AKIJ CERAMICS

Sk Bashir Uddin, managing director of Akij Ceramics, poses with the company's officials and business associates at "Akij Ceramics Business Associates' Conference 2019" in Nepal.

Yes Bank in talks with Microsoft, other tech firms to sell up to 15pc

REUTERS, *Bengaluru*

Indian private sector lender Yes Bank is in talks with Microsoft Corp and two other technology companies as it looks to bring in a strategic shareholder as part of a strategy to rake in fresh capital, the Mint newspaper reported on Sunday.

Shares of the bank were up 4 percent in early morning trade, after opening up 9 percent.

The talks began three weeks ago and could see the bank selling as much as 15 percent through a fresh equity issue, the newspaper reported, citing two people aware of the discussions.

UK house prices rise at slowest pace since 2013

REUTERS, *London*

British house prices rose at the slowest pace in more than six years in September, mortgage lender Halifax said on Monday in a latest sign of how Brexit is weighing on the housing market.

House prices rose 1.1 percent year-on-year after a 1.8 percent rise in August, Halifax said.

On the month, house prices fell 0.4 percent, after a 0.2 percent rise in August.

British house price growth has slowed since the Brexit referendum in 2016 - the Halifax index was showing growth of about 8 percent a year at the time - and prices have recently been falling in London and some neighbouring areas. A survey last week from another mortgage lender, Nationwide, showed house price growth fell to an eight-month low in September.

"With the economy largely struggling and the outlook highly uncertain, we suspect that house prices will remain soft in the near term at least," Howard Archer, chief economist adviser to the EY ITEM Club consultancy, said.

With little more than three weeks before the United Kingdom is due to leave the EU, the future of Brexit remains uncertain. It could leave with a deal or without one, or not leave at all. Indicators of the economy are now pointing to a protracted slowdown, and even the risk of a recession.

UK completes Thomas Cook repatriation of passengers

REUTERS, *London*

Britain's government on Monday completed the country's biggest peacetime repatriation that returned 140,000 UK-based Thomas Cook customers stranded abroad after the collapse of the holiday operator.

The final flight arrived at 8.31 am (0731 GMT), touching down at Manchester airport in northern England from Orlando, Florida, said a spokesman for the Civil Aviation Authority (CAA).

The flight, with 392 passengers onboard, marks the end of two-week-long Operation Matterhorn -- Britain's biggest repatriation since World War II.

Matterhorn, which involved 150 aircraft from 50 partners worldwide, "required an extraordinary effort from all involved," CAA chief executive Richard Moriarty said in a statement.

Moriarty paid tribute "to the many amazing former Thomas Cook employees" who helped to make the operation successful.

"It needed an unprecedented team effort from our commercial partners, our friends across government and my colleagues at the CAA," he added.

The regulator on Monday said it would now launch its largest ever customer reimbursement programme under the Air Travel Organiser's Licence (ATOL) scheme.

The scheme is a safety net, based on an EU directive and managed by the CAA, which covers tourists who have bought all-inclusive trips with flights and hotels.

"We know that customers are devastated by the cancellation of their holidays," Moriarty said.

"Those who bought a Thomas Cook ATOL-protected holiday are entitled to a full refund of all the money they have paid towards the cost of their holiday.

"In addition to this, ATOL protected passengers that were abroad when the company went into liquidation might be able to claim for out of pocket expenses."

Debt-plagued Thomas Cook, which struggled against fierce online competition for years and blamed Brexit uncertainty for a drop in bookings, declared bankruptcy on September 23 after failing to secure fresh funds.

As Softbank's Oyo booms, some Indian hotels cry foul and check out

REUTERS, *Bengaluru*

India's Oyo Hotels and Homes shot out of nowhere to become one of the world's largest hotel chains with a simple promise of "hassle-free" online booking, transparent pricing and cheerful lodging.

But as the Softbank-backed startup pushes toward profitability, an increasing number of Indian hotel operators who have partnered with it are complaining about being blindsided by fee increases.

The backlash against Oyo - while limited to a small share of the more than 10,000 hotel owners in India who work with it - comes at a crucial time for an emerging-market unicorn valued at $10 billion and its major investor.

Softbank, which has invested nearly $1 billion in Oyo, through its Vision Fund, is struggling to raise funding for a second investment fund in the wake of the failed offering of office-rental company WeWork and amid questions about the path to profitability of other marquee investments like Uber. Oyo has not yet turned a profit.

In the background of the discontent is the disruption Oyo has brought to India's lodging market – often to the delight of India's middle-class travelers and to the dismay of hotel owners who have seen room rates driven down at a time when economic growth has slowed.

Oyo charges hotels a roughly 20 percent franchise fee on room revenues when hotels join its network, but some Indian hotel operators say the startup often ends up taking half or more of revenues through fees that were not initially disclosed.

A group representing hotel operators in Bengaluru called for a criminal probe into Oyo last month, saying the company was withholding money because of unfair fee increases. Two hoteliers in the southern state of Karnataka filed separate police complaints last month accusing Oyo of deceitfully increasing commissions, and accusing Oyo's 25-year-old founder and CEO Ritesh Agarwal of fraud.

REUTERS/FILE

A woman walks pasts a sign against Oyo, placed outside a hotel in New Delhi.

Agarwal successfully appealed to the Karnataka High Court for a stay order on one case in Bengaluru, the court website shows, and a police official said the order barred police from investigating.

In the other complaint, in the town of Chikkamagaluru, police are investigating, an official there said.

Oyo has denied the allegations and said Agarwal declined comment on the legal complaint. The company said it operates with a high level of "integrity, transparency and commitment" with its partners.

Agarwal said hotel operators who have raised complaints represent a tiny fraction of Oyo's network and were seeking to drive prices higher at the expense of consumers.

"On an annual basis, Oyo is able to retain 99 percent of its asset owners. If, for instance, people were unhappy, our retention rate would have been lower," he told Reuters.

Softbank, which owns a roughly 45 percent stake in Oyo, declined to comment.

Oyo says it is in constant contact with its hotel partners. "We have always disclosed any changes applicable to contracts with asset owners," Oyo said in a statement.

For their part, owners and managers say Oyo has introduced fees - including a "platform fee" and a fee for a "visibility boost" - which they only discovered in monthly statements.

Reuters interviews with 22 hotel owners and managers who run hotels under the Oyo brand in 10 Indian cities suggest the discontent has grown since late last year.

Several hotel groups have organized protests. Amitabh Mohapatra, head of one such group in northern India, says over 300 hotels have quit Oyo's India network this year, while Kunal Rajpara, who heads another group in western India, said a few dozen hoteliers from Ahmedabad ditched Oyo last month.

"The situation with Oyo has gone from bad to worse," said P.C. Rao, president of the Bruhat Bangalore Hotels Association. "We want to make sure the business of small hoteliers isn't hurt." Some hotel operators say Oyo continued to list their properties on its mobile app with a "sold out" banner after they asked Oyo to sever ties.

Three hotel operators in Ahmedabad said they had e-mailed Oyo representatives on Sept. 23, asking to be removed from the platform but received no response. Reuters found all their properties still listed on Oyo's app with "sold out" messages even though the hotels had rooms available.

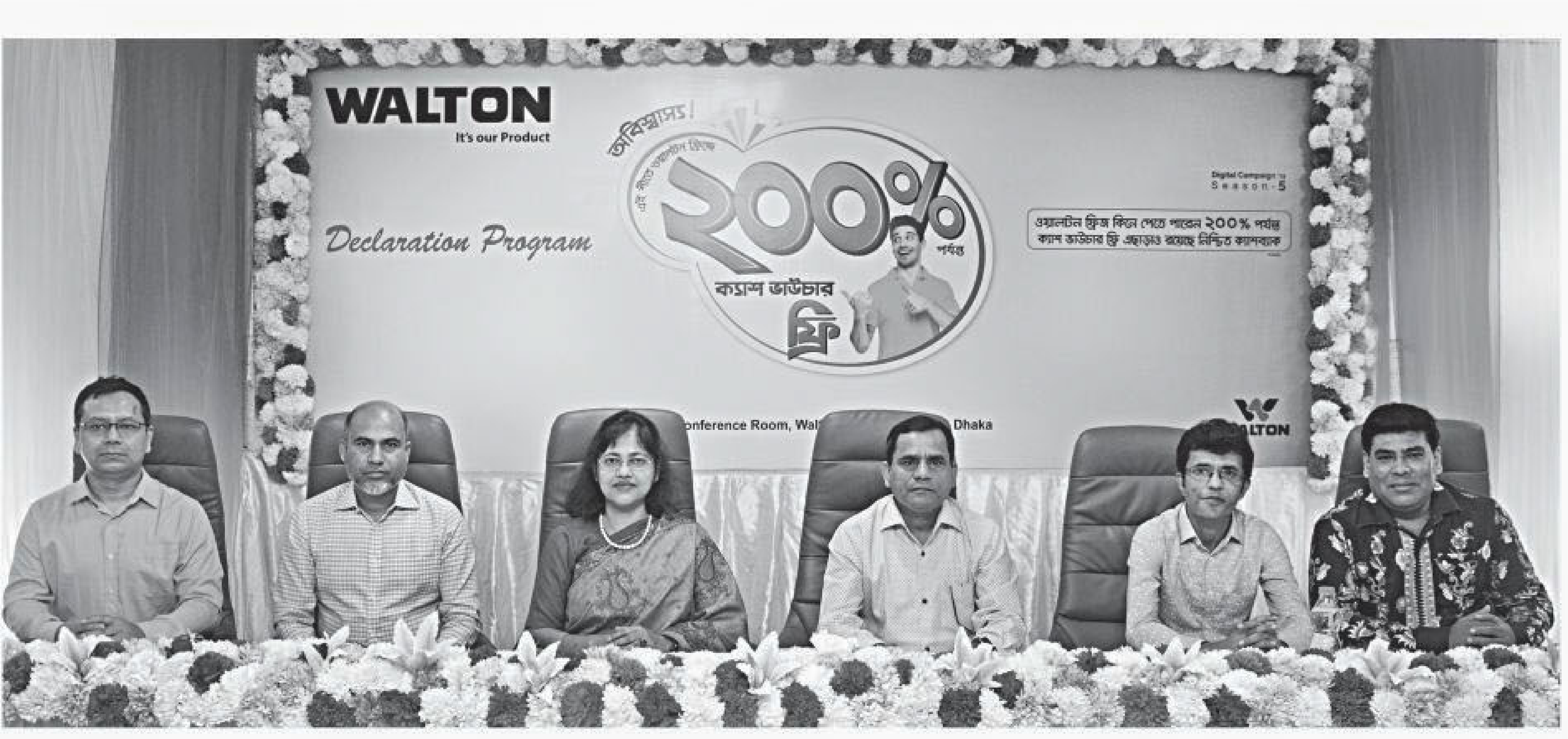
Oyo says once a hotel has served a 30-day notice period and accounts are settled, the property is typically delisted within 72 hours. It tags all properties serving their notice period that may deny check-ins to customers as "sold out", the company said.

Founded in 2013, Oyo started by aggregating bookings for India's budget hotels, promising a standard of service in a market where that was more often the exception. Oyo has expanded to China, Europe and the United States, calling itself the world's fastest growing hotel chain.

Many hotel owners in India were upbeat when Oyo gave properties in smaller cities visibility but began to raise concerns when profits failed to improve, said Darshini Kansara, a hospitality industry analyst at CARE Ratings in Mumbai.

"It isn't something Oyo can ignore as they look to capture more market share."

Based in Gurugram, near New Delhi, Oyo signs up hotels as franchisees by rebranding them and upgrading amenities and then charges fees from the owners.



WALTON

Walton Group executive directors Eva Rezwana, Amdadul Hoque Sarker, Nazrul Islam Sarker, FM Iqbal-Bin Anwar Dawn, Ariful Ambia and Md Rayhan attend a programme at its corporate office in Dhaka yesterday, announcing a campaign offering up to 200 percent discount on Walton fridges.

Hedge funds sell more oil as economic outlook worsens

REUTERS, *London*

Hedge funds sold petroleum futures and options for the second week running as the post-attack bounce in oil prices evaporated and attention shifted to the deteriorating condition of the global economy.

Hedge funds and other money managers sold the equivalent of 96 million barrels in the six most important futures and options contracts linked to oil prices in the week to Oct. 1, the largest reduction in nearly four months.

Fund managers have sold a total of 111 million barrels in the two most recent weeks, reversing purchases of 144 million barrels in the two weeks before that, a period that included the attack on Saudi oil installations.

If the attacks on oil processing facilities had a relatively modest and fleeting impact on oil prices and positions, it was entirely unwound in just a fortnight.

In the most recent week, portfolio managers sold NYMEX and ICE WTI (-64 million barrels), Brent (-17 million), US gasoline (-6 million), US heating oil (-5 million) and European gasoil (-4 million).

Fund selling in NYMEX and ICE WTI was the highest in any one-week for more than two years, as managers abandoned expectations of a sustained post-attack spike in prices.

After the sales, funds held a net long position across all six contracts amounting to 532 million barrels, essentially back to their position at the end of August and the start of September.

If relatively passive structural long positions in crude are stripped out, the fund community's dynamic net long position was just 41 million barrels, not much different from 8 million at the beginning of September.

Concerns about the prospects for oil consumption are dominating the market rather than fears about output disruptions.

Traders are becoming more pessimistic about the prospects for an early truce in the trade conflict between China and the United States – with mounting fears continued skirmishing will push both economies into recession.

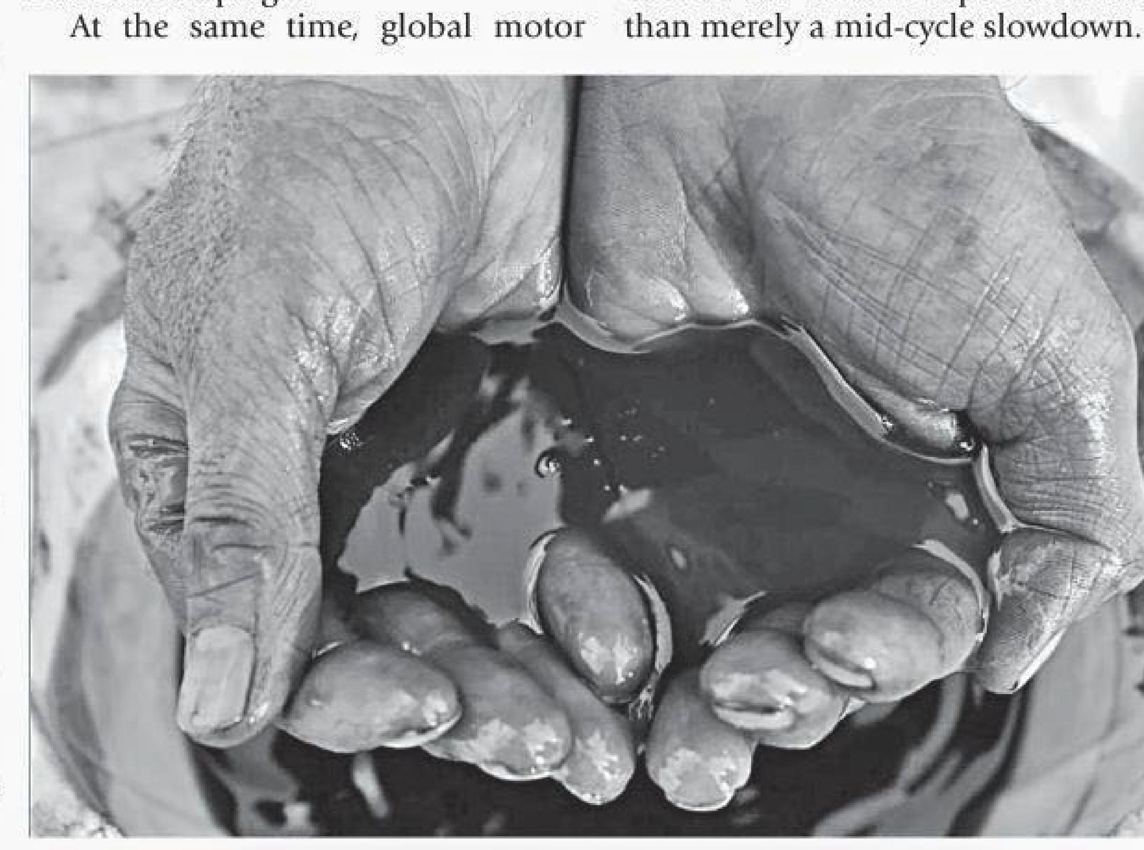
Political tensions look set to remain high throughout the remainder of 2019 and 2020 as the United States enters a bitter impeachment investigation and then a presidential election campaign.

At the same time, global motor manufacturers are reporting weakening production and sales, depressing both global economic growth and oil consumption.

The major central banks have reduced interest rates to low levels, which could limit their ability to provide more stimulus in the short term.

And the credit and leverage cycle is already far advanced, with corporations, especially those owned by private equity and in emerging markets, carrying a heavy debt burden.

Growth across the advanced economies and fast-growing emerging markets has decelerated and there is increasing anxiety it could mark the end of the current expansion rather than merely a mid-cycle slowdown.



REUTERS/FILE

An employee shows a sample of crude oil in the Yarakta oilfield, owned by Irkutsk Oil Company in Russia.

Taiwan, India equities receive strong foreign inflows in September

REUTERS

India and Taiwan equities received strong foreign inflows in September due to some local factors, but other regional markets saw outflows on concerns over the US-China trade war and slowing economic growth.

Last month, Taiwan's markets received about $2.9 billion of foreign investment, on optimism over its economy, as a growing number of local firms were shifting their factories back home from mainland China, seen as aiding their export revenues.

Indian equities attracted about $1.1 billion worth of foreign inflows thanks to a corporate tax cut announced by the Finance Minister Nirmala Sitharaman to boost manufacturing and private investment.

However, investors withdrew money from other markets on concerns over slowing global trade and the prolonged Sino-US trade war.

South Korea, Indonesia and Thailand recorded outflows of $874 million, $519 million and $379 million, respectively, last month, the exchange data showed. Philippines and Vietnam were the other markets which saw outflows in September.

Investors' focus has shifted to the next round of US-China trade negotiations in Washington on Oct. 10-11 to see if the two sides can end a bruising trade war that has raised fears of recession.

"Uncertainty is high and news flow has been mixed, with China's new purchase of US agriculture products coming together with speculation on a potential US crackdown on portfolio flows into China," said J.P.Morgan in a report on Monday.

At the end of last month, Reuters reported that President Donald Trump's administration is considering delisting Chinese companies from US stock exchanges. Jingyi Pan, a Singapore-based market strategist with financial services firm IG, expects further turbulence in Asian stocks, saying a lack of positive news from the trade talks may be seen by investors as opening the way for more tariffs.

Washington had delayed an Oct. 1 tariff hike as a goodwill gesture ahead of the talks, but has said it would go ahead with the plan from Oct. 15, with another move slated for Dec. 15.