

DEMAND GROWS FOR ISLAMIC FINANCE BODY IILM SUKUK

LONDON: Demand for Islamic bonds issued by the International Islamic Liquidity Management Corp (IILM) is growing, signaling widening popularity for a program designed as a cross-border tool for Islamic banks to manage their liquidity needs.

The Kuala Lumpur-based body is a likely beneficiary of a decision by Malaysia's central bank to wind down

its own sales of sukuk, which could in turn spur the IILM to expand its \$3 billion issuance program. A boost in demand could help widen the membership base of the IILM and encourage regulators across Asia and the Middle East to approve the use of IILM sukuk by their Islamic banks.

Yesterday, the IILM sold \$860 million worth of three-month sukuk

attracting \$1.7 billion in bids, bringing the total amount of IILM sukuk outstanding to \$2.7 billion, according to regulatory filings.

This is above bids received for previous auctions for IILM sukuk of similar size and tenor: Auctions in April of this year and in July of last year drew \$1.1 billion worth of bids each.

Demand has also increased for

six-month tenors of IILM sukuk. A \$500 million deal in May attracted \$1.1 billion in bids, compared with a \$400 million auction in August that attracted \$652 million in bids. The IILM, a consortium of central banks from Asia, the Middle East and Africa, began issuing sukuk in August of 2013 under an issuance program which permits maturities

of up to one year.

Since then, the IILM has sought to widen its membership although it has yet to attract any new shareholders, while in October it added Qatar's Barwa Bank as its tenth primary dealer to handle its sukuk program. Growing popularity of IILM sukuk could also improve its secondary market activity. — Reuters

OIL FALLS ON PROSPECT OF HIGHER IRANIAN EXPORTS

IRAN EXPORTS TO RISE 400,000 BPD IN 2016: GOLDMAN

LONDON: Oil prices fell yesterday as investors digested the likely impact of increasing Iranian fuel exports at a time of heavy oversupply. A milestone nuclear deal reached on Tuesday between six world powers and Iran will mean sanctions that have limited sales of Iranian oil for several years are likely to be lifted in early 2016.

An official at the National Iranian Oil Company said on yesterday that Iran's oil production can increase by 500,000-600,000 barrels per day (bpd), confirming the prospect of a ramp-up in supply from a nation that holds some of the world's largest oil reserves.

Iran can reach its pre-sanctions level of 4 million bpd within six to twelve months if there is enough demand, he said. Most analysts agree that first Iranian oil exports could enter the global market in early 2016, but their estimated additional volumes vary between 300,000 and 700,000 bpd.

Analysts at Goldman Sachs estimate Iran could supply and extra 200,000-400,000 bpd in 2016 on top of a release of 20-40

million barrels from floating storage.

"We view the 2016 prospects for higher OPEC production, including from Iran, as a growing downside risk to our oil price forecast," Goldman Sachs analysts said in a note to clients. Goldman's current forecast is for Brent to average \$58 a barrel in 2015 and for \$62 next year, while it expects US crude to average \$52 and \$57 respectively this year and next year.

By 1104 yesterday Brent crude was down 50 cents at \$58.01 a barrel. US futures fell 35 cents to \$52.69. Iran, a member of the Organization of the Petroleum Exporting Countries, exported almost 3 million bpd of crude at its peak before Western sanctions reduced shipments to about a million bpd over the past two and a half years. Traders are also keeping an eye on China for clues to the health of the economy. A savage correction shaved about 30 percent off the country's stock market in the past month before Beijing support measures helped to stem the tide. China, one of the world's top energy

consumers, reported stable economic growth on yesterday at an annual rate of 7 percent. French bank Natixis said there was a risk of oil prices falling further if China's economy slows while global oil production stays close to record highs.

Output boost

The National Iranian Oil Company (NIOC) is set to increase production from all oilfields this year and can reach its pre-sanctions output capacity of 4 million barrels per day if there is sufficient market demand, a top Iranian oil official told a newspaper yesterday.

Iran and six major world powers reached a landmark nuclear deal on Tuesday, clearing the way for an easing of international sanctions on Tehran and higher oil exports. "We want to reach to our pre-sanctions capacity. We tested a production increase in the main oilfields last year," Rohnoldin Javadi, NIOC managing director told Iran's Shargh newspaper. "This year we have been ordered to increase production

in all fields."

He said it might take six months to a year until Iran can claim its previous position in the global oil market. "Iran's oil production capacity was 4 million barrels a day before the sanctions. We can reach that if there is demand in the market," Javadi told Shargh.

Iran can increase oil output by 500,000 to 600,000 bpd and the main market targeted for the extra supplies will be South East Asia, he added.

Oil Minister Bijan Zanganeh said last month that Iran was aiming to add 500,000 barrels per day (bpd) to production within two months of easing Western sanctions that have halved shipments in recent years, and as much as 1 million bpd in six to seven months. But years of underinvestment mean Iran may struggle to get its oil industry anywhere near full potential, analysts say. It will also take time for Tehran to raise output as nuclear inspectors verify Iran's compliance with the terms of any deal and sanctions are slowly removed. — Reuters

News

in brief

Price of Kuwaiti crude oil drops to \$53.77

KUWAIT: Price of Kuwaiti crude oil dropped by 94 cents to \$53.77 yesterday, as compared to \$54.71 per barrel the previous day, according to Kuwait Petroleum Corporation (KPC). In the international markets, the Brent crude rose by 21 cents to \$58.72 per barrel. American crude price climbed 28 cents to \$53.32 pb. The Brent rose amid forecast resumption of Iran's oil exports, as a result of the Vienna nuclear deal. Meanwhile, US crude reserves dropped 7.3 million barrels in the week ending on July 10, reaching 460.6 million barrels.

Egypt's Suez Canal revenue falls to \$431.6m

CAIRO: Egypt's revenue from the Suez Canal fell to \$431.6 million in June from \$449.6 million in May, a government website said yesterday. The canal, the fastest shipping route between Europe and Asia, is one of Egypt's main sources of foreign currency.

Moody's upgrades Egypt's banking system's outlook

CAIRO: Moody's Investors Service says it has upgraded Egypt's banking system outlook to stable from negative, expecting the sector's operating conditions to improve as economic growth accelerates and the government pushes through with economic reforms. The credit rating agency says in a statement yesterday that it expects Egypt's economy to expand 5 percent in the fiscal year ending June 2016, from an expected 4.5 percent in the previous fiscal year. Moody's says it expects those changes to lead to rising consumer confidence and more business investments, which would increase loan growth from banks. The agency says its estimated uptick in economic growth "will mainly be driven by large, government-led infrastructure projects, increased foreign investment, and a rise in tourism."

Cheaper oil helps slash Morocco's trade deficit

RABAT: Morocco's trade deficit fell 24 percent to 77 billion dirhams (\$7.87 billion) in the first half of 2015 compared with the same period last year, thanks to lower energy import prices as oil prices fell, the foreign exchange regulator said yesterday. The trade gap was down from 101.36 billion dirhams at the end of June 2014, as energy imports fell by 32 percent from a year earlier to 34.70 billion dirhams. Wheat import prices fell 30 percent as the local harvest hit a record high this year. Total exports rose 6.4 percent from a year earlier to 110.43 billion dirhams. Tourism receipts dropped 6.6 percent, while remittances from the 4.5 million Moroccans living abroad rose 5 percent. Foreign direct investment jumped 20 percent to 16.9 billion dirhams.

DUBAI'S ENBD PROFIT UP ON RISING INCOME FEES

DUBAI: Emirates NBD (ENBD), Dubai's largest lender, posted a 26 percent rise in second-quarter net profit yesterday, slightly missing analysts' forecasts, helped by rises in income from loans and fees and smaller impairment charges. The lender, 55.6-percent owned by state fund Investment Corp of Dubai, made a profit of 1.65 billion dirhams (\$449 million) in the three months to June 30, compared to 1.31 billion dirhams in the same period of 2014, according to Reuters calculations.

ENBD didn't provide a quarterly breakdown in its first-half results filing, so Reuters calculated figures for the three months using previous financial statements.

An average of six analysts polled by Reuters had forecast a net profit of 1.69 billion dirhams for the second quarter. ENBD has benefited from robust growth in Dubai, where a diversified economy has helped cushion the fallout from weak oil markets. Still, business activity expansion in the United Arab Emirates' non-oil private sector slowed to a 22-month low in June, the bank's own corporate survey showed. For the first half of 2015, ENBD reported a net profit of 3.32 billion dirhams, up 41 percent from a year earlier, it said in a statement.

The bank was helped by a 9 percent rise in net interest income during the first half of the year to 4.9 billion dirhams. Loan growth swelled by 6 percent over the same period to 256.2 billion dirhams at the end of June 30. The bank has been helped by an easing of its debt woes, including the reclassification last year of its Dubai World debt as performing.

Impairment allowances reached 1.99 billion dirhams during the six months to the end of June, an improvement of 24 percent from the same period of last year. —Reuters



ATHENS: A woman walks past a closed pharmacy in central Athens yesterday during a 24-hour public sector worker and pharmacist's strike. Greece gears up for a crucial parliamentary vote on draconian reforms demanded by euro-zone creditors in exchange for a huge new bailout, in what could be Prime Minister Alexis Tsipras's toughest political test yet. — AFP

EXCHANGE RATES

AL-MUZAINI EXCHANGE CO.

ASIAN COUNTRIES

Japanese Yen	2.463
Indian Rupees	4.787
Pakistani Rupees	2.982
Sri Lankan Rupees	2.269
Nepali Rupees	2.992
Singapore Dollar	223.770
Hongkong Dollar	39.173
Bangladesh Taka	3.903
Philippine Peso	6.723
Thai Baht	8.938

GCC COUNTRIES

Saudi Riyal	81.017
Qatari Riyal	83.455
Omani Riyal	789.110
Bahraini Dinar	806.830
UAE Dirham	82.716

ARAB COUNTRIES

Egyptian Pound - Cash	42.375
Egyptian Pound - Transfer	39.022
Yemen Riyal/for 1000	1.418
Tunisian Dinar	155.320
Jordanian Dinar	428.640
Lebanese Lira/for 1000	2.038
Syrian Lira	2.165
Morocco Dirham	31.466

EUROPEAN & AMERICAN COUNTRIES

US Dollar Transfer	303.650
Euro	335.530
Sterling Pound	471.570
Canadian dollar	238.910
Turkish Lira	114.670
Swiss Franc	320.980
Australian Dollar	226.520
US Dollar Buying	302.450

GOLD

20 gram	234.150
10 gram	119.770
5 gram	60.570

UAE EXCHANGE CENTRE WLL

CURRENCIES

Australian Dollar	207.36
Canadian Dollar	244.46
Swiss Franc	326.18
Euro	338.38
US Dollar	303.50
Sterling Pound	475.10
Japanese Yen	2.51
Bangladesh Taka	3.896
Indian Rupee	4.778
Sri Lankan Rupee	2.265
Nepali Rupee	2.986
Pakistani Rupee	2.980
UAE Dirhams	82.51
Bahraini Dinar	805.57
Egyptian Pound	39.66
Jordanian Dinar	431.16
Omani Riyal	787.12
Qatari Riyal	83.58
Saudi Riyal	80.85

DOLLARCO EXCHANGE CO. LTD

Rate for Transfer	Selling Rate
US Dollar	303.000
Canadian Dollar	241.660
Sterling Pound	471.625
Euro	339.520
Swiss Frank	285.785
Bahrain Dinar	804.990
UAE Dirhams	82.875
Qatari Riyals	90.865

Saudi Riyals	81.605
Jordanian Dinar	427.375
Egyptian Pound	38.623
Sri Lankan Rupees	2.269
Indian Rupees	4.779
Pakistani Rupees	2.978
Bangladesh Taka	3.890
Philippines Peso	6.703
Cyprus pound	577.685
Japanese Yen	3.465
Syrian Pound	2.605
Nepalese Rupees	3.985
Malaysian Ringgit	80.765
Chinese Yuan Renminbi	49.180
Thai Bhat	9.910
Turkish Lira	118.725

BAHRAIN EXCHANGE COMPANY

CURRENCY	BUY	SELL
Europe		
Belgian Franc	0.007919	0.008919
British Pound	0.468003	0.477003
Czech Korune	0.004303	0.016303
Danish Krone	0.040606	0.045606
Euro	0.327929	0.335929
Norwegian Krone	0.033179	0.038379
Romanian Leu	0.075479	0.075479
Slovakia	0.009058	0.019058
Swedish Krona	0.031517	0.036517
Swiss Franc	0.313679	0.323879
Turkish Lira	0.113962	0.120962

Australasia	America	
Australian Dollar	0.218192	0.229692
New Zealand Dollar	0.196725	0.206225
Canadian Dollar	0.232416	0.240916
US Dollars	0.299400	0.303900

US Dollars Mint	0.299900	0.303900
Asia		
Bangladesh Taka	0.003558	0.004158
Chinese Yuan	0.047497	0.050997
Hong Kong Dollar	0.037065	0.039815
Indian Rupee	0.004711	0.005101
Indonesian Rupiah	0.000019	0.000025
Japanese Yen	0.002370	0.002550
Kenyan Shilling	0.002973	0.002973
Korean Won	0.000255	0.000270
Malaysian Ringgit	0.076747	0.082747
Nepalese Rupee	0.003044	0.003214
Pakistan Rupee	0.002806	0.003086
Philippine Peso	0.006681	0.006961
Sierra Leone	0.000072	0.000078
Singapore Dollar	0.219043	0.225043
South African Rand	0.018502	0.027002
Sri Lankan Rupee	0.001866	0.002446
Taiwan	0.009655	0.009835
Thai Baht	0.008684	0.009234

Arab		
Bahraini Dinar	0.798577	0.806577
Egyptian Pound	0.040193	0.043023
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000189	0.000249
Jordanian Dinar	0.423765	0.431265
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000151	0.000251
Moroccan Dirhams	0.019874	0.043874
Nigerian Naira	0.000920	0.001555
Omani Riyal	0.782300	0.787980
Qatar Riyal	0.082653	0.083866
Saudi Riyal	0.080297	0.080997
Syrian Pound	0.001286	0.001506
Tunisian Dinar	0.151486	0.159486
Turkish Lira	0.113962	0.120962
UAE Dirhams	0.081651	0.082800
Yemeni Riyal	0.001372	0.001452