Oil jumps to highest in more than a week after Libyan shutdowns

Agencies

TOKYO: Oil prices rose to their highest in more than week on Monday after two large crude production bases in Libya began shutting down amid a military blockade, setting the stage for crude flows from the OPEC member to be cut to a trickle.

Brent crude LCOc1 futures were up by 74 cents, or 1.1 per cent, to 65.59 by 0331 GMT, having earlier reached USD 66.00 a barrel, the highest since Jan. 9. The West Texas Intermediate CLc1 contract was up by 58 cents, or 1 per cent, at USD 59.12 a barrel, after rising to USD 59.73, the highest since Jan 10.

In the latest development in a long-running conflict in Libya, where two rival factions have claimed the right to rule the country for more than five years, the National Oil Corporation (NOC) on Sunday said two big oilfields in the southwest had begun shutting down after forces loyal to the Libyan National Army closed a pipeline.

"If this sort of disruption endures, it's meaningful ... the market is right to be reacting with a bullish tone," said Lachlan Shaw, head of commodity research, at National Australia Bank in Melbourne.

"It just continues to emphasize, notwithstanding that the world market is clearly in surplus and there are plenty of stocks, the fact is the market still depends on a number of key regions that have heightened geopolitical risk."

Oil prices had fallen back in the last two weeks. After the outbreak of hostilities between the United States and Iran at the beginning of the year triggered a jump, both sides took steps to pull back from conflict, calming the market's mood.

If exports are halted for any sustained period, tanks for storage will fill within days and production will slow to 72,000 barrels per day (bpd), an NOC spokesman said. Libya has been producing around 1.2 million bpd recently.

Also on Sunday, foreign countries agreed at a summit in Berlin on Sunday to shore up a shaky truce in Libya, even as the talks were overshadowed by the latest blockade.

German Chancellor Angela Merkel told reporters that the Berlin summit, attended by the main backers of the rival Libyan factions, had agreed that a tentative truce in Tripoli over the past week should be turned into a permanent ceasefire to allow a political process to take place.

Wealth of India's Richest 1% More Than 4-Times Of Total For 70% Poorest: Oxfam

Press Trust of India

DAVOS: India's richest 1 per cent hold more than four-times the wealth held by 953 million people who make up for the bottom 70 per cent of the country's population, while the total wealth of all Indian billionaires is more than the full-year budget, a new study said on Monday.

Releasing the study 'Time to Care' ahead of the 50th Annual Meeting of the World Economic Forum (WEF), rights group Oxfam also said the world's 2,153 billionaires have more wealth than the 4.6 billion people who make up 60 per cent of the planet's population.

The report flagged that global inequality is shockingly entrenched and vast and the number of billionaires has doubled in the last decade, despite their combined wealth having declined in the last year.

"The gap between rich and poor can't be resolved without deliberate inequality-busting policies, and too few governments are committed to these," said Oxfam India CEO Amitabh Behar, who is here to represent the Oxfam confederation this year.

The issues of income and gender inequality are expected to figure prominently in discussions at the five-day summit of the WEF, starting Monday. The WEF's annual Global Risks Report has also warned that the downward pressure on the global economy from macroeconomic fragilities and financial inequality continued to intensify in 2019.

Concern about inequality underlies recent social unrest in almost every continent, although it may be sparked by different tipping points such as corruption, constitutional breaches, or the rise in prices for basic goods and services, as per the WEF report.

Although global inequality has declined over the past three decades, domestic income inequality has risen in many countries, particularly in advanced economies and reached historic highs in some, the Global Risks Report flagged last week.

The Oxfam report further said "sexist" economies are fuelling the inequality crisis by enabling a wealthy elite to accumulate vast fortunes at the expense of ordinary people and particularly poor women and girls.

Regarding India, Oxfam said the combined total wealth of 63 Indian billionaires is higher than the total Union Budget of India for the fiscal year 2018-19 which was at Rs 24,42,200 crore.

"Our broken economies are lining the pockets of billionaires and big business at the expense of ordinary men and women. No wonder people are starting to question whether billionaires should even exist," Behar said.

As per the report, it would take a female domestic worker 22,277 years to earn what a top CEO of a technology company makes in one year.

With earnings pegged at Rs 106 per second, a tech CEO would make more in 10 minutes than what a domestic worker would make in one year.

It further said women and girls put in 3.26 billion hours of unpaid care work each and every day—a contribution to the Indian economy of at least Rs 19 lakh crore a year, which is 20 times the entire education budget of India in 2019 (Rs 93,000 crore).

Besides, direct public investments in the care economy of 2 per cent of GDP would potentially create 11 million new jobs and make up for the 11 million jobs lost in 2018, the report said.

Behar said the gap between rich and poor cannot be resolved without deliberate inequality-busting policies, and too few governments are committed to these.

Investment in equity MFs drops 41% to Rs 75,000 cr in 2019 on slow economy

Press Trust Of India

NEW DELHI: Investors pumped in nearly Rs 75,000 crore in equity-oriented mutual fund schemes in 2019, a sharp plunge of 41 per cent from the preceding year, mainly hit by extreme market volatility amid slowing economic growth.

Experts, however, are of the view that equity schemes will attract investor interest this year as the market is expected to perform well.

"While volatility in the market may continue for some more time going forward, we believe investors will want to benefit from this volatility and use it to create and growth their wealth. As we expect industry inflows to rise, we believe that all categories of mutual funds including equity funds to see a steady rise in flows," said Ashwani Bhatia, MD and CEO at SBI Mutual Fund.

According to data with Association of Mutual funds in India (Amfi) equity and equity-linked saving schemes (ELSS) attracted an inflow of Rs 74,870 crore in 2019, much lower than Rs 1.2 lakh crore seen in 2018. In 2017, such schemes had witnessed an impressive inflow of around Rs 1.33 lakh crore as compared to Rs 51,000 crore in 2016.

Equity schemes have seen a little bit of a slowdown in 2019 as compared to the past few years because of extremely volatile markets, L&T Mutual Fund chief Kailash Kulkarni said.

The pace of inflows in equity funds tapered off towards the end of the year with the inflow in such schemes hitting a 41-month low of Rs 1,312 crore in November as investors did not see the index returns in their own funds. Besides, weakness in the mid and small-cap space dented the investor confidence, said Vidya Bala, co-founder of Primeinvestor.in. Equity flows have two components -- systematic investment plan (SIP) and non-SIP. Flows through SIPs have consistently grown over the years and have touched more than Rs 8,000 crore on a monthly basis, while the non SIP flows are volatile based on the investor's need for money and view on the market.

'India may miss FY20 tax collection target by nearly Rs 2.5 lakh crore'

Press Trust Of India

NEW DELHI: The government's tax collection is likely to fall short of its estimate by Rs 2.5 lakh crore or 1.2 per cent of GDP in 2019-20, former finance secretary Subhash Chandra Garg said on Sunday while calling for the scrapping of dividend distribution tax.

Garg in a blog said that from the tax revenues perspective, 2019-20 is proving to be a dysfunctional year.

"Tax revenues to see shortfall of Rs 2.5 trillion (1.2 per cent of GDP). Time to junk DDT and reform personal income tax," he said.

The government had budgeted gross tax revenues of Rs 24.59 lakh crore.

"Setting aside Rs 8.09 lakh crore as the share of the states, the budgeted net tax revenues to the Centre was kept at Rs 16.50 lakh crore. This was Rs 3.13 lakh crore higher than the provisional/actual net tax revenues of Rs 13.37 lakh crore collected in 2018-19, an increase of 23.4%.

"Indeed, it was quite a steep target," Garg noted.

He said corporate tax, excise duties and customs are likely to see negative growth in collections in 2019-20- something of the order of 8 per cent in corporate taxes, about 5 per cent negative growth in excise duties (Rs 2.2 lakh crore against Rs 2.31 lakh crore) and about 10 per cent lower collection in customs duty (Rs 1.06 lakh crore against Rs 1.18 lakh crore).

Garg pointed out that overall, there is likely to be a shortfall of Rs. 3.5 - 3.75 lakh crore in gross tax collections of the Centre.

Interim dividend issue may come up in next RBI's board meeting

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NEW DELHI: The issue of interim dividend may come up for discussion in the next Reserve Bank board meeting as the government struggles to meet its ambitious fiscal deficit target of 3.3 per cent amid revenue shortfall, sources said.

Government finances have come under pressure due to moderation in revenue collection and a slew of measures taken to lift growth from over six-year-low of 4.5 per cent in the second quarter of the current fiscal.

As per the government's estimate, the country's GDP growth is seen dipping to an 11-year low of 5 per cent in the current fiscal as compared to 6.8 per cent in 2018-19. There would be at least one board meeting of RBI before this fiscal comes to an end, the issue of interim dividend could be raised by government nominee directors in the meeting, sources said.

However, the board meeting would be preceded by Finance Minister Nirmala Sitharaman customary address to the central board of RBI to explain vision of the Budget to be presented on February 1. This traditional exercise takes places a few days after the Budget presentation every year.

Domestic air passenger traffic grows by just 3.74% in 2019: DGCA

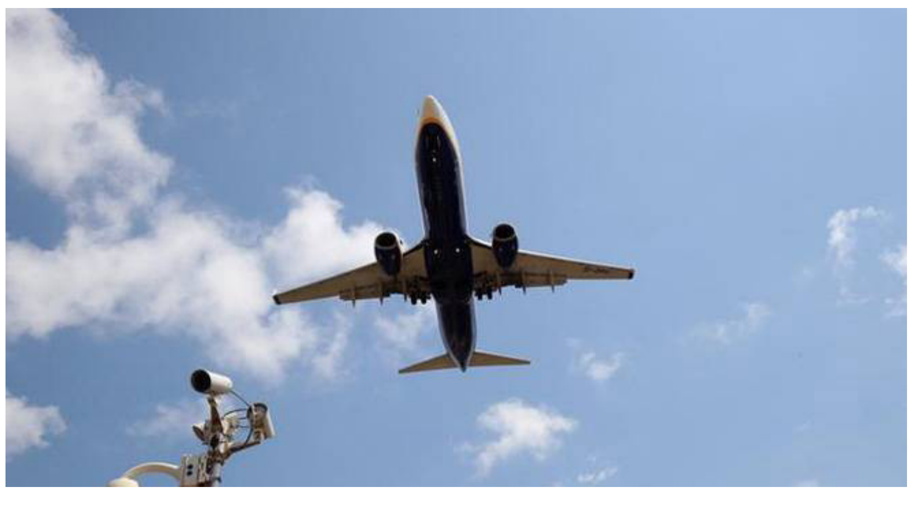
Press Trust Of India

NEW DELHI: Aviation regulator DGCA on Monday said domestic air passenger traffic grew to 14.41 crore in 2019, an increase of just 3.74 per cent as compared to the previous year.

Commenting on the 2019 data, a senior official of the Directorate General of Civil Aviation said, "A bit disappointing. In 2019, we faced headwinds on account of Jet Airways but 2020 is going to be different and the double digit growth should be back sooner rather than later."

In 2018, the domestic air passenger traffic grew by 18.6 per cent to 13.89 crore.

The domestic air passenger traffic in the month of December last year increased by 2.56 per cent to 1.30 crore compared to the same month in 2018, according to data released by the DGCA on Monday.



SHORT STORIES

SIAM bullish about revival of automobile industry

Press Trust Of India

KOLKATA: Society of Indian Automobile Manufacturers (SIAM), the apex body representing all major vehicle and vehicular engine manufacturers in the country, is bullish on the revival of the automobile industry in 2020, a senior official said on Monday.

Since the penetration of automobiles in the country is low, many foreign players will look at this opportunity to enter India, he said here.

"This is the worst downturn of the automobile industry in the last 20 years," SIAM deputy director Sugato Sen told reporters here.

"We hope that the year 2020 will be the year of revival of the Indian automobile industry. Sales are expected to go up as penetration of automobiles in India is very low," Sen said.

He said many foreign players will look at this scope to enter the Indian market.

On the upcoming Auto Expo to be held in Greater Noida from February 7 to 12, he said new players like Chinese automobile manufacturers Great Wall and Haima will showcase their products for the first time in the exhibition.

Another Chinese player which will be also present for the first time is MG Motors which will bring in their entire range of automobiles in the Expo.

Gold, silver rise marginally

Press Trust Of India

NEW DELHI: Gold witnessed a muted trend on Monday and rose marginally by Rs 4 to Rs 40,748 per 10 gram in the national capital, according to HDFC Securities.

The precious metal had closed at Rs 40,744 per 10 gram in the previous trade.

In a lacklustre trade, silver prices also rose marginally by Rs 7 to Rs 47,863 per kg from Rs 47,856 per kg in the past trading.

"Spot gold for 24 Karat in Delhi was trading marginally up by Rs 4," HDFC Securities Senior Analyst (Commodities) Tapan Patel said.

In early trade on Monday, the rupee opened on a weak note and declined 4 paise to 71.12 against the US dollar.

In the international market, gold and silver were trading with gains at USD 1,560 per ounce and USD 18.05 per ounce, respectively.

India curbs on palm oil imports from Malaysia: Mahathir rules out retaliation

Agencies

LANGKAWI: Malaysia will not take retaliatory trade action against India over its boycott of palm oil purchases amid a political row between the two countries, Prime Minister Mahathir Mohamad said on Monday.

India, the world's largest edible oil buyer, this month effectively halted imports from its largest supplier and the world's second-biggest producer in response to comments from Mahathir attacking India's domestic policies.

"We are too small to take retaliatory action," Mahathir told reporters in Langkawi, a resort island off the western coast of Malaysia. "We have to find ways and means to overcome that," he added.

The 94-year-old premier of Muslim-majority Malaysia has criticised New Delhi's new religion-based citizenship law and also accused India of invading the disputed region of Kashmir.

Mahathir again criticised India's citizenship law on Monday, saying he believed it was "grossly unfair".

India has been Malaysia's largest palm oil market for the past five years, presenting the Southeast Asian country with a major challenge in finding new buyers for its palm oil.

Benchmark Malaysian palm futures fell nearly 10% last week, their biggest weekly decline in more than 11 years.

New Delhi is also unhappy with Malaysia's refusal to revoke permanent resident status for controversial Indian Islamic preacher Zakir Naik, who has lived in Malaysia for about three years and faces charges of money laundering and hate speech in India.

Mahathir said even if the Indian government guarantees a fair trial, Naik faces the real threat of vigilante action and that Malaysia will only relocate the preacher if it can find a third country where he would be safe.