



Payar Ahmed Tushar, general manager for sales and marketing at Akij Cement Company, cuts a cake to celebrate the company's 17th founding anniversary at a Cox's Bazar hotel on Sunday.

Saudi Aramco value in bank research varies by more than \$1 tr

REUTERS

Valuations for Saudi Aramco vary by more than \$1 trillion, according to fund managers who have seen banks' research, underscoring the uncertainty hanging over what could be the world's largest stock market listing.

Fund managers are poring over bank research after Aramco on Sunday announced its intention to float on the Riyadh stock market.

Sources have told Reuters that Aramco could offer 1 percent-2 percent of its shares, raising as much as \$20 billion to \$40 billion. A deal over \$25 billion would top the record-breaking IPO of Chinese e-commerce giant Alibaba in 2014.

On Sunday, however, Aramco provided no size of the planned IPO, no timeframe, identified no cornerstone investors and gave no information on an expected follow-up listing overseas.

Saudi Crown Prince Mohammed bin Salman has spoken of a \$2 trillion value target for the world's largest oil producer while banks have provided varying figures.

Bank of America (BOFA) Merrill Lynch estimates Aramco's valuation at \$1.2 trillion to \$2.3 trillion while EFG Hermes has a valuation of \$1.55 trillion to \$2.1 trillion, two fund managers who have seen the research reports told Reuters.

Goldman Sachs - one of the banks coordinating the IPO - has put the company's valuation between \$1.6 trillion

and \$2.3 trillion, two sources said. Bernstein analysts estimated "a fair value range" for Saudi Aramco is \$1.2 trillion to \$1.5 trillion.

"Our discounted cash flow approaches... suggest \$1.4 trillion on average," it said.

BOFA Merrill's has also used the discounted cash flow model, a valuation methodology that uses future cash flow,



A sign of Saudi Aramco's initial public offering is seen during a news conference by the state oil company in Dhahran, Saudi Arabia on Saturday.

Burger King's India unit looks to raise \$56.6m in IPO

REUTERS, Bengaluru

The Indian arm of US-based Burger King filed for a local initial public offering (IPO) to raise up to 4 billion rupees (\$56.6 million) on Monday, as it looks to open more restaurants in a country where international fast-food brands are gaining in popularity.

The Whopper Burger maker, which launched its first restaurant in India in 2014, competes directly with market leader McDonald's Corp and other restaurant chains such as Domino's Pizza.

Burger King India Ltd plans to have 325 stores by December 31, 2020, up from 202 as of June. McDonald's had 470 at last count, according to data by consulting firm Technopak Advisors.

In the year ended March 2019, Burger King India's revenue from operations had risen 67 percent to 6.33 billion rupees (\$89.4 million).

Its loss narrowed to 382.8 million rupees in the same period from 822.3 million rupees a year earlier.

"Burger King is going with a national franchise instead of regional ones, and that gives them more control and potentially better growth," Technopak Chairman Arvind Singhal said.

The company plans to use 2.9 billion rupees of the money raised to



REUTERS/FILE

The logo of US fast food group Burger King is seen at a restaurant in Switzerland.

open new restaurants, according to the company's IPO papers.

The issue includes an offer for sale of up to 60 million equity shares by QSR Asia PTE, which owns 99 percent of the Indian entity. The company did not disclose pricing details.

Private equity firm Everstone Capital, which operates Burger King India, is considering a private

placement of shares worth 1.5 billion rupees ahead of the IPO, according to the draft red herring prospectus.

The company will look to list with the Bombay Stock Exchange as well as the National Stock Exchange.

Kotak Mahindra Capital, CLSA India, Edelweiss Financial Services and JM Financial are lead managers of the IPO.

UK construction slide barely slows in Oct

REUTERS, London

British construction activity shrank for the sixth month in a row in October, and at one of the fastest rates since the 2009 financial crisis, as Brexit worries and a general economic slowdown held back growth.

The IHS Markit/CIPS construction PMI rose to 44.2 in October from 43.3 in September, roughly in line with economists' forecasts in a Reuters poll, but this was still the third-lowest reading since 2009 and pointed to a fall in output.

"UK construction companies experienced a downturn in business performance during October as political uncertainty and subdued economic conditions again combined to hold back sales," IHS Markit economist Tim Moore said.

Construction companies reported the seventh successive fall in new work, ordered less raw materials and did not replace staff who quit.

Official data showed construction output rose by 2.4 percent in the 12 months to August, the most recent figures available, but last month smaller housebuilders reported the weakest demand since 2013.

according to one fund manager who saw the research. The banks were not immediately available for comment.

Credit Suisse's research offers a similarly wide range in value, the fund manager said. "These ranges are always wide as research analysts want to cover both low end and high end so you want to show sensitivity of assumptions," one analyst said.

EFG Hermes research implies a 2020 estimated enterprise value to EBITDA ratio of 6.9 times to 9.4 times, a price-to earnings ratio of 14.5 times to 19.5 times, and a dividend yield of 3.9 percent to 5.3 percent.

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GREEN DELTA INSURANCE

Khalil Ahmed, executive director at Insurance Development and Regulatory Authority; Derek George, deputy director for cooperation at the Swiss embassy in Bangladesh; Olga Speckhardt, head of global insurance solutions at Syngenta Foundation for Sustainable Agriculture (SFSA), and Syed Moinuddin Ahmed, additional managing director at Green Delta Insurance Company, hand over a cheque to one of the 675 farmers against an Aman rice crop insurance claim in Bogura on Sunday, under a project of the Swiss Agency for Development and Cooperation and SFSA Bangladesh in which Green Delta is the insurer.

Moon, Abe back dialogue to resolve South Korea-Japan dispute

REUTERS, Seoul

South Korea's President Moon Jae-in on Monday suggested high-level talks to resolve a deepening political and trade row with Japan during a meeting with Japanese Prime Minister Shinzo Abe, Moon's spokeswoman said.

The two leaders held an 11-minute discussion on the sidelines of a meeting of the Association of Southeast Asian Nations (Asean) in Bangkok, the spokeswoman, Ko Min-jung, said in a statement.

The meeting comes as relations have plunged to their lowest in decades after South Korea's top court last year ordered Japanese firms to compensate some wartime forced labourers.

"Both leaders reaffirmed the principle that bilateral issues should be resolved through dialogue," Ko said, referring to working-level talks between the countries' foreign

ministries.

"President Moon offered higher-level talks if necessary, and Prime Minister Abe suggested seeking a resolution through all available means."

The two leaders agreed that their ties were important and the dispute should be settled through dialogue, Japan's NHK broadcaster reported.

Abe also expressed condolences over the death of Moon's mother last week, according to NHK.

As the feud spilled over into trade and security issues, Moon and Abe have not held a summit for more than a year, though they shook hands at a Group of 20 meeting in Japan in June.

Moon sent Prime Minister Lee Nak-yeon to Tokyo last month for Emperor Naruhito's enthronement ceremony with a personal letter calling for efforts to mend ties.

But there has been little sign of

progress. Abe reiterated to Moon that the issue of wartime forced labour was settled by a 1965 treaty that normalised relations following Japan's 1910-45 colonial rule, NHK said.

While wartime bitterness divides the neighbours, they are both US allies and face threats from North Korea's nuclear weapons and missile programmes.

South Korea has been urging Japan to lift trade measures it imposed this year, as ties deteriorated.

If Japan does so, South Korea says it could revoke a decision to end a pact on the sharing of military intelligence. The agreement expires later this month.

South Korean Defence Minister Jeong Kyeong-doo told a parliamentary session the deal should be kept "if it helps with our security in any way" but the trade issues also needed to be resolved.

Euro dips before Lagarde's first speech as ECB chief

But hopes for tariff reprieve lend support

REUTERS, London

The euro edged down on Monday as investors awaited Christine Lagarde's first speech as European Central Bank president, but it kept near its highest level in weeks on hopes that the United States may opt not to impose tariffs on auto imports.

Lagarde delivers her first address on Monday as ECB chief, and markets are assuming she will stick with the easy policy script of her predecessor, Mario Draghi.

US Commerce Secretary Wilbur Ross said in an interview published on Sunday that Washington may not need to slap tariffs on imported vehicles later this month after holding "good conversations" with automakers in the European Union, Japan and Korea.

The tariffs have already been delayed once by six months, and trade experts say that could happen again.

"That could lift the cloud over German manufacturing," said Kenneth Broux, corporate forex strategist at Societe Generale.

"It could help to lift sentiment a lot" in the euro area, he said, adding that he was "not convinced that we'll hear a lot of policy direction substance" from Lagarde on Monday.

The fact that Germany's manufacturing sector remained stuck in recession and that factory activity across the euro zone contracted sharply in October failed to dent the optimism, with the euro staying unchanged after data.

"If the US were to proceed with the implementation of these tariffs, it would mark a dramatic escalation in US-EU trade tensions and would be significantly negative for risk sentiment," said MUFG analysts in

a note to clients, though analysts "consider this to be an unlikely move."

The euro was last trading down slightly at \$1.1163 but close to the \$1.1180 high it reached last month.

The shared currency rose as the dollar weakened on views that the US economy was starting to show signs of a slowdown, prompting investors to expect more interest rate cuts from the Federal Reserve.

The US currency also lost its appeal as a safe-haven currency as investors' hopes rose that a 16-month long trade war between the United States and China could soon reach an end.

World stock markets rallied, denting demand for safe-haven investments, after the world's two largest economies both said on Friday they had made progress in talks aimed at defusing a protracted trade war. US officials said a Phase-1 deal could be

signed this month.

The Chinese yuan as a result rose to a 12-week high of 7.0225 against the greenback in the offshore market as investors' risk sentiment continued to improve.

The New Zealand dollar, sensitive to risk sentiment, also jumped by the same extent to a 12-week high of 0.6466 against the dollar and was last trading up 0.1 percent at 0.6435.

An index that tracks the dollar against six major currencies was last trading flat at 97.299. Broux said that having breached a key technical level it now needs to rise above the 200-day moving average of 97.303 to avoid further losses.

Sterling remained well bid at \$1.2932, after last month's rally from \$1.2200, as investors wagered there was less risk of a hard Brexit now that an election campaign was underway.



SIBL

Quazi Osman Ali, CEO of Social Islami Bank Ltd (SIBL), cuts a ribbon to launch a "Service month for building client's confidence" campaign at its head office in Dhaka on Sunday marking its 24th founding anniversary celebrations on November 22.



An illustration picture shows euro and US dollar banknotes and coins.