

The Business

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Wall Street falls on new Trump tariff threats

NEW YORK: US stocks fell yesterday, breaking a four-session streak of gains after Washington's threat to impose tariffs on an additional \$200 billion worth of Chinese goods fanned trade war fears, while a sharp drop in oil prices hit energy shares.

China responded to US President Donald Trump's threats by accusing the US of bullying and warned that it would hit back.

Industrial names including Boeing, 3M and Caterpillar, which have been among the hardest hit by the recent trade dispute, were among the Dow's biggest drags.

Materials, down 1.7 per cent, was another big negative influence on the market, with Freeport-McMoRan down 3.9pc as copper prices hit their lowest in about a year.

Investors said trade war worries may slip to the background as investors begin to focus more closely on second-quarter earnings over the coming weeks. Results from JPMorgan Chase and other big banks are due tomorrow.

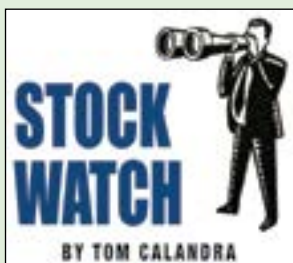
"The trade situation is worrisome but nothing more is going to happen right away. This story may recede in people's consciousness while current stories capture people's interests, particularly earnings," said John Carey, portfolio manager at Amundi Pioneer Asset Management in Boston.

"People are looking for some fairly strong earnings, and there's certainly potential for disappointment."

Analysts are forecasting S&P 500 companies' earnings grew about 21pc in the second quarter from a year earlier, according to Thomson Reuters data.

Also pressuring the market yesterday, the S&P 500 energy index fell 2.2pc, leading sector declines.

US crude oil futures settled down 5pc on the trade dispute escalation and as expectations of growing supplies increased on news that Lib-



ya would reopen ports.

The Dow Jones Industrial Average fell 219.21 points, or 0.88pc, to 24,700.45, the S&P 500 lost 19.82 points, or 0.71pc, to 2,774.02 and the Nasdaq Composite dropped 42.59 points, or 0.55pc, to 7,716.61.

Chipmakers, which largely depend on China for their revenue, fell, with the Philadelphia semiconductor index down 2.6pc.

The market's drop was not as steep as what was seen in late March and early April when the escalating trade rhetoric between China and the United States led to the S&P falling more than 2pc on four occasions.

The market slide may have been contained in part by speculation the Trump administration could change its mind by the end of August, when the tariffs are due to come into effect, some strategists said.

The utilities sector was the only one in positive territory, with a 0.9pc gain.

Twenty-First Century Fox fell 4pc after the media company raised its offer for Britain's Sky, seeing off rival bidder Comcast for now. Comcast shares were up 1.3pc.

Declining issues outnumbered advancing ones on the NYSE by a 2.74-to-1 ratio; on Nasdaq, a 1.87-to-1 ratio favoured decliners.

The S&P 500 posted 13 new 52-week highs and one new low; the Nasdaq Composite recorded 63 new highs and 51 new lows.

About six billion shares changed hands on US exchanges. That compares with the 6.9bn daily average for the past 20 trading days, according to Thomson Reuters data.



■ A new executive committee for an annual term beginning August 1 has been elected at Bahrain Chapter of the Institute of the Chartered Accountants of India (BCICAI). A meeting held at the Golden Tulip Hotel saw Sridhar Seethapathy being elected chairman and Maheshkumar Narayan, vice-chairman, with S Shubhashree becoming the new secretary, Jaideep Rana the new treasurer, Sthanumurthy Viswanathan, joint secretary and Ajay Kumar joint treasurer. The committee also includes Bhavin Deliwala, Garvita Shrivastava, Sunita Gupta, Chetan Dongra and Sandeep Shah as members. Above, Mr Sridhar, seated fourth from left, with members of the new executive committee.

Bahrain showcases startup ecosystem

MANAMA: Bahrain's experience in providing a fertile, supportive environment that empowers startups and stimulates their growth has been showcased by a high-level business delegation at the Asia RISE Hong Kong Summit.

The four-day event that ends today has brought together more than 350 speakers from the world's largest companies, including Microsoft and Amazon, as well as startups from around the world, along with 15,000 entrepreneurs from more than 100 countries.

The Bahraini delegation was led by the Startup Bahrain initiative, Economic Development Board (EDB), Tamkeen, Industry Commerce and Tourism Ministry, as well as startup accelerators Brinc and C5 and the Nest.

The event also featured a special pavilion devoted to Bahrain's entrepreneurial ecosystem.

Economic Development Board ICT



■ The Bahraini delegation at the summit

executive director John Kilmartin, who was a part of the delegation, said "Conferences such as RISE Hong Kong are great platforms to promote Bahrain's startup ecosystem and the milestones achieved in attracting and supporting

startups in the kingdom."

Startup Bahrain in co-operation with Tamkeen also sponsored the participation of five Bahraini startup founders in the event with the objective of growing their businesses.

According to Tamkeen's chief operations officer Qusay Al Arayedh, attending such global event would give Bahraini startups the opportunity to learn from best practices as well as showcase the Bahraini model of startup ecosystem and exchange expertise.

"The five startups were selected by a committee of ICT specialists," said Mr Al Arayedh.

While in Hong Kong, the delegation has also taken part in two other events, the first organised by startup accelerator Brinc and the second one by Hong Kong-based corporate accelerator Nest.

Fox offers \$32.5bn for Sky

LONDON: Rupert Murdoch's 21st Century Fox has raised its offer for Britain's Sky in an agreed deal valuing the pay-TV group at \$32.5 billion, seeing off rival bidder Comcast for now.

Fox, which has been trying to buy the pan-European group since December 2016, offered to pay £14 per share, a 12 per cent premium to Comcast's offer, but below the £15.05 Sky shares were trading at yesterday.

Analysts said the bid threw down the gauntlet to Comcast, the world's biggest entertainment company, to return with a higher offer.

The US cable group gatecrashed Murdoch's attempt to buy the 61pc of Sky his group did not already own in February, when Fox was still firmly stuck in the regulatory process.

One top-40 Sky shareholder said they expected Comcast to come back with a counter bid for Sky.

"The end price really depends on the appetite of those companies and how much they are willing to take their leverage up and at what stage their shareholders say enough is enough," the shareholder, who did not wish to be identified, said.

The fight for Britain's leading pay-TV group is part of a bigger battle being waged in the entertainment industry as the world's media giants splash out tens of billions of dollars on deals to be able to compete with Netflix and Amazon.

Comcast and Walt Disney are locked in a separate \$70bn-plus battle to buy most of Fox's assets, which would include Sky.