of automobiles and other goods, raising concerns the economy was slowing again. Spot gold was at \$1,157.61 an ounce at 1340 GMT, little changed from late on Monday, while US gold futures for August delivery were up \$1.50 an ounce at \$1,156.90.

Expectations for a rate increase have pushed gold down 2.5 percent this year. Gold tends to come under pressure as interest rates rise, as these boost the opportunity cost of holding the metal, while lifting the dollar, in which it is priced. Traders are awaiting Federal Reserve Chair Janet Yellen's semiannual testimony to Congress on Wednesday and Thursday, which may provide more signals of a looming rate rise, which will be heavily dependent on the strength of US data.

"Considering we have Janet Yellen speaking tomorrow, any weakness in economic data ahead of that may help soothe a few nerves," Saxo Bank's head of commodity research Ole Hansen said. "The dollar had another false

break higher earlier today, and the weakness seen this afternoon has helped see the return of a few bids."

Yellen said on Friday the US central bank was on course to raise rates at some point later this year, the first increase in nearly a decade, though labour markets remained weak. European stocks eased and Wall Street opened flat after the US data, and as weaker oil prices weighed on energy shares after a landmark nuclear deal on Iran. Oil prices fell 1.2 percent after Iran and six world powers reached an agreement that is expected to increase the supply of Iranian crude on world markets.

From a technical perspective, gold looks vulnerable to further losses, according to analysts who study past price patterns to determine the next direction of trade. "The metal is trading in a short-term bearish trend channel off the May 18 high of \$1,232, marked by lower highs and lower lows," ScotiaMocatta's technical team said in a note. "The risk is a test in the near term of the March low of \$1,142, a breach of which would open up the \$1,131 low from November 2014." Silver was down 0.5 percent at \$15.42 an ounce, platinum was 0.6 percent lower at \$1,026.24 an ounce and palladium was up 0.8 percent at \$662. —Reuters

WEAK US RETAIL SALES HINT AT SLOWER ECONOMIC GROWTH

WASHINGTON: US retail sales unexpectedly fell in June as households cut back on purchases of automobiles and a range of other goods, which could raise concerns the economy was slowing again. Yesterday's weak retail sales report, together with signs of some softening of the labor market, could dampen expectations for an interest rate hike from the Federal Reserve this year, which most economists expect could come in September. "The underlying tone of this report suggests that the recovery is beginning to show some signs of strain. If anything it will temper, at the margin, any consideration for a September rate hike," said Millan Mulraine, deputy chief economist at TD Securities in New York.

The Commerce Department said retail sales slipped 0.3 percent, the weakest reading since February, after May's downwardly revised 1.0 percent increase. Retail sales excluding automobiles, gasoline, building materials and food services dipped 0.1 percent following a 0.7 percent gain in May. These so-called core retail sales correspond most closely with the consumer spending component of gross domestic product. Economists had forecast retail sales rising 0.2 percent last month after a previously reported 1.2 percent

jump in May. Core retail sales had been expected to increase 0.4 percent.

The dollar fell against the yen and the euro after the data, while prices for US Treasury debt rose. US stocks were trading slightly higher on better earnings from JPMorgan. Coming on the heels of June's disappointing employment report and sharp drop in small business confidence, the weak retail sales data suggests the economy might have lost some momentum at the end of the second quarter, having struggled at the start of the year.

The economy contracted at a 0.2 percent annual rate in the first quarter and the drop in core retail sales could see economists trim their GDP growth estimates for the April-June quarter. The second-quarter growth outlook was also dimmed by another report from the Commerce Department showing retail inventories excluding automobiles rose only 0.1 percent in May. This component, which goes into the calculation of GDP, increased 0.5 percent in April. "Consumers are struggling this year, probably because income has been affected by weakness in the oil industry. The odds of tightening in September just diminished a bit," said Chris Low, chief economist at FTN Financial in New York. —Reuters

Daily Kuwait Stock Exchange Report

Tuesday 14 July 2015

Index	Change	Closing	Last Closing	High	Low
Price index	▲ 37.60	6,240.53	6,202.84	6,240.87	6,197.01
Weighted Index	▲ 7.05	477.09	470.04	477.11	419.56
KSX 15	▲ 6.39	1,025.15	1,018.76	1,025.15	1,016.17

Volume	133,944,295
Value (KWD)	9,191,196
Number of Trades	2,787

Security	Trades		Volume	Value (KJ)	Trades	Last	Change
	High	Low					
MARIN	110	110	3900	429	1	110	▼ -8.0
IKARUS	142	142	7,957	1,130	1	142	— 0.0
IPG	0.0	0.0	0	0	0	320	— 0.0
NAPESCO	0.0	0.0	0	0	0	550	— 0.0
ENERGYH	66	59	523,700	32,464	57	64	▲ 3.0
GPI	65	64	474,495	30,522	22	65	▲ 1.0
ARAR	0.0	0.0	0	0	0	140	— 0.0
Oil & Gas			1,010,052	64,545	81	900.74	▼ -2.37

Security	Trades		Volume	Value (KJ)	Trades	Last	Change
	High	Low					
SOKOUK	60	57	367,4430	217,227	99	60	▲ 3.0
KRE	71	70	396,651	28,139	7	71	— 0.0
URC	0.0	0.0	0	0	0	99	— 0.0
NRE	97	97	200,000	19,400	2	97	▼ -1.0
SRE	0.0	0.0	0	0	0	335	— 0.0
TAM	0.0	0.0	0	0	0	440	— 0.0
AREEC	0.0	0.0	0	0	0	192	— 0.0
MASGALJI	0.0	0.0	0	0	0	60	— 0.0
ARABREC	40.0	40.0	131,200	5,248	7	40.0	— 0.0
ERESCO	67	66	232,000	16,642	8	67	— 0.0
MDANEEC	970	950	66,000	63,300	13	950	▼ -10.0
INJAZZAT	0.0	0.0	0	0	0	69	— 0.0
INVESTORS	33.0	31.5	9,960,061	323,018	131	33.0	▲ 2.0
IRC	36.0	35.5	25,500	911	4	36.0	▲ 1.0
ALTIJARIA	60	67	989,795	84,379	11	67	— 0.0
SANAM	0.0	0.0	0	0	0	83	— 0.0
AAYANRE	89	89	8,520	794	3	89	— 0.0
AQAR	0.0	0.0	0	0	0	80	— 0.0
ALAQARIA	27.5	25.0	27,475	718	9	25.0	▼ -2.5
MAZYA	122	120	1,513,010	181,561	39	120	— 0.0
ADNC	37.0	35.0	46,519,743	1,671,518	474	36.5	▲ 0.5
THEMAR	0.0	0.0	0	0	0	90	— 0.0
TIJARA	46.5	45.5	90,000	4,121	3	46.5	▲ 1.0
TAAMEER	31.5	30.5	182,750	5,538	9	31.0	▲ 0.5
ARKAN	0.0	0.0	0	0	0	120	— 0.0
ARGAN	0.0	0.0	0	0	0	174	— 0.0
ABYARA	32.0	31.0	1,314,348	41,187	36	31.0	▼ -0.5
MUNSHAAT	110	100	5,691,167	588,695	95	110	▲ 8.0
FIRSTDUBAI	61	60	20,000	1,204	4	61	▲ 1.0
KBT	38.5	37.5	59,000	2,243	6	38.0	— 0.0
REAM	0.0	0.0	0	0	0	156	— 0.0
MENA	29.0	29.0	60,000	1,740	4	29.0	— 0.0
ALMUDON	46.5	45.0	1,615,985	73,502	51	46.5	▲ 2.0
MARAKEZ	29.5	28.5	65,250	1,914	8	29.0	— 0.0
REMAI	51	49.5	168,060	8,391	13	51	▲ 1.5
MASHAER	124	124	200	25	1	124	▲ 4.0
Real Estate			73,018,546	3,342,143	1,037	1033.73	▲ 13.21

Security	Trades		Volume	Value (KJ)	Trades	Last	Change
	High	Low					
KCEM	0.0	0.0	0	0	0	360	— 0.0
REFRI	0.0	0.0	0	0	0	390	— 0.0
CABLE	530	520	64,110	33,728	13	530	— 0.0
SHIP	122	122	1,121	137	1	122	— 0.0
PCEM	1,200	1,180	4,887	5,796	2	1,180	▼ -40.0
PAPER	0.0	0.0	0	0	0	400	— 0.0
MRC	0.0	0.0	0	0	0	80	— 0.0
ACICO	320	320	222	71	1	320	— 0.0
GGMC	0.0	0.0	0	0	0	550	— 0.0
HCC	0.0	0.0	0	0	0	172	— 0.0
KPAK	0.0	0.0	0	0	0	400	— 0.0
KBMMK	0.0	0.0	0	0	0	440	— 0.0
NICBM	0.0	0.0	0	0	0	230	— 0.0
EQUIPMENT	71	68	485,800	34,151	23	71	▲ 3.0
NCCI	0.0	0.0	0	0	0	134	— 0.0
GYPSUM	0.0	0.0	0	0	0	102	— 0.0
SALBOOKH	96	91	132,400	12,612	21	96	▲ 2.0
AGLTY	660	650	288,909	174,851	19	660	▲ 10.0
EDU	218	218	500	109	1	218	▲ 8.0
CLEANING	52	51	80,000	4,140	5	52	▲ 1.0
CITYGROUP	0.0	0.0	0	0	0	400	— 0.0
KGL	53	53	190,000	10,070	4	53	— 0.0
KCPK	0.0	0.0	0	0	0	244	— 0.0
HUMANISOFT	860	860	0,000	5,100	1	860	▼ -10.0
NAFAIS	0.0	0.0	0	0	0	89	— 0.0
SAFWAN	280	270	21,500	5,820	2	280	▼ -10.0
GFC	99	85	1,605	138	3	99	▲ 4.0
MAYADEEN	29.0	28.5	2,867,000	83,049	46	29.0	▲ 1.0
CGG	0.0	0.0	0	0	0	810	— 0.0
MTCC	59	57	967,000	56,627	37	59	▲ 3.0
UPAC	0.0	0.0	0	0	0	690	— 0.0
ALAFKO	0.0	0.0	0	0	0	226	— 0.0
MUBARRAD	71	70	101,902	7,138	13	71	— 0.0
LOGISTICS	68	67	153,240	10,341	8	67	— 0.0
SCEM	81	80	275,000	22,075	8	81	— 0.0
GCEM	82	82	800,000	65,600	6	82	— 0.0
QCEM	0.0	0.0	0	0	0	86	— 0.0
FCEM	77	76	351,500	26,716	8	77	▲ 1.0
RKWC	108	108	105,865	11,433	3	108	— 0.0
SPEC	0.0	0.0	0	0	0	92	— 0.0
Industrials			6,878,561	569,762	225	1130.42	▲ 4.63

Security	Trades		Volume	Value (KJ)	Trades	Last	Change
	High	Low					
KSH	0.0	0.0	0	0	0	226	— 0.0
NSH	0.0	0.0	0	0	0	152	— 0.0
PAPCO	0.0	0.0	0	0	0	98	— 0.0
CATTL	112	110	5,167	578	2	112	▲ 2.0
DANAH	91						