Alibaba boosts IPO as demand strengthens

REUTERS, *Hong Kong/New York*

Alibaba Group Holding Ltd raised the price range on its initial public offering to $66 to $68 on Monday, reflecting strong demand from investors for the year's most anticipated debut and potentially the world's largest-ever IPO.

The Chinese e-commerce company, which handles more transactions than Amazon.com Inc and eBay Inc combined, has attracted investors keen to buy into the country's rapid growth and its evolving Internet sector.

The company and selling shareholders will now raise almost $22 billion at the top of the new IPO range. Alibaba remains on track to set an IPO record if underwriters exercise an option to sell additional shares to meet demand, overtaking Agricultural Bank of China Ltd's $22.1 billion listing in 2010.

Alibaba embarked on its roadshow for the IPO last week and attracted enough demand to cover its entire deal within two days, people familiar with the process said last week. Trading is expected to kick off this week.

The company and some shareholders previously offered 320.1 million American depositary shares at an initial $60 to $66 indicative range. It raised the price on Monday but left the number of shares unchanged.

AFP

Workers clean the grounds of the Alibaba head office in Hangzhou, east China's Zhejiang province.

Alibaba can still decide to price its IPO above the indicated range. But a source close to the deal told Reuters the final level will be "investor-friendly."

"Demand has been overwhelming since the launch," said the person, who couldn't be named because details of the IPO aren't yet public. "Increasing the price range was already on the cards from the beginning."

Reuters reported on Friday that Alibaba plans to close its IPO order book early, after it received enough orders to sell all the shares in the record-breaking offering.

Alibaba plans to expand its business in the United States and Europe after the much anticipated IPO, billionaire founder Jack Ma said on Monday as the Chinese e-commerce titan pitched its record deal to investors in Asia.

"After being listed in the US, we will develop our business in Europe and in the US," Ma told a packed group of journalists ahead of his presentation to investors. "We will not give up the Asia market because, as I would say, we are not a company from China, we are an Internet company that happened to be in China."

The investor luncheon took place in a huge venue at the luxury Ritz Carlton hotel. The hotel shares the same building as three of the main bookrunners of the IPO, just an elevator ride away from Credit Suisse, Deutsche Bank and Morgan Stanley offices, across the harbor from the city's financial center.

Fund managers and analysts were given orange bracelets to give them access to the banquet of smoked salmon, chicken breast and mango pudding. The event had two videos and a question and answer session with Ma answering most of the questions, according to investors at the presentation.

Alibaba picked New York for its debut after Hong Kong officials rejected its request to allow a small group of company insiders to nominate the majority of its board.

The request went against Hong Kong's "one share, one vote" principle, which has been staunchly defended by its securities regulator.

Ma, who is also Alibaba's executive chairman, said that the missed opportunity came about in part because of how Alibaba communicated its plans to local authorities, mirroring statements he gave last year.

"People say that Hong Kong lost the Alibaba deal. To me, I think it is Alibaba that missed this great opportunity to list in Hong Kong," Ma added. "We love Hong Kong. We will continue to love Hong Kong and invest in Hong Kong."

The company is expected to price the deal on Sept. 18. It will start trading a day later.

EATL-PROTHOMALO

Nurul Islam Nahid, education minister, speaks at the launch of EATL-ProthomAlo Apps Contest 2015 at a programme at Sonargaon Hotel in Dhaka on Sunday.

Airbus to restructure defence division, sell off units

AFP, *Berlin*

European aircraft manufacturer Airbus said Tuesday that it would sell off several subsidiaries at its defence division to focus on its core businesses of space activities, military planes and missiles.

"Some business areas are identified as divestment candidates as they do not fit the strategic goals," the company said in a statement, citing budget troubles among key state clients.

These include communications businesses such as commercial satellite activities "which will have better chances for growth and market success in different ownership structures".

Airbus cited specific units that would go on the auction block including Fairchild Controls, Rostock System-Technik, AvDef and Atlas Elektronik.

It said "further industrial alternatives" for its Security and Defence Electronics businesses would be explored.

The company did not give a timeframe for the restructuring.

Chief executive Tom Enders said the new priorities were the "logical follow-up" to a strategic review at the group last year.

"They will foster the strengths of the division and, hence, will result in an even stronger focus on our Group's core activities, aeronautics and space," Enders said in the statement.

The head of the Airbus Defence and Space division, Bernhard Gerwert, said that the "tight budgetary situation in our home countries and increasing competition on global markets" had prompted the shift.

The restructuring will strengthen the company "particularly on critically important international growth markets", he added.

The Airbus Defence and Space division groups two activities formerly known as Airbus Military, Astrium and Cassidian.

The company changed its name to Airbus Group from EADS at the beginning of this year in a major refocusing of activities after a failed attempt to merge with British group BAE Systems.

HOLCIM

Officials of Holcim Cement (Bangladesh) celebrate the company's 14th founding anniversary at a function at its plant in Meghnaghat recently.

Amazon has Netflix in sights with 'Transparent'

AFP, *Los Angeles*

Online retail giant Amazon celebrated Monday the launch of a new original show it hopes will help catch up with streaming pioneer Netflix. "Transparent," which had a red-carpet unveiling in Los Angeles, features a transgender character in the central role of a show which has already generated strong critical buzz.

"No one can ever doubt that the TV model has changed for good. Amazon, with its ability to draw in name talent, is impressively building on what Netflix and (rival streaming service) Hulu are doing," commented the Hollywood Reporter.

"This is huge, it's a game changer. There is nothing like this on television," its main star Jeffrey Tambor told AFP on the red carpet. "I couldn't be more proud."

It is not Amazon's first foray into producing its own original content -- political comedy "Alpha House" debuted last year, but has so far failed to win the acclaim of Netflix series like "House of Cards" and "Orange is the New Black."

"House of Cards" was the first online only show to win major awards nominations -- and a win last year for big-screen director David Fincher, while "Orange is the New Black" won two Emmys this year.

The pilot episode of "Transparent" is already available, while Amazon has taken a leaf out of Netflix's book by releasing the whole season to binge watch on September 26, rather than airing an episode per week.

The half-hour dark comedy stars the lugubrious Tambor -- from Netflix's "Arrested Development" -- as father Mort Pfefferman coming out as transgender Maura to his three adult children (who have their own secrets to divulge too).

The cast of the show, which is definitely for an adult audience, also includes Gaby Hoffman of the hit series "Girls."

BIFFL

Mahbub Ahmed, chairman of Bangladesh Infrastructure Finance Fund's board, attends the company's third annual general meeting at its corporate office in Kakrail, Dhaka on Sunday. Md Atiquzzaman, chief executive, was also present. The company earned Tk 127.6 crore in 2013.

Tokyo Game Show: On the hunt for the next Minecraft

AFP, *Tokyo*

The staggering $2.5 billion that Microsoft has just shelled out for Minecraft and its quirky graphics will be foremost in developers' minds at the Tokyo Game Show this week, where simple yet immersive games are expected to figure heavily.

After seeing the tech titan bid to cash in on the 100 million people who spend hours constructing their own Minecraft worlds and share them online, industry figures will be looking for the next big thing at the four-day event.

Asia's largest digital entertainment exhibition, which kicks off on Thursday in the vast hangar-like buildings of Makuhari just outside Tokyo, will have a whole section for gaming with a social side.

It is already big business -- games played online or accessed through sites such as Facebook are hot on the heels of traditional consoles and are set, by some estimates, to overtake them in terms of revenue in the not-too-distant future.

"Nowadays most games have some social features included in them, which has led to an increase in the number of end-users," said market research firm Reportlinker.

The research company dates the take-off of social gaming to the success of Farmville, a simulation game hosted initially by Facebook in 2009 in which users build farms with their friends.

The global video game industry was worth a whopping 6.3 trillion yen (around $59 billion) in 2013. A full 70 percent of that is through downloads via console, PC or smartphone, according to Japanese game specialists Enterbrain.

"Games have moved from the console package to the data packet," said Enterbrain.

Tensions sink German sentiment for ninth straight month

AFP, *Berlin*

Investor sentiment in Germany fell for the ninth month in a row in September amid jitters about the economic fallout from global crises, a survey indicated on Tuesday.

The widely watched investor confidence index for Europe's top economy calculated by the ZEW economic institute fell by 1.7 points to 6.9 points in September, it said in a statement.

However it was a shallower decline than in previous months, and the drop less steep than expected. Analysts polled by Dow Jones Newswires had pencilled in a reading of 5.0 points. "The economic environment is still marked by great insecurity," ZEW president Clemens Fuest said in a statement.

"There is still the danger of a sanctions spiral with Russia and the eurozone economy is still showing disappointing development."

Fuest added that the uncertain impact of a break-up of the United Kingdom with a referendum vote for Scottish independence on Thursday was also rattling investors.

For the survey, ZEW questions analysts and institutional investors about their current assessment of the economic situation in Germany, as well as their expectations for the coming months. The sub-index measuring financial market players' view of the current economic situation in Germany fell sharply, by 18.9 points, to 25.4 points in September.

A frequent criticism of the ZEW index is that it can be volatile and is therefore not particularly reliable.

Analyst Johannes Gareis of Natixis said that the ZEW report confirmed his assessment that the German economy was "losing steam" although "the underlying growth trend remains intact".

AFP

An employee of the German Federal Bank presents new 10-euro banknotes during a press conference in Frankfurt on September 11.

Jennifer McKeown of Capital Economics was more downbeat, saying the survey added to "evidence that the German recovery is petering out".

She said the ZEW showed a steady slide in confidence, "perhaps reflecting ongoing fears about the effects of the Ukraine crisis and political instability elsewhere in the eurozone, most notably in France".

Berenberg bank's Robert Wood said the trend in ZEW surveys closely matched developments in Ukraine this year with the announcement of a truce two weeks ago slowing the decline in sentiment.

"If that ceasefire continues to hold, the expectations component of the ZEW index could begin rebounding as resilient German domestic demand and rebounding growth in the US and other important export markets brightens German growth prospects towards the end of the year," Wood said in a research note.

Carsten Brzeski, chief economist at ING-DiBa bank in Frankfurt, said the reading indicated that market investors "do not (yet) believe in the healing power of the ECB's latest monetary policy action" of record low interest rates and asset purchases to inject cash into the faltering eurozone economy.

Ruble plunges, authorities tell Russians not to panic

AFP, *Moscow*

Russian authorities told people not to panic on Tuesday as the battered ruble plunged to record lows, floored by tensions with the West over Ukraine, new sanctions and falling oil prices.

The national currency fell to a record level of 38.82 rubles per dollar after weakening on Monday to below 38 against the dollar for the first time.

And it broke through the symbolic level of 50 rubles per euro for the first time for several months.

The ruble has slumped as investors fret about the impact of ever more stringent Western sanctions on the economy, which is already teetering on the verge of recession.

Ordinary Russians said they were concerned that a weaker ruble would drive up inflation and make foreign trips and foreign-currency-denominated purchases an increasingly unaffordable luxury.

Deputy foreign minister Alexei Moiseyev sought to put on a brave face, saying authorities were taking steps to curb inflation.

"Don't panic," he said on Tuesday.

The euro was worth 50.11 rubles at 0754 GMT on Tuesday, almost one ruble more than its value the day before.

The Russian currency is still worth slightly more than at its lowest point in spring of 50.22 rubles to the euro after Russia's annexation of Crimea in March.

Since the start of September, the dollar has gone up 1.70 rubles in value.

On Tuesday afternoon the ruble slightly recovered to 38.48 against the dollar and 49.94 against the euro.

"The ruble has come under renewed fire over the past few weeks. Since the start of September, it has fallen by four percent against the dollar and three percent against its dollar/euro basket," said Capital Economics.