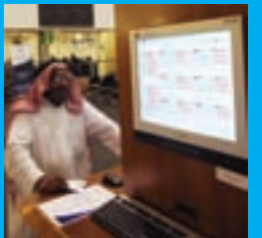


Dubai's Shuaa swings to small Q3 profit

DUBAI: Investment bank Shuaa Capital on Wednesday swung to a third-quarter profit, buoyed by gains in its investment banking business. Shuaa posted a profit of 0.2 million United Arab Emirates (UAE) dirhams in the three months to Sept. 30, up from a loss of 269.26 million dirhams in the same period last year. The company, one of the Gulf Arab region's largest investment banks, was hit hard by the global financial downturn as impairments related to troubled assets erased profits. "Recording a profit, albeit small, is an important achievement in an extremely challenging environment characterized by the lowest market activity since 2004."



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MARKET WATCH

KUWAIT	DUBAI	QATAR	OMAN	ABU DHABI	BAHRAIN	EGYPT	SAUDI
0.2% 6,996.4	0.5% 1706	0.5% 8041	0.2% 6579	0.2% 2762	0.5% 1448	0.1% 6837	0.1% 6444

OIL MARKETS

\$87.04	US Crude	\$0.02
\$87.75	London Brent	\$0.63
\$83.35	Kuwait Crude	\$0.13

Information Courtesy: KAMCO

CURRENCIES

US Dollar	British Pound	Saudi Riyal	Qatari Riyal	Indian Rupee
Buy 0.2801	Buy 0.4511	Buy 0.0748	Buy 0.07714	Buy 0.006341
Sell 0.2813	Sell 0.4522	Sell 0.0749	Sell 0.07701	Sell 0.006332
Euro	Japanese Yen	UAE Dirham	Bahraini Dinar	Philippine Peso
Buy 0.3862	Buy 0.003413	Buy 0.07641	Buy 0.7444	Buy 0.006488
Sell 0.3871	Sell 0.003419	Sell 0.07647	Sell 0.74497	Sell 0.00646

Prices in Kuwaiti fils As of Nov. 10, 2010 COURTESY: KAMCO

'The deal won't happen because it's conditioned to sale of Zain Saudi'

Legal measures will be taken to block sale

Staff Writer & Agencies

KUWAIT: A dispute over United Arab Emirates (UAE) telco Etisalat's 12 billion US dollar bid to buy 46 percent of Kuwait's Zain escalated on Wednesday after a Zain board member threatened legal action to block the deal. Selling Zain's Saudi assets is a condition for closing the deal with Etisalat, and Zain board member Sheikh Khalifa Ali Al-Khalifa Al-Sabah told CNBC Arabiya he aimed to block that sale in the courts.

"Zain Saudi (assets) will not be sold... If the majority of the board approves it, we will take legal action to stop selling Zain Saudi," he told the TV channel.

Sheikh Khalifa said Zain would not get a fair price for its Saudi assets as long as it was a condition for the deal, and keeping it was crucial for Zain's five-year plan. He said that board has always turned down offers to give up Zain Saudi, questioning the reasons why this offer has become an exception, especially since Zain has been restructuring the management in its Saudi unit. Zain Group currently owns 25 percent of Zain Saudi.

He also said Zain's board should not have approved opening the books to Etisalat for due diligence before reviewing the initial agreement between Etisalat and major Zain shareholder Kharafi Group. Zain's board approved opening its books to Etisalat on Sunday to conduct due diligence.

Zain's board member Sheikh Khalifa Ali Al-Khalifa Al-Sabah announced that the group will ensure hefty distributions during the current fiscal year, in addition to the coming years, in light of the growth that its operations are achieving in various areas, which made him predict that the profits will be high.



FILE - A picture taken on Sept. 23, 2008 shows a Kuwaiti man walking past the logo of Zain company as he speaks on his mobile phone in Kuwait City. (AFP)

During an interview with CNBC, Sheikh Khalifa stressed that the deal to acquire 46 percent (with 51 percent of voting rights with the exception of shares deposited in

the treasury, the deal will include all shares that may be offered after the acquisition) will not take place unless Zain Saudi Arabia is sold.

He was confident that the expected deal "is now history", given the current developments, and threatened to file a lawsuit to stop the deal if it is not called off. He noted that Zain Group is in a "better position" than UAE's Etisalat in all aspects that include operations, expansion and growth in other markets, profits, and in growth rates, not to mention the level of management.

Sheikh Khalifa added that this means that "Zain should be the one to acquire Etisalat, not the opposite". He specified the points of objection on opening Zain's books to Etisalat, which include the fact that the board must not be privy to the agreement between Kharafi Group's Al Khair National for Stocks and Real Estate and Etisalat, so that the board can ensure that the proposal and its guarantees are legitimate.

"The deal is conditioned to the selling of Zain Saudi Arabia, which is unacceptable because this company is the bedrock of the five year plan of Zain Group," he said. He explained that as long as this condition exists, there is no need to open the books, adding that the board's approval to open Zain's books for due diligence without reviewing the preliminary deal with Etisalat is a "disaster" while questioning the basis under which this decision was made.

Etisalat bid is serious

Kharafi Group, the major shareholder of Kuwait's Zain, defended Etisalat's 12 billion US dollar offer to buy 46 percent of the telecoms carrier, questioning why another big Zain stakeholder pulled out of the deal and criticized it.

Earlier on Wednesday, in a dispute being played out in competing Kuwaiti newspaper advertisements, the Kharafi Group's Al Khair National for Stocks and Real Estate posted an ad saying Etisalat's offer was beyond doubt. It also questioned why another big Zain stakeholder, Al Fawares Holding, which is estimated to own a little under five percent of

Zain, had pulled out of the deal and criticized it, since the deal "would give generous returns to every shareholder". A day earlier on Tuesday, Al Fawares Holding accused Zain's management of failing to gauge the seriousness of Etisalat and threatened to take the matter to court.

"We ask an innocent question: could keenness for shareholder interest be shown by... throwing doubts on a deal which if successful would give generous returns to every shareholder?" the Al-Kharafi company said in Wednesday's ad, adding that it welcomed any legal action and believes the country's judiciary was "the safe haven for all."

(Al Fawares) is one of those who approved entering the deal, and the National Investments Company (NIC) has a letter from them to prove they wanted to enter the deal with up to 100 million shares," Al Khair said. Etisalat declined to comment on the issue. Al Fawares, the opposing shareholder, said a 2009 offer from an Indian-led consortium to buy a stake in Zain turned out to be "not serious" and had caused losses to shareholders. Last month, Kuwait's bourse vetoed a bid by Securities Group Company for about five percent in Zain, which was a move designed by Securities Group to protest against the bid.

Kuwait Clearing Company sends invites

Kuwait Clearing Company started to receive the shareholders, yesterday (Wednesday) at Ahmad Tower, who possess up to 2000 shares and who seek to join the deal to sell 46 percent of Zain's shares to UAE's Etisalat.

This would be achieved through an application where the owners of the shares affirm that they authorize the Kuwait Clearing Company to sell their shares - on the shareholders' behalf - to Etisalat. The first day for receiving applications was noticeably quiet, and the company's officials announced that, according to their advertisement, they will continue to receive the shareholders who own 2000 shares up until Nov. 21, 2010, while the rest of the shareholders who possess 300,000 shares would be received up until Nov. 30, 2010.

KSE on its way to break 7000 point barrier again

Kuwaiti dinar stands at 0.280 against US dollar

Staff Writer & Agencies

KUWAIT: In a strictly technical reactive dealing, the price index of the Kuwait Stock Exchange (KSE) has rebounded upward by 14.3 points along with the weighted index's increase of 4.3 points during Wednesday's dealing session. This increase has included most operational shares in the banking and services sectors in addition to heavy selective buying that targeted some shares in the rest of sectors, which in general has revived the performance of the money market.

It was noticeable that share dealings, by funds and portfolios had targeted popular and promising shares that lost a portion of their value during the past couple of days, but the effect of Zain's deal still dominates the market's sentiments. All of the technical indicators have increased except the market cap which went down to 42 million Kuwaiti dinars, and the price index closed Wednesday's session at 6996.4 points.

The banking index has witnessed a limited increase during technical type of dealings that targeted the shares of the National Bank of Kuwait (NBK), while the rest of banks had witnessed a decrease in price value. Spectators confirm that a cautious atmosphere is still strongly affecting the dealing activities in both, investment and real estate sectors, despite some selective buying that targeting promising shares such as Al-Mal,

International Financial Center (IFA), Kuwait Real Estate Company, Tamdeen and other shares of companies which had announced its profits for the third quarter (Q3), including Financial Facilities, Markaz, Mabanee Real Estate Company and Abyar.

Meanwhile, the shares of the National Investment Company (NIC) has witnessed a sharp decline as being affected by Zain's selling deal, and was offered at the least price allowed by the market. The industrial sector has witnessed a limited increase as active selling action has targeted selective shares, including Portland Cement after it had announced excellent profits for Q3. On the other hand some shares such as the National Industries Company, Kuwait Pipes Industries & Oil Services, Boubyan Petrochemicals and Mena Holding Company had witnessed supportive buying.

The services sector witnessed a decline especially since dealing was focused on supporting some shares including Zain, Alafco, Mubarrad Transport, Hits Telecom, Kuwait & Gulf Link Transport Company (KGL) and Kuwait Cleaning Company, meanwhile some other shares in this sector have witnessed speculative dealing such as Mladen Company, Safat Energy and Hotels, which had witnessed heavy dealing and closed at the level of 530 Kuwaiti fils.

In other news, the Kuwaiti dinar was traded 0.280 against the US dollar on Wednesday while its rate against the euro was down to KD 0.385.

The Central Bank of Kuwait (CBK) said on its Web site that the rate of the national currency stood at KD 0.448 against the sterling, KD 0.003 against the Japanese yen and was KD 0.289 against the Swiss franc.

Misunderstanding the 'Auditor's Job'

Jameel W. Karaki
Staff Writer

KUWAIT: The head of the Kuwait Association of Accountants Mohamad Al-Hajri stated, "There is insufficiency in the monetary of the association, noting that the association submitted a proposal to establish a committee of auditing and accounting to play a special role and attract highly qualified human capital." He added that the service civil authority hasn't treated accounting graduates fairly.

He said, "The Civil Service Authority didn't treat fairly, the staff of the auditing department at the Ministry of Commerce and Industry following the path of the Ministry of Finance and Audit Bureau

since the tasks handled by this department are not less important." This statement was given on the sidelines of KMPG International Financial Reporting Standards (IFRS) Annual Update Course-2010 Kuwait which commemorated on Tuesday and closed Wednesday.

Al-Hajri added, "There is a misunderstanding with regards to the tasks and responsibilities related to auditors. According to the laws ruling the occupation, it is clarified that auditor representation at annual general meetings only related to opinion giving with regards to how much the firm commits to international standards and to ensure the right application of internal auditing procedures."

He pointed out that the responsibility

of the auditor ends during the annual general meeting when one reads the report and receives the accreditation by board of directors.

On his part, Safi Al-Mutawa Senior partner at KPMG stated that it is vital to promote the new updates of the IFRS which changes in a harmony with economic conditions, stating that it is the firm's responsibilities to create awareness among our clients. The seminar was presented by Yousif Hassan, Director Technical, Department of Professional Practice) spoke about IFRS 'Financial Instruments', Transfer of assets from Customers, Amendments to International Accounting Standard (IAS) 24 related Party Disclosures and trends IFRS.

Kuwaiti crude oil up \$0.13 to \$83.35 per barrel

KUWAIT: Price of the Kuwaiti crude oil increased 0.13 US dollars to \$83.35 on Tuesday compared to \$83.22 per barrel (pb) of Monday's transaction, Kuwait Petroleum Corporation (KPC) said on Wednesday.

The increase of the crude oil price came as the US dollar rate decreased versus other major currencies as a result

of fearing the return of European Financial Crisis, which prompted the escalated price at its highest level to \$87.43 pb in two years. The Organization of the Petroleum Exporting Countries (OPEC) supplies around 35 percent of the world with high average price of OPEC basket price to reach \$84.62 pb. -KUNA

Kuwait Finance House to expand real estate

HONG KONG: Kuwait Finance House (KFH), the country's biggest Islamic lender, is looking for real estate investments in southern China and Europe as it seeks to more than double its portfolio, a senior official said.

Kuwait Finance House wants to increase global assets under management (AUM) to about four billion US dollars in coming years from \$1.5 billion with a focus on residential property, Ali Al-Ghannam, international real estate department manager, told Reuters. He didn't give a timeframe.

Its real estate arm, which started operations in the 1990s, has investments primarily in key US cities, Malaysia, Shenzhen in China, and the Middle East.

It sold property in the United States and Europe, including Britain, in 2005 and 2006 after prices shot up.

"We reached a decision in the middle of 2005; we decided to liquidate everything because of the overheated real estate prices," Al-Ghannam told Reuters in an interview on the sidelines of a conference in Hong Kong.

The Kuwaiti lender is looking for opportunities in Guangzhou, after a successful residential investment in Shenzhen. Both cities are in southern China.

KFH, which invests according to Islamic law, has also put money into residential property in US cities such as New York, San Francisco and Los Angeles.

Al-Ghannam said the company would prefer to invest in existing projects with local partners, rather than going into residential construction.

"For companies around the world, they want income producing because they want to satisfy their minimum returns to

investors to the company. This is why development projects are less of a priority for most of the financial institutions."

In Malaysia, which has an active Islamic finance market, KFH is involved in a mixed-use project just across from Singapore that has shopping malls, offices and residential units.

KFH, which posted a 23 percent fall in its net profit in the third quarter ended Sep. 30, would consider investing in Singapore and Hong Kong if the prices are right, Al-Ghannam said.

"We looked at Hong Kong and Singapore, but those two are very expensive."

It is putting other markets, including Japan, South Korea and India, on the back burner. On Wednesday, Kuwait Finance House's share price traded flat, lagging the main Kuwait share index's 0.2 percent gain. -Reuters

Masahati.com sponsors K'S PATH's 1st annual golf tournament

KUWAIT: Masahati.com is sponsoring the first annual golf tournament of Kuwait Society for the Protection of Animals and Their Habitat (K'S PATH), a revolutionary organization bridging the gap between animals and humans in Kuwait. This was announced in a press release on Wednesday. The rate of endangered, protected, and illegal species being smuggled into the country for sale as pets has increased in the last several years. Since Kuwait lacks the effective environmental and animal welfare laws and enforcement needed to protect them, K'S PATH has gone through great lengths to raise awareness and spread compassion throughout the country by holding multiple charitable events over the past few years. Among raising awareness, they are also using education, advocacy, rescue, sheltering, sanctuary, cleanup,

and the promotion of animal and environmentally friendly legislation to effect positive change by acting as the sanctuary facility of choice for smuggled animals and to help facilitate their rescue, rehabilitation, and relocation. K'S PATH will be holding a Golf Tournament and a luncheon which will take place in Sahara Kuwait Resort on Nov. 12, 2010. Ahmed Al-Gharabally, Chief Executive Officer (CEO) of the Kuwait's premier real estate Web site, Masahati.com, said, "Like their other events, it is a gathering that will not only be enjoyable for the participants, but an educational and inspiring experience." He went on to say, "We are proud to be sponsoring this charitable event where the money will go to a necessary and just cause for our beloved country." For more information, please email golf@kspath.org.



One-hundred Yuan notes are seen in this picture illustration taken at the Korea Exchange Bank in Seoul Nov. 10, 2010. An all-day G20 planning session grew so intense that officials had to leave the door open to keep the room from overheating, underscoring deep economic tensions one day before the start of a leaders summit. Deputies drafting a final statement to be released after the two-day Group of 20 summit concludes on Friday remained far apart on pivotal issues including currency exchange rates, G20 spokesman Kim Yoon Kyung said on Wednesday. (Reuters)