

Italy's Azimut First Foreign Fund to Operate in Iran



TEHRAN (Financial Times) - An Italian asset manager has become the first foreign investment group to buy a stake in an Iranian financial company.

Azimut, a €48bn group headquartered in Milan, is to acquire 20 per cent of Mofid Entekhab, an Iranian asset manager, for an undisclosed sum.

"We were looking for an opportunity to invest in a very interesting market. Iran is a great story," said Sergio Albarelli, chief

executive of Azimut.

"There is nothing we can do or expect, either positive or negative," he said in reference to Mr Trump's comments that he would try to derail the 2015 agreement nuclear deal. Iran, the second-largest economy in the Middle East with a population of around 78m, is an attractive market to foreign investors because of its large oil, gas and mineral reserves and its need for infrastructure. Its educated and affluent populace is also a

tempting prospect for financial services groups and Tehran, keen to win foreign investment, has been wooing European asset managers, sovereign wealth funds and pension funds.

Azimut said it and Mofid have ensured that the partnership will be compliant with economic sanctions requirements. Mofid Entekhab is part of Iran's privately held Mofid Group, a holding company with \$89m in assets. Entekhab, the asset management business, was carved out from its Mofid Securities business last year. Azimut will buy the stake through AZ International Holdings, its Luxembourg-based unit.

Azimut and Mofid also plan to establish a fund, domiciled in Luxembourg, for foreign investors to invest in Iran. "Our strategic goal is now to capitalize on our track record as the leading financial intermediary in Iran and create with Azimut a benchmark for the local asset management industry," said Hamid Azaraksh, chairman of Mofid Securities. He said his clients "will be able to access a new suite of financial advisory and wealth management services in line with the highest international standards".

Danish Companies Mull to Finance Iran's Renewable Energy Projects

TEHRAN (Dispatches) - Danish companies have voiced their willingness to invest \$1 billion in developing renewable energy projects in Iran, a senior energy official said.

"Denmark's giant energy companies, including Siemens and Vestas, will contribute to implementing wind energy projects in Iran," president of the Iran Renewable and Wind Energy Association (IRWEA) Hashem Orayee told reporters.

The official reiterated that the Iranian parliament has also approved the Danish investment plan, but it is yet to be implemented.

Orayee pointed to the development of renewable energy over past decade, and said, "By increasing the share of renewables, Denmark currently meets 43 percent of its electricity demands from renewable sources."

He said that the U.S., China and



many European countries plan to cut dependence on fossil fuels, and said, "By 2025, all of the electricity will be met from renewable energy sources."

Orayee reiterated that most countries prefer to establish fewer thermal power plants, and said, "Wind and solar energy are replacing the oil and gas in

generating power."

"Iran can generate 50 percent of its electricity from wind and solar energy by enabling its capacities," he added.

The official said that the Iranian government plans to cede renewable energy projects to the private sector and will support Iranian companies in this respect.

Gold Drifts Higher as Dollar Eases

LONDON (Reuters) - Gold edged higher on Wednesday after Catalonia's leader balked at making a formal declaration of independence from Spain, sending the euro higher and the dollar down.

The dollar index fell to the lowest in over a week, making dollar-priced gold cheaper for buyers using other currencies.

"These concerns about the ramifications of the Catalan independence referendum are fading, giving some support to the euro and weakening the dollar," said Jens Pedersen, senior analyst at Danske Bank in Copenhagen.

Spot gold was up 0.2 percent at \$1,289.50 an ounce by 1400 GMT

while U.S. gold futures for December delivery eased 0.2 percent to \$1,291.60 per ounce.

Spot gold hit the highest level in nearly two weeks on Tuesday on the third straight day of gains.

Before that, gold had been declining since early September after touching a 1-year high of \$1,357.54.

Investors were awaiting minutes from the U.S. Federal Reserve's latest meeting, due to be released at 1800 GMT, for clues on the outlook for potential interest rate rises.

But there is scant chance they will have a major impact, Pedersen said, since they probably will merely support expectations that the U.S. central bank will raise rates in December, for the third



A employee works on 1 kg. gold bars in Ahlatci Metal Refinery in the central Anatolian city of Corum, Turkey, May 11, 2017.

time this year.

Gold is highly sensitive to rising interest rates, as these increase the

Non-Oil Exports Triple to Indonesia

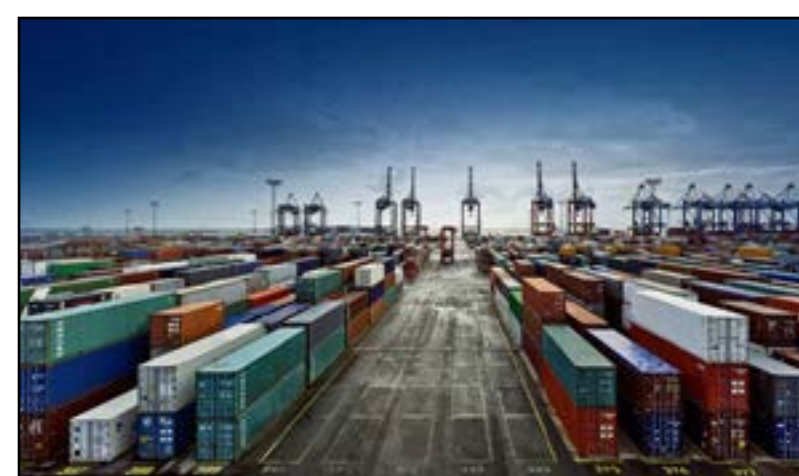
TEHRAN (Dispatches) - Iran's non-oil exports to Indonesia have increased by over threefold, a senior official has said.

"We have seen a 377% rise over a period of 6 months ending on September 21," Iran's Commercial Attaché in Indonesia Anvar Karami said.

He noted that Iran's exports to Indonesia, excluding crude oil, hit \$244.4 million in the first half of the current Iranian year that ended September 21.

"In comparison with a \$51 million in the same period in 2016, Iran's non-oil exports have witnessed 377 percent rise.

Both Iran and Indonesia have already announced serious plans to



boost the level of their trade to as high as \$2 billion.

Indonesia's President Joko Widodo visited Tehran in mid-

December 2016 and numerous agreements were signed by the officials of the two countries during that visit.

Iran Plans for Giant Leap in Oil Industry: Official

TEHRAN (Shana) - Iran says it is gearing up efforts including study of its oil reserves to ramp up the country's crude oil production, a senior Iranian oil official says.

Addressing a conference here in Tehran on Wednesday, Gholamreza Manouchehri, deputy for development and engineering at the National Iranian Oil Company (NIOC), said plans are under way to study all the country's oil and gas reserves with a direct order by Iranian Minister of Petroleum Bijan Zangeneh.

He said consultation of domestic and international advisors in this regard would lead to a leap in developing the country's oil industry.

The official said that natural gas enjoys a 70% share in the country's energy mix, adding Iran has planned massive investments in oil industry.

He said enhancing production rate of brownfields is a priority for the industry in this regard.

"Studies by foreign companies

indicate that Iran can ramp up its crude oil output by 3 million barrels a day," the NIOC executive added.

"We expect foreign companies to provide us with finances and technologies in a short periods of time."

Oil Exports Register 8-Month Rise

Meanwhile, market figures show Iran's exports of crude oil have reached the highest level since February.

Figures show that Iran shipped 2.28 million barrels a day (mb/d) of crude oil to international markets in September.

The rise came as Iran - together with Iraq that exported 3.98 mb/d last month - took advantage of production cuts implemented by Saudi Arabia. Lower exports by the Saudis provided an opportunity to the two neighbors to win buyers in key markets like China and the U.S.

Saudi Arabia's exports were 6.68 million barrels a day, the second-

lowest for this year, Bloomberg added.

While Iraq took over the Saudis in exports to the U.S and India, Iran outpaced the strongest forces inside the Organization of the Petroleum Exporting Countries (OPEC) over exports to Asian heavyweight China.

The kingdom is expected to fall further behind Iran and Iraq in November as its state oil giant - the Saudi Arabian Oil Company, or Aramco as it is internationally known, is scheduled to make the deepest cuts in supplies to customers in its history in November, as officially announced by Riyadh.

The difference between China's imports of Saudi oil and Iranian crude is at an eight-year low, according to customs data from the East Asian country.

Saudi Arabia shipped 833,000 barrels of crude a day to China in September, compared with 600,000 barrels a day from Iran, Bloomberg said.

OPEC's third-largest producer has ramped up output and doubled exports since sanctions on its energy industry were eased in January 2016.

Global Financial Stability Has Improved, But Risks Ahead - IMF

WASHINGTON (Reuters) - The global economic recovery has strengthened financial stability but easy monetary and financial conditions against a backdrop of sluggish inflation is elevating medium-term risks, the International Monetary Fund said on Wednesday.

The IMF, whose autumn meetings with the World Bank get under way in Washington later this week, also noted risks are rotating from banks, which have

fortified their balance sheets, to financial markets as credit spreads compress, volatility declines and asset prices rise.

"While increased risk appetite and search for yield are a welcome and intended consequence of unconventional monetary policy measures...there are risks if these trends extend too far," the IMF said in its biannual global financial stability update.

A prolonged search for yield has raised the sensitivity of the financial system to market and liquidity risks, the Fund said, keeping those risks elevated.

The IMF urged national regulators to consider carefully any proposals that would substantially ease capital, liquidity or prudential standards in "light of their potential to damage the agenda of global regulatory harmonization."

The improvement in near-term financial stability has been underpinned by a broad-based global economic upswing.

On Tuesday, the IMF upgraded its global economic growth forecast for 2017 by 0.1 percentage point to 3.6 percent, and to 3.7 percent for 2018, from its April and July outlook, driven by a pickup in trade, investment, and consumer confidence. But global central banks have found themselves at different stages in removing monetary policy accommodation, which has been complicated by overall sluggish inflation.

OPEC Grows More Bullish on Oil Demand

LONDON (Financial Times) - OPEC expects stronger demand for its crude oil next year due to higher consumption growth and lower estimates for supply from outside the cartel, as relatively low prices boost driving and crimp output.

The cartel's monthly oil market report said its in-house analysts now expected demand for OPEC's oil to reach 33.1m barrels a day in 2018, up by roughly 200,000 b/d from last month's forecast, with the reason for the increase largely split between stronger demand and lower estimates of non-OPEC supply.

The increase comes as the 14-member cartel prepares to meet in Vienna next month to decide whether to rollover output curbs that have been in place since January, in conjunction with other large producers like Russia.