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Qatar Tribune Business

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Yahoo to end plans to spin off \$31 billion stake in Alibaba **PAGE 26**



▼ DOW	17,416.54	▼ QE	10,018.84	▼ SENSEX	25,036.05	GOLD	1,076.80
	-151.46 PTS		-77.67 PTS		-274.28 PTS		+0.17%
BRENT	PRICE 39.89	PERCENTAGE -0.92%	WTI	PRICE 37.17	PERCENTAGE -0.91%	SILVER	14.15
							+0.21%

Qatar RMB Centre holds first Advisory Council meet

TRIBUNE NEWS NETWORK
DOHA

IN a step forward for the Middle East & North Africa region's first Renminbi (RMB) clearing centre, Qatar Central Bank (QCB) convened the first Qatar RMB Centre Advisory Council meeting in Doha on Wednesday.

The Advisory Council is comprised of representatives of Qatar's leading banks and financial sector stakeholders, including Qatar Central Bank, Qatar National Bank, Masraf Al Rayan, Qatar Islamic Bank, Commercial Bank, Qatar International Islamic Bank, Al Khali Bank, Standard Chartered, Industrial and Commercial Bank of China, Qatar Financial Centre Regulatory Authority and Qatar Stock Exchange.

The QCB established the Advisory Council, with the purpose of promoting market awareness of the benefits of the RMB Clearing Centre and to propose well-defined market education initiatives.

The RMB, the official currency of China, is an important key to international trade. The RMB Centre has been improving ease of transactions between companies in Qatar and across the region and China through offering clearing and settlement services - increasing connectivity between markets that have strong economic and commercial ties.

Doha Bank CEO sees oil rising to \$60 in 6 months

Impact of low oil prices visible on Qatar's economy: Seetharaman

SATYENDRA PATHAK
DOHA

OIL prices will gain upward momentum and rise up to \$60 per barrel in the next six months, Doha Bank Group CEO R Seetharaman said on Wednesday.

Talking to *Qatar Tribune* on the sidelines of Euromoney Qatar Conference 2015, Seetharaman said oil prices may fall a bit more from the current level but the chances of recovery are very strong.

Return of traders to oil futures from currency trading are an indication that the lull

"The diversification of Qatari economy away from hydrocarbon sector will play a vital role in the country's growth."

is over, he said adding that the oil market is likely to see a buzz once again.

"US dollar's rise is always linked to low oil prices. The dollar hit record highs against a number of currencies, making it difficult for holders of those currencies to purchase commodities in global markets."

Dollar's rising trend, how-



Doha Bank Group CEO R Seetharaman speaks at the Euromoney Qatar Conference 2015 in Doha on Wednesday.

ever, is unlikely to continue for long, he said, adding that it will give more purchasing power to consumer countries.

Citing another reason for the possible rise in oil prices, he said the strategy adopted

by OPEC countries to maintain output and market share even when crude prices are below \$40 will certainly pose trouble for US shale oil producers.

The strategy should pay

off for OPEC as less shale oil production will lead to higher oil prices, Seetharaman said.

Talking about the impact of low oil prices on Qatar's economy, he said the impact is very visible as the country is going to face fiscal and current account deficits for the first time in the last 16 years.

He, however, said the diversification of the economy away from the hydrocarbon sector will play a vital role in the country's growth.

He said that there are immense opportunities for the banking sector to grow in Qatar.

"The banking sector lending has grown by more than 11 percent in the first 10 months of this year."

Consumption, contracting and services are the key contributors to lending growth, he added.

The Doha Bank CEO said banks can further tap FDI across infrastructure, services and manufacturing.

Seetharaman said the upcoming economic zones will contribute further to Qatar's economic diversification programme by promoting the growth of small and medium-sized companies.

QSE to publish margin trading rules soon: CEO

REUTERS
DOHA

QATAR Exchange will publish rules approving margin trading in the next few days, its chief executive said on Wednesday, a tool intended to deepen liquidity on the bourse.

Margin trading involves investors borrowing money from a broker to purchase stock.

"Margin trading will increase liquidity. It's very important for investors as they've been asking for it for some time," Rashid al Mansoori told Reuters in an interview on the sidelines of a financial conference.

"We received approval from the regulator for margin trading and will publish it [the rules] on the website this week or next." It was unclear if margin trading would be allowed straight away or in the future.

Regulated margin trading has been allowed in United Arab Emirates since 2012 and Oman since 2013, although Gulf states have been reluctant to introduce such products because of the risk that retail investors - who dominate trading - will build up significant positions using loaned cash and then struggle to cover them when the market turns negative.

While not the most illiquid stock market in the Middle East, Qatar struggles to gen-

erate significant trading volumes, a problem exacerbated by large government holdings in many companies.

On Wednesday, Qatar's benchmark index traded 8.2 million shares. By comparison, markets in Dubai and Abu Dhabi, which are also constituents of the MSCI Emerging Markets index, traded 187.9 million and 69.8 mil-

While not the most illiquid stock market in the Middle East, Qatar struggles to generate significant trading volumes, a problem exacerbated by large government holdings in many companies.

lion shares respectively. Mansoori also said he expected two initial public offerings on the Qatar bourse in 2016. This follows a barren period for the exchange, which has seen one listing since 2010.

His comments follow on from Qatar First Bank saying on December 6 it planned to list its shares on the Qatar exchange as early as the first quarter of 2016. Mansoori said there was one other bank that would also launch a share sale in 2016, but he declined to name it.