Foreign Firms Awaiting Iran Nuclear Talks Outcome

TEHRAN (Press TV) - **Foreign companies from oil giants to car manufacturers are waiting for the removal of sanctions against Iran once Tehran and the P5+1 group of the countries reach a final nuclear deal.**

According to a report by the Bloomberg, energy firms, carmakers, aircraft and tobacco producers make the list of companies keeping an eye on Iran.

Bloomberg has listed 12 companies expected to invest in Iran after the possible lifting of sanctions against the country.

Aviation sector

American aircraft manufacture Boeing , which has already been granted a short-term license to export jet engine parts to Iran tops the list of major foreign companies willing to do business in Iran.

A preliminary agreement between Iran and the P5+1 group of countries in November 2013 led to an easing of sanctions on the aviation sector.

Boeing entered into an agreement with Iran Air in 2014, which generated $120,000 in gross revenues, the American company said then.

The deal included sale of aircraft manuals, drawings and navigation charts as well as data to the Iranian flag carrier airline.

Earlier this month, an Iranian aviation official announced that Iran needs to buy up to 500 passenger planes in the next 10 years to renovate its aging fleet.

The world's largest truck manufacturer Diamler GY, is also waiting on the outcome of nuclear talks between Iran and the six major world powers.

The German automaker abandoned a 30% stake in diesel-engine venture with Iran Khodro due to the sanctions banning foreign companies from trade with Iran.

French car manufacturers Peugeot and Renault have already started talks with their Iranian partners to resume operations in Iran.

Oil giants

Oil giants including BP (BP US), Eni SpA (ENI IM), Royal Dutch Shell (RDSA NA), Statoil ASA (STL NO), Exxon (XOM US), Schlumberger and Total are also among the companies seeking to enter the Iranian energy market.

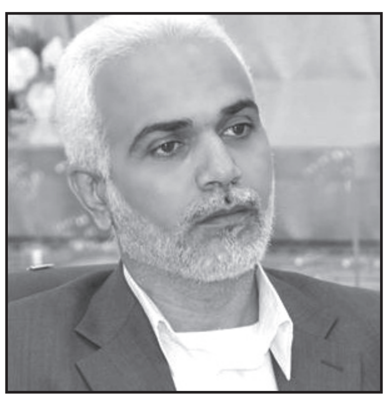
With eyes set on the removal of US-engineered sanctions in light of the progress in nuclear talks with P5+1, the country is already preparing for a potential influx of investors – specifically in its oil and gas projects.

Iran holds the world's fourth-largest proven crude oil reserves and the second-largest natural gas reserves.

Iran's total in-place oil reserves have been estimated at more than 560 billion barrels, with about 140 billion barrels of recoverable oil. Heavy and extra-heavy varieties of crude oil account for roughly 70-100 billion barrels of the total reserves.

Oil Production Starts from Mansourabad's Bangestan - NISOC

AHVAZ (NISOC) – **NISOC's Technical Affairs manager Hamid Deris underlined Bangestan reservoir in Mansourabad oilfield has come into production for the first time.**



Technical Affairs manager Hamid Deris

"Crude production was yielded once a comprehensive technical operation was conducted for drilling in Mansourabad #10 well", said Hamid Deris.

Saying that the well's production rate is 1000 barrels per day, Deris added this hydrocarbon reservoir will add an eye-catching volume of in-situ crude oil to the current company's reserves.

"Drilling operation for Mansourabad evaluation well has accomplished recently and estimates suggest that this well also enjoys a substantial production potential," he noted.

Mansourabad oilfield is located at north east of Behbahan city, in south west of Iran.

Growth of Persian Gulf Airlines Poses Threat to U.S. Carriers

LOS ANGELES (LA Times) **-The nation's three largest airlines and their labor unions are usually fierce business rivals. But in the last few months, these often-warring groups have joined forces against three Persian Gulf carriers, Etihad, Emirates and Qatar Airways.**

Emirates passenger jets taxi on the tarmac at Dubai International airport in Dubai, United Arab Emirates. Three U.S. carriers and flight attendants, pilots and other workers say Middle Eastern airlines have an unfair competitive advantage.

American, United and Delta Air Lines, along with pilots, flight attendants and airline workers, charge that the three Persian Gulf carriers are competing unfairly against U.S. carriers by accepting huge subsidies from their oil-rich government owners.

A new analysis says the U.S. carriers and their union are ganging up on the Persian Gulf carriers because they feel threatened by the pace of growth of the foreign airlines in serving the lucrative international travel market.

U.S. airlines still control the biggest share of international travel — about 53% — but that share has fallen by 4% over the last five years while Middle Eastern carriers have tripled their seating capacity since 1996, according to a report from OAG Aviation Worldwide, a British aviation data and analysis provider.

The growth was highlighted two years ago when Emirates made the single largest aircraft order in U.S. commercial aviation history — $76 billion in aircraft from Boeing Co.

"There has been exponential growth provided by Middle East carriers," said John Grant, executive vice president of OAG.

The analysis goes on to point out that U.S. carriers may have more than one foreign competitor to worry about: In the last five years, Chinese carriers have increased total seat capacity by 140%.

"The U.S. still has the largest civil aviation market in the world and will for the next seven or eight years," Grant added. "But the gap between the U.S. and Chinese airlines is shrinking."

Iran, Russia Ditch Dollar, Trade in Ruble

TEHRAN (Press TV) - **Bank officials in Tehran said that a mechanism to transfer money to the country's banks from Russia is now on stream.**

Gholam-Reza Panahi, the deputy governor for currency affairs of Bank Melli of Iran (BMI), said the mechanism enables Iranian exporters to transfer payments in rubles from their Russian clients to Iran through the Moscow-based Mir Business Bank.

Panahi said BMI is ready to support Iranian exporters to receive the ruble payments of their Russian clients through Mir Business Bank, IRNA reported.

He said Iranian exporters can even choose the same bank for opening letters of credit.

Both countries are subject to a series of draconian US-engineered sanctions. They had already announced plans to ditch the US dollar and trade in their own currencies.

The US and the European Union have imposed an array of embargoes on Russian individuals and businesses over the crisis in Ukraine. They accuse Moscow of supporting anti-Kiev protesters in eastern and southern Ukraine. Russia denies the allegation.

The US and its European allies have also imposed sanctions against Iran over Tehran's civilian nuclear activities.

Wall Street Cuts Growth Outlook for Q1 and Beyond

NEW YORK (CNBC) - **The surprise decline in the March durable goods report weakened the already-anemic outlook for first quarter growth and dimmed the prospect for a big second quarter bounce.**

Economists cut first quarter growth to just above 1 percent or lower, with Amherst Pierpont Securities now forecasting absolutely no growth at all. JPMorgan was quick to also pare back second quarter growth to 2.5 percent from 3 percent, on the view that some weakness in business activity will continue and that the dollar's impact on factory activity could offset an expected bounce back in consumer spending.

"We think about a full percentage point of growth in Q1 is related to bad weather," said Michael Gapen, chief U.S. economist at Barclays. "It's unlikely we get all of that back, but you should get some of it back." Gapen said first quarter is now tracking at 1.1 percent, down a 0.1, after the durable goods report. For now, he is leaving the second quarter at 3 percent.

On the surface, orders for March durable goods looked strong-rising 4 percent. But the jump was due to purchases of vehicles and aircraft. The number economists watch as a proxy for business spending-nondefense capital goods orders excluding aircraft-fell by 0.5 percent in March and was revised to a drop of 2.2 percent in February.

"That was really the catalyst that drove the buying in Treasurys ... as well as the knock on of actually seeing banks downgrade GDP forecasts," said Tyler Tucci, RBS short term markets and interest rate derivatives strategist. The 10-year yield was at 1.91 percent, after trading as high as 1.99 percent Thursday.

"I don't think we've seen enough data to opine about the second quarter GDP. That will take off in earnest after we get the Fed, PCE [personal consumption expenditures] and GDP blowout next week. Next week is going to be very pivotal."

The first reading on first quarter GDP is released Wednesday, the same day the Fed meets and releases its afternoon statement. The durable goods number, meanwhile, reinforced market views that the Fed may not move to raise rates until December.

Tucci said that the market, or fed funds futures, now imply a roughly 50 percent chance the Fed could raise rates in September, but it has factored in full rate hike for December. The expectation for September was slightly greater than 50 percent two weeks ago, he added.

The PCE deflator is expected to show a slight increase in inflation when it is released on Thursday, much as seen in the consumer price index last week. "We obviously aren't going to have the employment number, which is the fourth piece in the picture, but there's growth, inflation-and what the Fed thinks about it-I would contend [it] is one of the biggest market catalysts globally," Tucci said. The April employment report will be released May 8.

The first quarter has been flush with disappointments, the biggest of which was perhaps the March employment report. Just 126,000 nonfarm payrolls were created, about 120,000 less than expected. That number helped set the tone for a market that is highly skeptical that the Fed will be able to raise interest rates as quickly as it has indicated it might.

Deutsche Bank economists on Friday cut their Q1 forecast a full percentage point to 0.7 percent, and JPMorgan trimmed first quarter growth to 0.6 percent from 0.7 percent.

JPMorgan chief U.S. economist Michael Feroli said the firm still expects a September rate hike from the Fed. "Even with weaker early Q2 momentum, we think by late summer there will be more convincing evidence that the Q1 weakness has passed," he wrote. "More importantly, our Fed call is more sensitive to labor market outcomes, and the relative stability of the jobless claims data suggests that (once again) the disappointment on GDP is not being reflected in labor market outcomes."

Stephen Stanley, chief economist at Amherst Pierpont, trimmed his GDP outlook to zero growth from just 0.1 percent.

Stanley said when excluding the transportation sector, durable goods orders slid by 0.2 percent, on top of a 0.7 percent cut in February. The core capital goods orders fell for a seventh month, he noted.

He pointed out they declined in five out of the nine months before that, "matching a similar string of futility recorded in 2012. Believe it or not, we never saw such a long streak of negatives during the 2008-09 recession," he wrote in a note.

"I had penciled in a pretty solid rebound in equipment in Q2, but a weaker March may push some portion of any bounce back into Q3," Stanley wrote. He also said it appears consumer spending may be a bit weaker in Q2 after a disappointing March. " As a result," he said, "I have also nudged my Q2 number down somewhat over the past week or so. I am currently at 3.2% for real GDP growth in Q2, but I am also now more willing to entertain a 3% or higher gain for Q3 as well."m