Choon Soo Moon, CEO of Fair Group, poses with the winners of Olitalia Healthy Kitchen Contest 2017, at Secret Recipe in the capital's Dhanmondi on Sunday. Fair Distribution, a subsidiary of the group and marketer of Italy-based edible oil brand Olitalia, organised the event to mark the 10th anniversary of Olitalia Bangladesh.

FAIR GROUP

Volvo profits rev higher on record sales

AFP, Stockholm

Swedish truck maker Volvo said Wednesday that its net profit sped ahead by 60 percent in 2017, as strong global demand for heavy goods vehicles drove up sales to a new record.

Investors cheered the latest earnings numbers, with Volvo's share price showing a gain of 1.2 percent on the Stockholm stock exchange in early afternoon, while the rest of the market was flat.

Volvo said in a statement that its net profit soared to 21 billion kronor (2.0 billion euros, $2.67 billion) for the full year, as sales jumped by 11 percent to 334 billion kronor.

Operating income rose by 46 percent to 30.3 billion.

"In 2017 the Volvo Group achieved its highest sales and operating income in history," said chief executive Martin Lundstedt.

"We also improved our profitability with an operating margin of 9.1 percent," compared to 6.9 percent in 2016, he added.

Sales rose on all continents and in all business areas.

For Volvo Trucks, sales increased by eight percent, while the construction equipment unit saw a 31-percent jump. Volvo Penta posted a 12.4-percent rise, and Volvo Buses an increase of 3.0 percent.

All units also registered their highest operating income ever, Volvo said.

The company also raised its truck sales outlook for 2018 for the European, North American, Brazilian and Indian markets. For the construction equipment unit, it raised its forecast for Europe, North America and China.

EU rejects Brexit plan for banks by Britain's financial industry

REUTERS, London

European Commission officials have rejected the City of London's proposal to strike a post-Brexit free trade deal on financial services, a major blow to Britain's hopes of keeping full access to EU markets for one of the world's top two financial centres.

Since Britain voted to leave the EU 19 months ago, some of the world's most powerful finance companies in London have been searching for a way to preserve the existing cross-border flow of trading after it leaves the bloc in 2019.

Officials from the European Union's executive told British financiers in meetings in recent weeks they won't agree to a deal that would allow finance companies to operate in each others' markets without barriers because Britain has said it will leave the single market, according to two people who attended the meetings.

The City's plan proposed that Britain and the EU would allow cross border trade in financial services on the condition that each side preserve regulatory standards in line with the best international standards. This model would be maintained by close co-operation between regulators and financial policymakers.

The proposals were the most detailed on how a long-term agreement on financial services with the EU may work after Brexit, with papers setting out how a pact could be structured and policed, and it has been endorsed by Britain's Brexit minister David Davis.

But EU officials are dismissive of any trade models that would see Britain retain similar levels of market access while leaving the single market regime.

"They have made it very clear to us that this is unacceptable to them," said one senior British finance executive present at one of the meetings. "This was our best and frankly only proposal. We don't have a plan B."

Sterling slipped against the dollar and euro on Wednesday on news of the rejection.

Britain's vast financial services looks set to be one of the most divisive areas in the Brexit negotiations, with Britain demanding a generous deal while the EU refuses to shift from its insistence that Britain's red lines -- such as ending the free movement of workers from the EU -- make that impossible.

Britain is currently home to the world's largest number of banks and hosts the largest commercial insurance market. About six trillion euros ($7.47 trillion), or 37 percent, of Europe's financial assets are managed in the UK capital, almost twice the amount of its nearest rival, Paris.

In addition, London dominates Europe's 5.2 trillion euro investment banking industry.

But unless it can secure a trade deal, for all its geographic proximity, Europe's largest financial capital will end up adrift with the same access to the EU as other countries like Singapore.

Britain's finance minister Philip Hammond warned Europe last week that hurting London's financial centre would push business to New York and Singapore to the detriment of Europe as a whole, and he called for a bespoke trade deal with the EU.

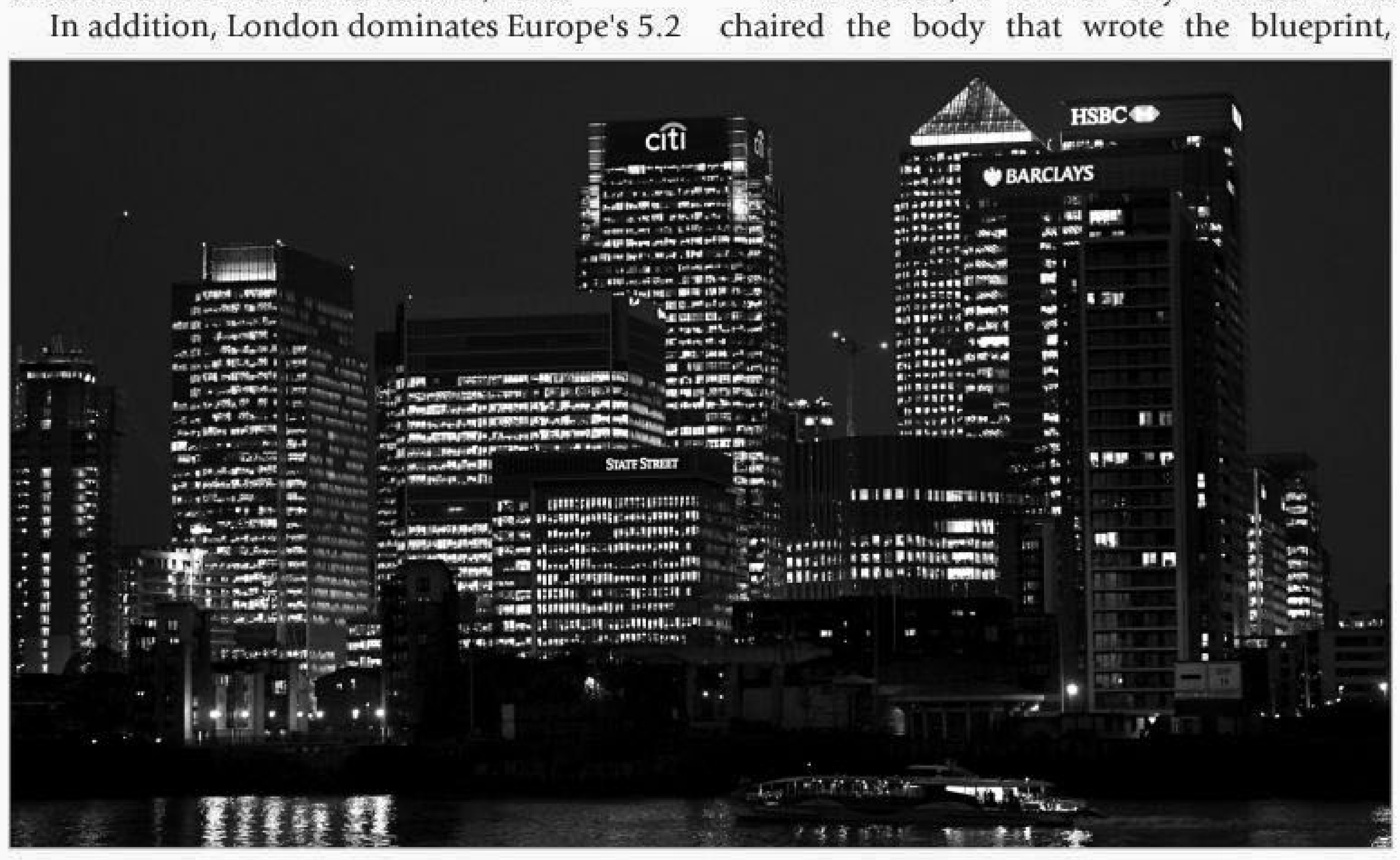
The rejection of the proposed trade deal represents a second setback for the City of London, which had initially pinned hopes on Britain maintaining "passporting" in financial services after Brexit.

European Union negotiators see no room for discussion with Britain on passporting, diplomats in Brussels said on Wednesday.

Mark Hoban, a former City minister who chaired the body that wrote the blueprint, acknowledged it was ambitious but said it has the interest of government and was being discussed by EU states.

"There is agreement that the existing third country regime does not provide a robust basis for maintaining high levels of trade," Hoban told Reuters.

The Commission did not immediately respond to requests for comment.



REUTERS/FILE

Office blocks of Citi, Barclays, and HSBC banks are seen at dusk in the Canary Wharf financial district in London.

Switch steers Nintendo to best Q3 in 8yrs

REUTERS, Osaka

Japanese videogames maker Nintendo Co Ltd reported its biggest third-quarter operating profit in eight years, driven by smashing demand for its new Switch games console, and said it expected annual earnings to outstrip its previous estimate.

Growing popularity of the hybrid home-portable Switch has led to a near-doubling of Nintendo's stock price to nine-year highs since the device's launch in March. Sales have exceeded initial estimates, on track to beat the lifetime numbers of its predecessor Wii U, leaving suppliers scrambling for parts.

Switch console sales will likely hit 15 million units in the year to March and climb to 20 million next year, Nintendo said, fuelling hopes of a repeat of the success of the first Wii that debuted in late 2006 and sold more than 100 million units.

"The momentum for Switch over the last 10 months has been stronger than that of the Wii," Nintendo President Tatsumi Kimishima said at an earnings briefing on Wednesday. "The key to Switch's success in the second year will be to attract non-gamers," he added. Analysts believe Nintendo's plan to launch "Labo", LEGO-style accessories for the console that kids can build themselves on cardboard sheets, could bring in a younger audience.

Oil could struggle to top $70: survey

REUTERS

Oil prices are unlikely to advance much higher than $70 a barrel in 2018, with the market caught between the opposing forces of Opec-led production cuts and surging US output, a Reuters poll showed on Wednesday.

The survey of 34 economists and analysts forecast that Brent crude will average $62.37 a barrel in 2018, up from the $59.88 forecast in the previous monthly poll.

"Steady demand growth, a clear commitment to supply restraint by key Opec producer Saudi Arabia and persistent geopolitical risks will all help to keep a floor under oil prices," said Cailin Birch, an analyst at the Economist Intelligence Unit.

"However, we expect strong production growth from the US, as well as some opportunistic selling by both Opec and non-Opec members later in the year, to prevent prices from rising much higher than $70 per barrel on average."

Brent crude is on track for a fifth straight monthly gain, having averaged about $69 so far in January, but analysts said the rally is unlikely last beyond the first quarter.

They said US production, which has risen more than 17 percent since mid-2016, could top 10 million bpd -- a level surpassed only by Saudi Arabia and Russia.

Rahul Prithiani, director at CRISIL Research, expects oil prices to range between $62 and $67 a barrel in 2018, citing rising US oil output.

Meanwhile, the world's biggest oil consuming region, Asia, has recently started to import US crude and could show increased appetite to draw more shipments east, analysts said.

The higher production has paved the way for a widening gap between US crude prices (WTI) and both the Brent and Dubai benchmarks, making it is cheaper for Asian countries to import US crude despite high freight costs.

"As long as WTI continues to trail other regional crude benchmarks, US oil should continue to find its way towards Asia," said Giorgos Beleris, analyst at Thomson Reuters Oil Research and Forecasts.

US light crude is forecast to average $58.11 a barrel in 2018, up from the $55.78 predicted in the December poll. The contract has averaged about $63.63 thus far in 2018.

Alongside the growth in US oil output, the $65-plus price environment is encouraging other non-Opec exporters, such as Brazil and Canada, to ramp up production through new projects.

Analysts said it was too early to predict whether Opec would make changes to the duration of the pact to cut output by 1.8 million barrels per day, which is due to expire at the end of this year.

Japan's Fujifilm to take over Xerox in $6.1b deal, create joint venture

REUTERS

Japan's Fujifilm Holdings is set to take over Xerox Corp in a $6.1 billion deal, combining the US company into their existing joint venture to gain scale and cut costs amid declining demand for office printing.

The acquisition announced on Wednesday comes as Xerox has been under pressure to find new sources of growth as it struggles to reinvent its legacy business amid waning demand for office printing. Fujifilm is also trying to streamline its copier business with a larger focus on document solutions services.

Consolidation of R&D, procurement and other operations would enable Fuji Xerox to deliver at least $1.7 billion in total cost savings by 2022, the two companies said.

Fujifilm now owns 75 percent of Fuji Xerox, the joint venture going back more than 50 years ago which sells photocopying products and services in the Asia-Pacific region.

The two companies said that Fuji Xerox will buy back that stake from Fujifilm for around $6.1 billion, using bank debt. Fujifilm will use those proceeds to purchase 50.1 percent of new Xerox shares. Plans were for the deal to be completed around July-August, they added.

The combined company will keep the Fuji Xerox name and become a subsidiary of Fujifilm, with dual headquarters in the United States and Japan, and listed in New York. It will be led by Xerox CEO Jeff Jacobson, while Fujifilm CEO Shigetaka Komori will serve as chairman.

Ericsson rings up huge losses in 2017

AFP, Stockholm

Swedish telecoms giant Ericsson said Wednesday that it rang up huge losses last year as network competition, restructuring costs and investment in lightning-fast 5G technology pushed it deeply into the red.

The news sent Ericsson's share price tumbling nearly nine percent on the Stockholm stock exchange in early trading, in a flat market. Ericsson said in a statement it booked net loss of 35.1 billion kronor (3.6 billion euros, $4.4 billion) in 2017, compared with profit of 1.9 billion kronor the year before.

The group also booked an underlying or operating loss of 38.1 billion kronor last year after profit of 6.3 billion kronor in 2016, while revenues dropped by 10 percent to 201.3 billion kronor, the statement said.

"The focus during 2017 has been on reshaping overall strategy and on improving company structure and performance," explained chief executive Borje Ekholm.

"2017 was also the year when 5G went from vision to real business opportunities while we at the same time had good traction for our 4G portfolio," he continued.

"We are fully committed to our plans and our targets and expect to see tangible results of our turnaround in 2018."

Samsung Elec unveils stock split, record profit as chips sizzle

REUTERS, Seoul

Samsung Electronics Co Ltd announced on Wednesday its first stock split and said it expects demand for semiconductors to remain strong in 2018, as it posted record annual profit driven by a so-called memory chip "super-cycle."

The tech giant's stock split is the latest in a series of moves to bolster shareholder returns, including 5.8 trillion won ($5.4 billion) in annual dividends and 9.2 trillion won in share buybacks and cancellations in 2017.

The firm's largesse has encouraged investors to hold shares despite concerns that the memory business may be peaking. The stock split will open the door to retail investors as well, boosting liquidity and underpinning valuations, analysts said.

"The stock split comes as a surprise to me," said Kim Sung-soo, a fund manager at LS Asset Management who holds Samsung shares, noting that Samsung previously had shrugged off investors' calls to split its shares.

"This will not have an impact on the company's fundamentals, but it will increase supply of the stock and have a positive impact on shares."

Led by a stellar fourth quarter, the global leader in televisions, memory chips and smartphones brought home an annual operating profit of 53.7 trillion won ($50.2 billion) in 2017, outstripping the previous record of 36.8 trillion won in 2013.

While the profit was expected, the firm's shares surged more than 8 percent after it unveiled the stock split. They closed up 0.2 percent.

In further good news for shareholders, Samsung eased concerns that the huge expansion in the global semiconductor business may be tapering off, saying the outlook for 2018 remained strong.

Chip makers like Samsung, South Korean rival SK Hynix Inc and Intel Corp have been riding a boom in sales of semiconductors as the world demands ever greater processing capacity to power data centers, high-tech smartphones and the blockchain ledgers behind cryptocurrencies.

The chip business was Samsung's top earner last year, posting a record operating profit of 35.2 trillion won and more than doubling its profit on-year in the fourth quarter alone.

Samsung said it expected DRAM and NAND flash chip shipments to grow on-year by about 20 percent and 40 percent respectively in 2018.

The foundry business, which makes chips to order, would jump from 4th place to be a "strong market No. 2" behind Taiwan Semiconductor Manufacturing Co Ltd (TSMC) in 2018, partly due to the cryptocurrency boom.

Cryptocurrencies are digital currencies that use encryption techniques for security and can be traded. The technology needs powerful chips to validate transactions.

REUTERS/FILE

A salesperson serves a customer at a Samsung phone showroom in Jakarta, Indonesia.

"Looking at the mid-to-long term, Samsung expects the components business to see demand expand from new applications," the company said in a statement.

Samsung's operating profit for the three months ended December leapt 64 percent on year to 15.15 trillion won ($14.13 billion), in line with its forecasts.