Afghanistan seeking new investment season with Czech Republic

KABUL: The country's Ministry of Commerce and Industry has announced a new chapter of investment with the European countries, saying in order to strengthen trade relations, the officials have attended a meeting in Prague, the capital city of Czech Republic.

At the meeting, Deputy Prime Minister Karel Havlicek who is also Minister of Industry and Transport of the Czech Republic, pledged continued cooperation with Afghanistan.

He said Afghanistan has good opportunities for investment and pointing to the reopening of new season of investment with the Afghan investors.

At the opening ceremony of a three-day meeting between Afghanistan and the Czech Republic, he said: "The Czech Republic supports the strengthening of trade and investment cooperation with Afghanistan considering the country's strategic and geographical location and being as a bridge between Central Asia, South Asia and the Middle East, Afghanistan has very good economic opportunities and all of this gives Afghanistan more potential to be a regional hub for global trade. "

Afghanistan has abundant natural resources that provides a good opportunity for Czech investors and that mines, agriculture and industry are among the sectors in which investors from both countries have shown interest to invest.

The Afghan cabinet is also seeking to encourage European investors to invest in Afghanistan and the delegation also pledged to provide facilities for both sides investment.

In addition to the Czech Republic, the authorities plan to expand economic ties with other European countries, said Nisar Ahmad Faizi Ghoryani, Afghanistan's Minister of Commerce and Industry.

Ghoryani, who is now in Prague to attend the Afghanistan-Czech-Slovakia Economic and Investment Summit, told media that they wanted to set up a large warehouse in the Czech Republic for Afghan products so that could easily transfer to Europe and reach other markets.

"We are trying to increase the level of our exports from Afghanistan and we are trying to have a large warehouse for the Afghan products here and talk with the Deputy Prime Minister and the Czech Minister of Industry and Transport to provide appropriate places for the Afghan property, carpets, saffron, dried fruits and precious and semi-precious stones. Create a large warehouse and exhibition that can cover all of Europe," he added.

Afghanistan exported about 1.5 million to the Czech Republic last year, but now the officials hope to increase trade between the two countries more than ever.

According to them, they were trying not to be left alone in the economic and investment sectors after the complete withdrawal of international troops from Afghanistan.

The efforts come after persistent insecurity has greatly reduced foreign investment in the country.

Despite the insecurity concerns tens of factories worth $100 million have gotten operational in the past three weeks, and that another 51 factories are expected to open soon, according to the ministry.

Meanwhile, Afghan investors welcome new trade ad investments with the Czech Republic and say that if Afghanistan is at peace and stability, there are ways to grow trade between Afghanistan and other world countries and there will be no obstacles to investing in Afghanistan.

According to the officials, Afghanistan's important export items, including carpets, dried fruits, precious and semi-precious stones, even traditional medicines, could be transported to this country and other regional countries through both air and ground corridors.

The Czech Republic is the only country that promised to reactivate the trolleybuses in the capital Kabul, but it has been several years since the setting of the plan. **Shukria Kohistani**

Europe close: Stocks little changed ahead of Fed meeting

la-fed-fixe-les-besoins-de-fonds-propres-supplementaires-pour-les-grandes-banques-americaines

European shares finished higher but off their morning highs, as hopes of a swift economic recovery from the Covid-19 pandemic offset a higher-than-expected reading on inflation in the States.

The pan-European Stoxx 600 was up 0.11% at 458.81, with Germany's DAX rising 0.36% to 15,792.52 and the UK's FTSE 100 up 0.36% to 7,172.48 after a fall in the unemployment rate in April.

Investors were also waiting on the US Federal Reserve's two-day policy meeting which was set to finish the next dat, for indications of the central bank view on recent inflation rises. Ahead of the Fed meeting, the Department of Labor reported that US producer prices picked up from April's annual rate of increase of 4.1% to 4.6% for May. As Ian Shepherdson, chief economist at Pantheon Macroeconomics put it: "The Fed is not driven by the PPI, but the numbers are startling." On a more constructive note, ahead of those numbers, Markets.com analyst Neil Wilson had told clients: "Rates have been steady coming into the meeting with the benchmark 10-year (bond) yield hovering a little below 1.5% and have been edging lower since the end of March - allowing growth stocks to catch some bid in recent weeks.

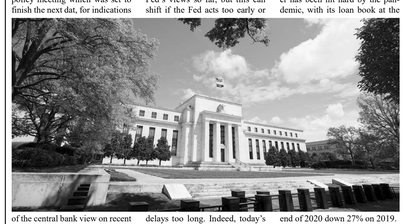
"The calm shows markets are broadly in tune with what the Fed's views so far, but this can shift if the Fed acts too early or delays too long. Indeed, today's Bank of America fund manager survey shows 72% think inflation is transitory, which pretty much tells you all you need to know about market positioning."

In the UK, figures released earlier by the Office for National Statistics showed the UK unemployment rate fell in April as the economy began to reopen. The unemployment rate declined to 4.7% in the three months to April from 4.8% in March and in line with consensus expectations.

In equity markets, shares in Non-Standard Finance plummeted, after the doorstep lender confirmed plans for an £80m equity capital raise.

NSF announced in February that it needed more capital to avoid breaching its covenants. The lender has been hit hard by the pandemic, with its loan book at the end of 2020 down 27% on 2019.

Anglo American shares were hit by a downgrade to 'sector perform' from 'outperform' at RBC Capital Markets.



Dollar holds near one-month high with focus on Fed's inflation take

TOKYO: The dollar held near a one-month high against a basket of currencies on Wednesday as investors tried to ascertain if the Federal Reserve might alter the language on its stimulus following a recent jump in U.S. inflation.

The dollar index stood at 90.499, having hit a one-month high of 90.677 on Tuesday despite mixed U.S. economic data.

U.S. retail sales dropped more than expected in May but sales in April were revised sharply up and are way above their pre-pandemic level.

With spending rotating back to services from goods as vaccinations allow Americans to travel and engage in other activities, the data eemented the perception of a strong recovery in the economy.

Separate data showed wholesale price inflation accelerated to 6.6%, the largest gain since November 2010.

Last week, consumer price data showed the sharpest rise in more than a dozen years, but hefty contributions from short-term increases in airline ticket prices and used cars suggested those price pressures may not last.

The Federal Reserve is widely expected to acknowledge the first conversations among its policymakers about when and how fast to pare back the massive bond-buying program launched in 2020 when it concludes a policy meeting later in the day.

Yet most investors think the Fed will refrain from any hints of starting tapering its stimulus in the near future.

"The Fed has said they're going to be reactionary to the data ... and they've said they want to see extended inflationary conditions before they make any commitment to tapering or hikes," said Bart Wakabayashi, Tokyo branch manager at State Street Bank.

Wakabayashi said the dollar should rally if the Fed drops any hint that tapering will be brought forward or rate hikes are going to be looked at sooner, but added, "I think they'll stick to the same tagline, and it will probably end up being a non-event."

Some market players also noted the dollar could rise by default as other major currencies appear to be losing momentum.

"We have to note that the U.S. dollar is strengthening now even as U.S. debt yield has dropped below 1.5%," said Makoto Noji, chief FX strategist at SMBC Nikko Securities.

"Today's currency market suggests there is strong potential pressure to lift the dollar, should there be some sort of surprises from the Fed."

The benchmark 10-year Treasury yield, whose climb in the first quarter helped buoy the dollar, sat at 1.4973% on Wednesday, after sinking as low as 1.4280% last week for the first time since early March.

The euro stood at $1.2129, little changed on the day but struggling to recover from its fall last week after the European Central Bank pledged to keep stimulus steady over the summer.

The yen was largely flat at 110.06 yen per dollar, near its two-month low of 110.325 touched earlier this month, with the Bank of Japan expected to extend some of its pandemic relief measures this week.

The British pound, a strong performer so far this year, hit a one-month low of $1.4035 on Tuesday despite stronger-than-expected employment data. It last stood at $1.40885.

The number of employees on British company payrolls surged by a record amount in May while pay growth marked its biggest rise since 2007 in April, although statisticians warned that this was distorted by comparisons with depressed wages a year ago and greater job losses among low-paid staff.

While UK job recovery looks set to continue as the economy reopens, the rapid spread of the highly contagious Delta variant of the novel coronavirus, which forced Prime Minister Boris Johnson to delay his plans to lift lockdown, is seen as a risk.

The Australian dollar lacked traction after the country's central bank signalled on Tuesday its willingness to extend its bond purchase programme next month.

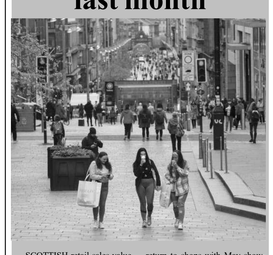
The currency changed hands at $0.7697, not far from a seven-week low of $0.7646 touched earlier this month.

In crypto markets, bitcoin traded at around $40,295, having hit a near one-month high of $41,341 on Tuesday, aided by the promise of fresh investment from major backer MicroStrategy and an upbeat tweet from Tesla boss Elon Musk.

Ether had less momentum, trading at around $2,530.

(Reuters)

Scottish retail sales fall far less sharply last month



SCOTTISH retail sales value in May was down far less sharply on the same month of 2019 than was the case in April, the latest industry figures reveal.

The Scottish Retail Consortium's monthly monitor, published today, shows that the value of sales last month was down by 3.6 per cent on the same month of 2019. May was the first full month in which non-essential retail was open, following emergence from the most recent lockdown.

The value of Scottish retail sales in April was down by 15.6% on the same period of 2019, even though trading was buoyed significantly by the reopening of non-essential stores in the final week of that month. If You Need to Kill Time on Your Computer, this Strategy Game is a Must-Have. No Install.Forge of Empires - Free Online Game|

Ewan MacDonald-Russell, head of policy and external affairs at the SRC, said: "Retailers continue to benefit from the relaxation of lockdown restrictions and the return to shops with May showing the best retail sales figures in 15 months. However, despite evidence of pent-up demand coming through sales still failed to break into positive [growth] territory, remaining below the comparable May 2019 figures."

Scotland's grocery sector remained significantly stronger in May than the non-food retail category, which tends to reflect the more discretionary elements of consumer spending.

The value of food sales in Scotland last month was up by 2.5% on May 2019. Non-food sales value in May was down by 8.7% on the same month of 2019.

Paul Martin, UK head of retail at accountancy firm KPMG, said: "The retail sales growth we'd hoped for in May didn't materialise. However, there are positive signs for the months ahead. Food sales continue to perform well and non-food sales at bricks-and-mortar stores improved during the first full month of Scotland's high streets reopening."

US retail sales fall in May, but producer prices increase

US retail sales fell more than expected in May, with spending rotating back to services from goods as vaccinations allow Americans to travel and engage in other activities that had been restricted by the Covid-19 pandemic.

Retail sales dropped 1.3% last month, the Commerce Department said today.

Data for April was revised higher to show sales increasing 0.9% instead of being unchanged as previously reported. Economists polled by Reuters had forecast retail sales to decline by 0.8%.

During the pandemic, demand shifted to goods like electronics and motor vehicles as millions of people worked from home, switched to online classes and avoided public transportation.

Now more than half of American adults have been fully vaccinated, boosting demand for air travel, hotel accommodation, dining out and entertainment among other activities. Vaccinations, trillions of dollars from the government and record-low interest rates are fueling demand.

Restaurants and bars are the only services category included in the retail sales report.

May's decline in retail sales was also due to a drop in receipts at auto dealerships. This reflected tight motor vehicles supply as a global semiconductor shortage hampers motor vehicle production.

Excluding cars, gasoline, building materials and food services, retail sales fell 0.7% last month after a revised 0.4% decrease in April.

These so-called core retail sales correspond most closely with the consumer spending component of gross domestic product. They were previously estimated to have dropped 1.5% in April.

Retail sales account for the goods component of consumer spending, with services such as healthcare, education, travel and hotel accommodation making up the other portion.