

The Business

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Stocks post big gains ahead of earnings reports

NEW YORK: US stocks rose yesterday, giving the Dow and S&P 500 their biggest gains in more than a month, as bank shares jumped ahead of earnings reports later this week.

Industrial, energy and consumer discretionary shares also rose sharply, while S&P utilities and telecommunications – among the market's recent outperformers – led percentage declines.

The S&P banks index climbed 2.7 per cent, registering its biggest daily percentage gain since March 26. The S&P 500 financial index rose 2.3pc, leading gains among sectors.

JPMorgan Chase, Wells Fargo and Citigroup are scheduled to report results on Friday, starting off the second-quarter earnings season in earnest.

"We're on the eve of what's going to be a dynamite earnings season," for the S&P 500 overall, said Bucky Hellwig, senior vice-president at BB&T Wealth Management in Birmingham, Alabama.

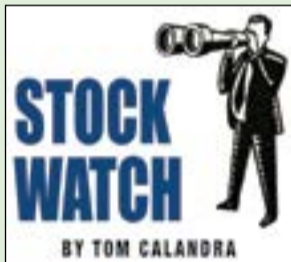
A stronger economy and plans for more buybacks also are helping bank shares, he said.

Investors may also be shifting their focus for now away from trade tensions between the US and China. The two countries slapped tit-for-tat tariffs on \$34 billion of each other's goods on Friday.

"The angst going into last Friday was pretty significant, and now, with the realisation that we're here and the world hasn't come to an end,... the money is falling in," Hellwig said.

Helping to boost the Dow, Caterpillar Inc rose 4.1pc. The S&P industrial sector jumped 1.8pc. Caterpillar and other industrials have been among hardest hit by recent trade worries.

The Dow Jones Industrial Average rose 320.11 points, or 1.31pc, to 24,776.59, the S&P 500 gained 24.35 points, or 0.88pc, to 2,784.17 and the Nasdaq Composite



added 67.81 points, or 0.88pc, to 7,756.20.

A Bank of America Merrill Lynch research report showed earnings per share for S&P 500 companies for 2018 was revised higher amid better-than-expected first-quarter results, higher oil prices and stronger-than-expected US economic growth.

US analysts' estimates for S&P 500 second-quarter profit growth have risen slightly since April, putting the latest forecast at around 21pc, according to Thomson Reuters data.

Twitter sank after the Washington Post reported that the social media company suspended more than 70 million fake accounts in May and June, which analysts said could be negative for user growth, but it pared losses after its CFO tweeted that most accounts Twitter removes are not included in reported metrics. The stock ended down 5.4pc.

Advancing issues outnumbered declining ones on the NYSE by a 1.77-to-1 ratio; on Nasdaq, a 1.65-to-1 ratio favoured advancers.

The S&P 500 posted 21 new 52-week highs and no new lows; the Nasdaq Composite recorded 142 new highs and 30 new lows.

Bank shares also found support from the first notable uptick in US Treasury yields in two weeks. The benchmark US 10-year note yielded 2.858pc, up 2.7 basis points from Friday. The yield spread between two-year and 10-year notes was at 29.50 basis points. Five-year and 30-year Treasuries were 21.50 basis points apart.

Gold was 0.4pc firmer at \$1,259.46 an ounce.



■ Renewable energy projects were discussed as Electricity and Water Affairs Minister Dr Abdulhussain Mirza received Haji Hassan Group chairman Dr Adel Hassan Al A'ali and company officials. He praised the company's activities and briefed its officials on government projects in the field of renewable energy. He also explained the projects of the Sustainable Energy Unit, which was represented by its acting executive director Alexander Al Samahiji. Above, Dr Mirza, centre, along with Dr Al A'ali, second from left, and Mr Al Samahiji, right, and other officials during the visit.

Cement firm offers 10pc bonus shares



■ Board members and executive management officials at the meeting

MANAMA: Shareholders of Falcon Cement Company (FCC) will receive bonus shares amounting to 10 per cent of the paid-up capital, following the decision's approval at the annual general meeting.

The meeting, which witnessed a quorum of 70pc, also saw review and approval of the company's financial results for the year ended December 2017, during which FCC reported a total income of \$45.6 million and net profit of \$8.2m.

FCC chairman Hisham Alrayes told

shareholders that strong performance over the past year and the healthy dividend distribution underscores the strength of the company's strategy and ability to execute.

"Despite challenging market conditions and competition, we're delighted to have achieved solid growth in our sales and market share.

"As a result, we saw revenues increase by 56pc to \$45.6m for the year and profits rise a considerable 54pc. These are strong indicators of the continued strides we are making in the development of our business

and FCC's position as a major provider of high-quality cement to the market," Mr Alrayes said.

"During 2017, sales increased, bag distribution surged four-fold over the previous year, and cement quality has improved with the company becoming ISO certified.

"We believe that 2018 will remain a reasonably good year for cement and the construction industry and look forward to further growing our role as a market leader," he added.



■ The Bahrain Chapter of the Institute of Chartered Accountants of India (BCICAI) celebrated CA Day on July 1, which also marked the beginning of Platinum Jubilee celebrations of the parent organisation in India – ICAI. A seminar on cyber security was organised on the occasion. Above, members attending the seminar, and, inset, BCICAI chairman Uday Shanbhag addressing them.

Treasury bills subscribed

MANAMA: The latest weekly issue of government Treasury Bills floated to raise BD70 million has received subscription to the tune 123 per cent, the Central Bank of Bahrain announced yesterday.

Carrying a maturity of 91 days, the bills have tomorrow as the issue date and October 10, 2018 as the maturity date.

The weighted average rate of interest is 3.94pc, compared with 3.93pc for the previous issue on July 2.

The approximate average price for the issue was 99.013pc with the lowest accepted price being 99.001pc.

With this, issue No 1712 (ISIN BH0001112042) the total outstanding value of government Treasury Bills is BD2.11 billion.