

Business

European, UK shares rally after UK votes down no-deal Brexit

Asian shares falter after Chinese data

LONDON: European shares rallied to five-month highs yesterday after Britain's parliament removed a key source of uncertainty by rejecting a no-deal Brexit though somber economic data and trade fears kept a lid on gains. A pan-European equity index jumped 0.7 percent to the highest since October after Britain's parliament vote on Wednesday. The vote paves the way for a delay to Brexit beyond the current March 29 deadline which could lead to an EU divorce deal being agreed or even another referendum.

British stocks also rose 0.5 percent. Goldman Sachs analysts told clients the probability of a no-deal Brexit had fallen to 5 percent from 10 percent after Wednesday vote. Despite the vote having no legal force, it carries considerable political force. However, data from China, signaling further weakness in the world's second-biggest economy, extended the steady stream of economic indicators that are painting a lackluster picture of the global economy—the figures showed industrial output at 17-year lows and sluggish retail sales.

That pushed MSCI's index of Asia-Pacific shares outside Japan 0.7 percent lower, though world shares trod water, staying well off 4-1/2 month highs hit recently. Wall Street was set for a marginally firmer open, futures showed. Reports that China was seeking to delay trade talks also weighed on sentiment. "Global markets have had a good start to this year but people are now starting to focus on the real issues like will there be a (US-China) trade deal, Brexit and the ex-



British stocks rise 0.5%

pectation that the Fed will raise rates possibly once more this year before maybe cutting rates," said Peter Lowman, chief investment officer at Investment Quorum.

He was speaking of the US Federal Reserve which signaled recently that it was pressing pause on rate rises. Some players however reckon it could still raise interest rates one more time before calling time on its tightening campaign. Lowman noted that despite China's slowing growth, markets have had an impressive rally this year, with the MSCI index climbing about 10 percent, spurred by the Fed's change of heart. But many remain skeptical about how much further the share rally can run.

The state of trade talks also weighed on investors after President Donald Trump said he was in no rush to complete an agreement. Trump and his Chinese counterpart Xi Jinping had been expected to hold a summit at the presi-

dent's Mar-a-Lago property in Florida later this month, but no date has been set for a meeting. "Before we conclude that this market still has decent legs, we'd like to see equity prices supported by stronger macro data, lifted by better earnings trends, and confirmed by stable-to-rising yields," David Lafferty, chief market strategist at Natixis, told clients.

Brexit

On currency markets, most action was in sterling which rallied after Wednesday's vote by more than 1 percent to \$1.3380, the high-

est since June 2018. However, it has retreated from those levels to stand half a percent lower as lawmakers prepared to vote again later in the day to delay Brexit until at least the end of June. But analysts risks have not been eliminated with parliament still needing to find a way forward and all 27 EU nations needing to agree an extension on Brexit. "There is gradual optimism being priced in and barring something highly unlikely, the possibility of an actual no-deal is not zero but less than 5 percent," said Tim Graf, head of macro strategy at State Street Global Advisors.

challenges facing Ooredoo Kuwait in its security strategy and reduction of business risks in parallel with Ooredoo's digital transformation strategy and the utilization of AI, automation, and orchestration and now to effectively combat cyber threats, in addition to showcasing its success and best practices. Discussions will also include providing essential guidance for the security leaders on the front line and driving their organization's security strategy and working to reduce business risks. Commenting on the company's participation, Chief Business Officer at Ooredoo Kuwait Abdulaziz Al-Babtain said: "We're proud to participate in this event, which provides a good opportunity to interact with industry leaders in this field, and provides a constructive platform for exchanging expertise. Security strategy and reducing business risks is without a doubt one of the main and most important goals, which plays a vital role in the security of organizations. We believe that the Kuwaiti market deserves to have the latest and most advanced and innovative modalities to keep up with international trends of security."



NEW YORK: The US flag flies outside the New York Stock Exchange in New York. —AFP

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UK watchdog puts Brexit war chest at £26.6bn

LONDON: Britain will have a £26.6-billion war chest to battle the potential damage of its exit from the European Union, a government oversight body said. With the Brexit deadline approaching on March 29 and no deal reached over the UK's departure, the government is stepping up economic contingency plans. Its efforts will be helped by extra money if it keeps to a budget deficit below two percent of gross domestic product in 2020-2021, the Office of Budget Responsibility, which the government tasks with reviewing its budgets, said late Wednesday.

Its report assessed finance minister Philip Hammond's latest economic report to parliament, which he delivered earlier Wednesday. "The

But he added: "There is always the chance the EU won't grant an extension if they are just going to be trying to push this deal through... that's where the caution comes in." Elsewhere, the Australian dollar was down 0.35 percent, hit by the lackluster economic data from China, Australia's major trading partner. The yuan too fell 0.3 percent. Oil prices extended overnight gains Brent adding 0.8 percent to \$68.05, boosted by OPEC-led supply cuts, US sanctions against Venezuela and Iran and an unexpected dip in US crude oil stocks and production.—Reuters

forecast changes and policy decisions leave (Hammond) with £26.6 billion of headroom against his fiscal mandate," the OBR said. "This is up from £15.4 billion in October, as the fiscal costs of the temporary near-term cyclical weakness of the economy have been swamped by the fiscal gains from higher income tax and lower debt interest spending."

The figure represents the difference between the OBR's new budget deficit forecast and the government's own fiscal targets. The money should help Britain offset an economic slowdown caused by uncertainty over how Brexit will be resolved. British Prime Minister Theresa May stressed on Tuesday that parliament's approval of the withdrawal agreement she has reached with Brussels will deliver a fiscal "Brexit dividend."

But lawmakers still rejected her deal, sending it to a second defeat since January. May on Wednesday agreed to ask the 27 EU leaders for a postponement of the Brexit deadline. But she also warned that unless parliament drops its opposition, any Brexit extension could be long.—AFP

Ooredoo becomes platinum sponsor of IDC Security Roadshow

KUWAIT: Ooredoo Kuwait today announces its participation as platinum partner in the upcoming IDC Security Roadshow 2019, which will take place at the JW Marriot Hotel Kuwait City on March 18, 2019. Hosted by global technology research and consulting firm International Data Corporation (IDC), the event will showcase insights from a number of industry-leading entities. Ooredoo's participation reiterates its commitment to enriching the Kuwaiti community with digital transformation. Chief Business Officer Abdulaziz Al-Babtain and Senior Director Corporate Security Amadou Ndiaye will be representing Ooredoo Kuwait at the event.

Various topics will be discussed such as the