



Muhammed Aziz Khan, chairman of Summit Power International, and Ayesha Aziz Khan, managing director, pose with the company's three new independent directors -- Abdullah Tarmugi, Lim Hwee Hua and Tang Kin Fei -- at a programme in Singapore on Sunday.

SUMMIT POWER

Alibaba goes offline with \$2.9b stake in China grocer

REUTERS, Beijing

Internet giant Alibaba Group Holding Ltd said on Monday it would invest HK\$22.4 billion (\$2.87 billion) for a major stake in China's top hypermart operator, Sun Art Retail Group Ltd, part of a wider push into offline retail.

As part of an alliance with Auchan Retail SA and Ruentex Group, Alibaba would buy the stake from Ruentex while Auchan Retail would boost its stake, the three companies said in a joint statement.

The alliance would target opportunities in China's \$500 billion food retail sector, as Alibaba races to build big-data capabilities in the offline retail market where roughly 85 percent of sales are made. "Physical stores serve an indispensable role during the consumer journey, and should be enhanced through data-driven technology and personalised services in

the digital economy," Alibaba Chief Executive Officer Daniel Zhang said in the statement.

Shares of Hong Kong-listed Sun Art, which were suspended on Nov. 13, resumed on Monday and were down 5.3 percent in morning trade, while the benchmark index was flat.

The deal would give French retailer Groupe Auchan SA, China's Alibaba Group and Taiwanese conglomerate Ruentex 36.18 percent, 36.16 percent and 4.67 percent stakes respectively in Sun Art. Alibaba would replace Ruentex as the second-largest shareholder.

Alibaba has invested upwards of \$9.3 billion in brick-and-mortar stores since 2015. It has launched many un-staffed concept shops in the past year, including grocery and coffee stores.

The \$474 billion firm is taking more risks to secure offline, rural and overseas buyers as China's urban e-commerce market shows signs of saturating, including purchasing extensive

infrastructure which it had previously avoided.

"They're getting into a territory that's not their core strength ... for example securing a property, the licences to sell certain products, paying tax, more labor and so on," said Weiwen Han, managing partner for Greater China at Bain & Company.

"On one hand they really need to do it, but on the other hand they are facing a lot of challenges that they have never experienced before."

Sun Art is China's grocery store leader with about 8.2 percent of the market, according to data from Kantar Worldpanel.

It operates about 450 hypermarkets across China under the RT-Mart and Auchan banners. It also operates unmanned stores under the Auchan Minute brand.

It has been slow to go online, with its platform Feiniu lagging bigger players like China Resources and Wal-Mart Stores Inc.



M Nazeem A Choudhury, head of consumer banking of Eastern Bank Ltd (EBL), and James Mridul Halder, executive director of Alosikha, a local NGO, exchange documents after signing an agreement in Dhaka recently. Members of the NGO will get EBL Women Banking products, services and financial consultancy at the bank's branches.

Japan trade surplus drops 40pc in Oct

AFP, Tokyo

Japan's October trade surplus shrank 40.7 percent from a year earlier as growth in exports were eclipsed by higher costs of importing crude oil and petroleum products, the government said Monday.

The world's third-largest economy logged a surplus of 285.4 billion yen (\$2.5 billion), down from a 481.2-billion-yen surplus a year earlier, according to data from the finance ministry.

The latest figure was modestly lower than market expectations of a 330-billion-yen surplus, but still the fifth consecutive month of booking a black figure.

Exports rose for the 11th consecutive month on robust shipments of automobile and electronic parts including organic chemicals and semiconductors.

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The ministry also said the yen was on average 9.8 percent cheaper against the US dollar in October compared to the same

month the year earlier, making Japan's imports costlier.

Japan's politically sensitive trade surplus with the United States grew 11.3 percent -- the fourth monthly rise in a row -- on increased exports of power generating machines, construction machines and computer parts.

The nation's trade flows with the US, over which the two countries battled for decades into the 1990s, has become less of a hot-button issue under recent presidential administrations.

But President Donald Trump, who visited Japan earlier this month, has vowed to root out "unfair" trade practices around the world, targeting countries including Japan.

"We want fair and open trade but right now, our trade with Japan is not fair and open," Trump told business leaders during his stay in Japan in the first leg of his five-nation tour of Asia.

With the European Union, Japan logged the first deficit in two months while its deficit with China shrank 22.5 percent.

This is certainly the case in US crude futures and options, where money managers raised their net long holdings by 28,297 lots to 409,963 contracts, equivalent to nearly 410 million barrels of oil.

Oil eases

REUTERS, London

Oil eased on Monday, as traders were reluctant to take on big new positions ahead of an Opec meeting next week, when the exporter group is expected to decide whether to continue output cuts aimed at propping up prices.

Brent crude futures were at \$62.37 per barrel by 1002 GMT, down 35 cents on the day, while US West Texas Intermediate (WTI) crude futures were down 7 cents at \$56.48 a barrel.

The Organization of the Petroleum Exporting Countries (Opec), together with a group of non-Opec producers led by Russia, has been restraining output since the start of this year in a bid to end a global supply overhang and prop up prices.

The deal to curb output is due to expire in March 2018, and Opec meets on Nov. 30 to discuss the outlook for the policy. The expectation is for the agreement to be extended to cover the whole of next year.

"It is widely believed that Opec together with 10 non-Opec countries will roll-over their production for the whole of 2018 although Russia is holding its cards close to its chest," PVM Oil Associates strategist Tamas Varga said.

Opec last week forecast demand for its own crude to rise by 460,000 bpd to 33.42 million bpd next year, in contrast with a forecast from the International Energy Agency for a drop of 320,000 bpd to 32.38 million bpd.

"Such a rollover (in the deal) would be bullish if you believe Opec's numbers but will not reduce global or OECD stocks if the IEA estimate is closer to reality. Judging by the weekly losses more credit was given to the IEA prediction," Varga added.

Greg McKenna of futures brokerage AxiTrader said it was "worth noting data showed more longs added by the speculative community", indicating expectations of rising prices.

This is certainly the case in US crude futures and options, where money managers raised their net long holdings by 28,297 lots to 409,963 contracts, equivalent to nearly 410 million barrels of oil.

Indian bond yields fall after RBI cancels open market sale of debt

REUTERS, Mumbai

Indian bond yields fell for the second straight day on Monday as traders took comfort from the central bank's unexpected decision to cancel a scheduled sale of bonds via open market operation (OMO) post market hours on Friday.

The bond market, which got a shot in the arm on Friday after Moody's upgraded India's sovereign rating pared almost all the gains on that day, resumed the rally on Monday boosted by the cancellation of OMO sale which to traders was a signal that the central bank was not happy with high yields.

The Reserve Bank of India said on Friday it was withdrawing the OMO sale that was scheduled for Nov 23 due to "recent market developments and based on a fresh review of the current and evolving liquidity conditions".

"It is definitely a yield signal even if they say that it is due to evolving liquidity situation because no drastic change has happened in liquidity," said the chief dealer at a large state-run bank.

"We have always been saying there is no reason for bonds to be so negative as fiscal slippage is unlikely to be very high and inflation won't shoot through the roof."

As of 0454 GMT, the benchmark 10-yr bond yield fell to as much as 6.92 percent, lowest since November 10. It closed at 7.05 percent on Friday. Meanwhile the rupee weakened to 65.11 to the dollar from the previous close of 65.02 as the greenback gained on concerns of political uncertainty Germany.

Back home, the two-day bond rally has been a much-awaited relief for investors who are sitting on large piles of losses after bond yields rose as much as 58 basis points since June-end as rate cut hopes waned on high inflation and potential fiscal slippages.

However, many traders expect this rally to fizzle out as concerns over rising inflation, hawkish central bank rhetoric and fiscal discipline resurfaces.

"How long and how much can the RBI signal on bond yields? Eventually inflation will rise post April to around 5 percent and then market will be expecting a rate hike," said a market participant at a primary dealership.



ASM Mohiuddin Monem, chairman of ServicEngine BPO, receives a CIP (commercially important person) card from Tofail Ahmed, commerce minister, at a programme at the Sonargaon hotel in Dhaka.

Spoils of Brexit: EU's medicines and banking agencies

AFP, Brussels

The two EU agencies that are leaving London because of Brexit are crucial for the functioning of the bloc's single market in the fields of medicines and banking.

Here are details of the regulators whose new host cities 27 member states will vote to choose on Monday:

European Medicines Agency

The EMA, based since 1995 in London's Canary Wharf business district, evaluates and supervises medicines for human and animal use.

It helps national authorities authorise the sale of drugs across the EU's single market, which currently comprises 28 countries and more than 500 million people.

The EMA employs nearly 900 people.

Because it hosts delegations and regular functions for experts, it had 36,000 visitors in 2015, including 4,000 from outside the EU, who required 30,000 nights in hotels, in a boost for the local economy.

The EMA has a 300-seat auditorium for events.

European Banking Authority



A customer looks at a shelf with non-prescription medicines displayed at a pharmacy in Paris.

The EBA is the smaller of the two agencies up for grabs and is based just a few hundred metres from the EMA in London.

The EBA's mission is to guarantee financial stability in Europe, including the integrity, effectiveness and orderly functioning of the EU's banking sector.

It works to harmonise banking rules across EU countries.

Created in 2011, it is best known for its banking "stress tests",

designed to test how well banks can withstand a possible repeat of the 2008 financial crisis.

The EBA has 169 employees, as of 2016, and its visitors generate around 9,000 nights a year in hotels. It also carries out many missions in member states -- 700 in 2016 -- which require extensive air links in the new host city.

The EBA also has two data centres in separate locations in Britain run by external contractors.



Sayeed H Chowdhury, chairman of One Bank, attends a scholarship distribution and orientation programme for students of Raozan Government University College in Chittagong at the college's auditorium last week.