

Official: China to Support Iran's Membership in SCO



TEHRAN (Dispatches) - Chinese Deputy Foreign Minister Li Huilai declared on Monday that his country will support Iran's Full Membership in the Shanghai Cooperation Council in the SCO's upcoming meeting in Kazakhstan next month.

"Iran's membership in the SCO will be discussed in the upcoming meeting in Astana on July 7," Li said.

He noted that Chinese President Xi Jinping, heading a high-ranking delegation, will attend the meeting, and said, "Iran's presence is important for Beijing and China will welcome and support Iran's full membership in SCO."

SCO is an emerging economic

and security alliance which is being touted as the counterweight to the West's institutions.

Tehran currently has an observer status in the organization which is led by China and Russia. Iran expected the SCO to give a serious reading to its bid at the bloc's summit in the Uzbek capital Tashkent in June.

But the body did not, prompting Tehran to take a back seat on its attempt. Reports from the summit at the time said SCO members had failed to initiate the accession process for Iran which expected to make it into the group after the lifting of Western sanctions.

SCO members played for time on Iran's membership, citing the

sanctions but the country's nuclear agreement in July 2016 removed that hurdle.

In June, Russian President Vladimir Putin said there were no obstacles left for Iran to join the organization.

"We believe that after Iran's nuclear problem was solved and United Nations sanctions lifted, there have been no obstacles left (for Iran's membership in the SCO)," President Putin said in a speech at the SCO summit in Tashkent.

Kazakhstan, Uzbekistan, Tajikistan and Kyrgyzstan are other full members of the SCO. Afghanistan, Mongolia and Belarus are also observer members.

Minister Sees Russia as Iran's 1st Technology Partner

TEHRAN (Dispatches) - Iran says it considers cooperating with Russia in the field of new technologies as its priority.

"Under equal conditions, Russia is Iran's first choice for cooperation on new technologies such as Digital Economy and Internet of Things," Mahmoud Vaezi, the Iranian minister of communications and information technology, was quoted by media as saying.

Vaezi also called for the expansion of economic and technological cooperation between the two countries.

He made the remarks after a meeting with the Russian Minister of Communications and Mass Media Nikolai Nikiforov.

The two met each other to discuss issues of mutual interest on the sidelines of the St. Petersburg International Economic Forum (SPIEF).

Vaezi held a series of top-level meetings to discuss Iran-Russia economy cooperation during his stay in St. Petersburg.

On Thursday, he met Veronika Nikishina, the minister of trade of the Eurasian Economic Union (EEU) to study



Mahmoud Vaezi, the Iranian minister of communications and information technology, says Russia is Iran's priority partner in achieving new technologies.

a free trade agreement between Iran and the Russia-led single market.

Vaezi also on Saturday met Alexander Novak, Russia's energy minister, to review Tehran-Moscow relations in the area of energy.

Both later oversaw the signing of an agreement to prepare a roadmap to expand mutual cooperation in the area of energy.

Russia has already signed basic

agreements to implement several projects in Iran's energy as well as transportation sectors.

Those projects include the construction of a thermal power plant in Iran's southern city of Bandar Abbas, the electrification of Iran's Garmsar-Inceburun railway as well as a major regional transit project in which Russia, Iran, Georgia and Armenia are involved.

Siemens Sees \$100mn Investment Opportunity in Iran



TEHRAN (Dispatches) - Vice Industrial Application Division of Siemens Peter Adam has said that his

company is planning to invest hugely in Iran's oil and gas industries.

Adam said that Siemens is looking for a total investment of \$100 million in Iran's energy projects.

"We are really surprised by the quality of manpower, the quality of work and its details as well as reasonable price of services in Iran are really extraordinary, when compared with other countries," the senior Siemens official said, adding that good quality, good price and efficient manpower make Iran an ideal place for investment by foreign oil companies.

Earlier in March 2016, the Iranian industrial group MAPNA and the German equipment manufacturer, Siemens, signed a contract worth \$3.5bn.

Wall Street Slightly Lower as Fall in Oil Weighs

NEW YORK (REUTERS) - U.S. stocks were slightly lower in early trading on Monday as oil prices fell after Arab states cut ties with Qatar over alleged support for terrorists, while markets mostly shrugged off the weekend attacks in London.

Investors feared that the cutting of ties could hamper a global deal to reduce oil production.

The attack in London on Saturday was the third in Britain in less than three months and came at a time when the country is heading for its general national election on Thursday.

Opinion polls in the past week have put Prime Minister Theresa May's Conservatives ahead, though with a narrowing lead over the Labor opposition.

"We are looking for a mixed to lower session as international and domestic political worries keep investors on the side lines," Peter Cardillo, chief market economist at First Standard Financial in New York, wrote in a note.

U.S. stocks closed at record levels for a second consecutive session on Friday as gains in technology and industrial stocks more than offset a lukewarm jobs report.



Nonfarm payrolls increased by 138,000 in May, well short of the 185,000 expected by economists.

The modest increase, however, could raise concerns about the economy's health after gross domestic product growth slowed in the first quarter.

Despite the disappointing data, market participants still largely anticipate the Federal Reserve to raise rates at its June 13-14 meeting, with traders expecting a 90.7-percent chance of a quarter-point hike, according to Reuters data.

The Commerce Department will report factory orders for April, which likely dipped 0.2 percent, while the Institute for Supply Management's non-manufacturing PMI data for May could drop marginally to 57.0 from 57.5 in April. The reports are expected at 10 a.m. ET (1400 GMT).

"On the macro front, the PMI and factory orders are likely to show positive readings with the employment trend index moving to 133.5 as the solid labor market trend continues," said Cardillo.

BP, Eni Deepen Blockchain Trading in European Gas

LONDON (Reuters) - Oil majors BP and Eni are deepening their foray into blockchain technology, starting to run blockchain trades in parallel with their live trading systems, according to developer BTL Group.

The energy traders, together with Austria's Wien Energie, had previously tested BTL's Interbit blockchain platform over 12 weeks, carrying out trades in European natural gas.

For example, the blockchain system found a discrepancy in

the volume allocation of a trade of French gas sold by Eni to BP, eradicating a mistake that would have cost time at a later stage, a spokesman for BTL said.

Eni and BP declined to comment. Originally used to underpin digital currency bitcoin, blockchain is a distributed record of transactions, or other data, maintained by a network of computers on the internet.

"Use of such technology can help by streamlining back office processes, leading to reduced risk,

better protection against cyber threats and ultimately significant cost savings," said Andrew Woosey, partner at consultancy EY which helped oversee the testing phase.

Various commodity traders have started to test blockchain's electronic transaction-processing system which promises to cutting out middlemen. But adaptation has been slow in the typically conservative commodity business for fear of losing discretion in dealings and complicating trading.

'Trump's Climate Move to Affect Foreign Investment'

WASHINGTON (Dispatches) - President Donald Trump's decision to withdraw the U.S. from the landmark Paris agreement will affect foreign direct investment (FDI) and may lead to investor-state arguments, says the head of investment at the UN trade and development agency UNCTAD.

James Zhan, senior director of investment and enterprise at UNCTAD, has said that U.S. policy had an important influence on the global pattern of FDI flows like cross border corporate mergers and investment in start-up projects overseas.

"We cannot quantify it but we see there will be an important impact on global FDI and on FDI into the U.S. as well," Zhan said, referring to Trump's announcement Thursday that he was pulling the U.S. from the 2015 global deal to fight climate

change.

Many countries have signed up to investment treaties aimed at protecting the rights of companies. The treaties allow companies to sue a government in an ad hoc arbitration if they feel their rights have been violated, such as by a change in the legal basis they made their investment on.

The purpose of so-called investor-state dispute settlement (ISDS) is to reassure investors, however, it is contentious because it allows companies rights over governments, leading to huge payouts, such as Ecuador's agreement to pay Occidental Petroleum Corp approximately \$980 million for confiscating one of its oil fields.

Zhan said how Trump's decision would impact others still depended on whether other countries would

follow suit, adding, most countries had already adopted policies pertaining to the Paris accord.

"And now what are they going to do? Are they going to adjust for that? Investors have already envisaged the investment prospects and the business prospects and the potential benefit from the policies that have been put in place," Zhan said.

The Paris Climate Agreement was negotiated by representatives of 195 countries in Paris and went into effect on November 4, 2016.

Trump's decision has provoked furious backlash from the signatories of the accord and caused protests in the US.

He called the deal a hoax by China. During his election campaign, he vowed to "cancel" the agreement in order to bolster US oil and coal giant, which bankrolled his campaign.

Gold Hits Highest Level After Weaker U.S. Jobs Data

LONDON (Dispatches) - Gold hit a six-week high on Monday, buoyed by disappointing U.S. jobs data on Friday that dimmed the prospects for an aggressive run of interest rate increases in the world's biggest economy.

U.S. job growth slowed in May and employment gains in the prior two months were not as strong as previously reported, suggesting the labor market was losing momentum.

Higher interest rates put pressure on gold prices by increasing the

opportunity cost of holding non-yielding bullion.

Spot gold was steady at \$1,280.10 per ounce by 1132 GMT, after climbing 1.1 percent gain on Friday. It hit a peak of \$1,282 an ounce early in the session, its highest level since April 21.

"Gold has got a bit of a lift from payroll numbers from Friday which has carried through to today but there is also support from terrorist events," ETF Securities commodities

strategist Nitesh Shah said, referring to an attack in London at the weekend.

"Gold tends to be the port of call when people are anxious and events like that make people anxious," he said.

British Prime Minister Theresa May was set to resume campaigning on Monday for the national election due in three days. The vote is expected to be much tighter than previously predicted.