Syria's Assad, Iran's Minister Discuss Economic Cooperation

Syrian President Bashar al-Assad (R) meets with visiting Iranian Minister of Roads and Urban Development Mehrdad Bazrpash in the capital Damascus, Syria, on April 26, 2023.

TEHRAN - **Syrian President Bashar al-Assad has called for utilization of new prospects of economic cooperation and trade ties with Iran, as the two Muslim countries explore ways for closer interaction in the fields of transportation sector, technical and engineering services, and stronger trade exchanges.**

Assad made the remarks during a meeting with the visiting Iranian Minister of Roads and Urban Development Mehrdad Bazrpash in the capital Damascus.

According to Syria's official news agency SANA, the two officials discussed the "new aspects of economic cooperation" and means to strengthen ties in trade, investment, and energy.

President Assad emphasized that it is crucial to translate the depth of the political relationship between Syria and Iran into the economic domain. He also stated that both governments need to find ways to increase their growth.

For his part, Bazrpash delivered a message from Iranian President Ebrahim Raisi to his Syrian counterpart, expressing support for expansion of economic relations between Tehran and Damascus.

The Iranian minister also highlighted several economic fields, including investment, electricity, and energy, where Iranian-Syrian specialized committees will start working on in the near future.

Meanwhile, the governments of Iran and Syria have signed a series of memoranda of understanding and cooperation documents in various areas.

Bazrpash and Syrian Minister of Economy and Foreign Trade Mohammad Samer al-Khalil inked the agreements between the two countries in the transportation, tourism, trade, energy, cultural interaction, and banking fields.

Speaking on the sidelines of his meeting with the Syrian minister, Bazrpash underscored that even though Tehran and Damascus enjoy fairly close political relations, they need to further improve and enhance the volume of their mutual economic and commercial interactions.

The Iranian minister also pointed to the rich historical background and civilization of Iran and Syria, stating that two countries have been badly affected by cruel sanctions imposed by enemies and opponents of independence, stressing that both are standing on their feet to ensure progress and development.

Enhancement of trade relations and removal of existing obstacles for private sector businessmen were discussed by both sides, Bazrpash added, noting that the two countries also signed agreements in the field of investment in electricity and oil sector, and that joint working groups as well as technical teams were formed in order to implement the agreements as soon as possible.

Iran and Syria have maintained strong political relations for many years, with Tehran supporting Damascus in its fight against foreign-backed militancy since it broke out in the Arab country back in March 2011.

Iran has also strongly supported Syria's reconstruction efforts over the past few years following its military successes in defeating militant and terrorist groups and driving them out of regions throughout Syria.

TPOI: Exports to Iraq Exceed $10bn

TEHRAN – **Head of Iran's Trade Promotion Organization's (TPOI) Farzad Piltan has reported that Iran's exports to Iraq exceeded $10 billion in the last Iranian year (March 2022-23), which marks a record high.**

Piltan said that the country's exports to Iraq exceeded $10 billion in the last Iranian year which marks a record high, registering a 15% rise compared with the year before.

Iraq is one of the main destinations for Iran's agricultural and food products, as well as mineral and mining industries' exports.

According to Rouhollah Latifi, a customs expert, the export of natural gas, steel ingots, dairy products, plastic products, urea fertilizer, oranges, eggs, direct-reduced iron (DRI), pipes and profiles, transformers and metallic mineral industries registered growth in the last Iranian year, Financial Tribune reported.

Iraq alone accounted for 37% of Iran's total agricultural and food exports in terms of tonnage in the fiscal 2021-22, the official had said earlier.

CBI: Iran's Foreign Debt Down 25.7%

TEHRAN - **Central Bank of Iran (CBI) figures show that foreign debt owed by the country dropped by more than a fourth in the 11 months to late February.**

CBI figures cited in a Thursday report by the IRIB News showed that Iran's foreign debt had reached $6.4 billion on February 19, down 25.7% compared to late March 2022.

Giving a breakdown of the debt figure in euros, the report said that Iran had some 1.6 billion euros worth of short-term debts and another 4.3 billion euros in long-term dues in late February this year.

Iran has lower foreign debt levels compared to other similar economies in the region and around the world.

That comes as the country has been grappling with financial difficulties in recent years mainly because of American sanctions targeting its energy sector as well as the impacts of the coronavirus pandemic on its economy.

Experts say U.S. sanctions on Iran have enabled the country to diversify its economy away from crude oil revenues.

They point to an expansion of the non-oil sector of Iran's economy in recent years as a sign that the country has been relying less on oil revenues and more on exports from manufacturing and agriculture sectors.

German Gloom Dampens Stocks as Fed, ECB Meetings Beckon

SINGAPORE (Reuters) - **A stagnant German economy and sliding yen overshadowed buoyant tech earnings to send shares lower on Friday, with investors betting that next week's batch of central bank meetings will point towards a leveling off in interest rates.**

Oil headed for a second week of declines after data on Thursday showing the U.S. economy slowing more than expected in the first quarter.

The Japanese yen fell to a nine-year low against the euro after the Bank of Japan left its ultra-easy monetary policy unchanged. The dollar headed for a second straight monthly loss.

Muted global shares were underpinned by Thursday's tech-led rally on Wall Street, when a strong quarterly report from Facebook parent Meta Platforms Inc overshadowed concerns over slowing US economic growth.

The MSCI All Country stock index eased, but remains up more than 7 percent so far this year.

The STOXX index of European companies eased 0.36 percent after data showed the German economy stagnated in the first quarter.

The flash preliminary euro zone GDP growth figure for the first quarter is due at 0900 GMT, ahead of next week's European Central Bank meeting.

The International Monetary Fund called on the ECB to keep raising interest rates until the middle of 2024 to rein in inflation.

Investors hope next week's ECB and Fed meetings will confirm that rates are peaking.

"You have got this thinking that central banks probably have one more hike in them and perhaps we will then see a plateau or potentially rate cuts," said Mike Hewson, chief markets strategist at CMC Markets.

"I think we will see a plateau but they won't come down quickly, and I don't think the penny has dropped on that in markets."

Patrick Spencer, vice-chair of equities at RW Baird, said the Fed is likely to raise interest rates by 25 basis points, though it could be postponed for a month due to concerns about regional banks.

"You do have concerns about the U.S. debt ceiling, which worries me more than the regional banks because all the major regional banks have reported and they have all said credit quality is fine," Spencer said.

"Futures are saying interest rates will be lower than Fed Funds by year end, indicating a decline. I think certainly they will pause."

S&P 500 stock index futures were down 0.3 percent after Amazon.com Inc signaled its cloud growth would slow further as its business customers braced for turbulence and clamped down on spending.

The Bank of Japan kept its loose monetary settings unchanged but revamped its guidance on the future path of policy, and announced a "broad-perspective" review with a planned time frame of around one to one-and-a-half years.

In its first meeting under new governor Kazuo Ueda, the central bank modified its forward guidance by removing a pledge to keep interest rates at "current or lower levels".

Japan's Nikkei jumped 1.4 percent while the yen initially weakened before turning 1 percent higher against the dollar, and Japanese government bonds rallied.

"There's still a major consensus call that shorting the dollar to buy the yen will be the big move of the year, but we're looking for the catalyst, which would be a signal from the BoJ it is ready to tighten policy," said Simon Harvey, head of FX analysis at Monex Europe.

Harvey said that signal could come in June.

Markets are pricing in an 85 percent chance of the Fed raising interest rates by 25 basis points at its meeting next week, the CME FedWatch tool showed. Traders expect the hike to be the last in the U.S. central bank's fastest monetary policy tightening cycle since the 1980s.

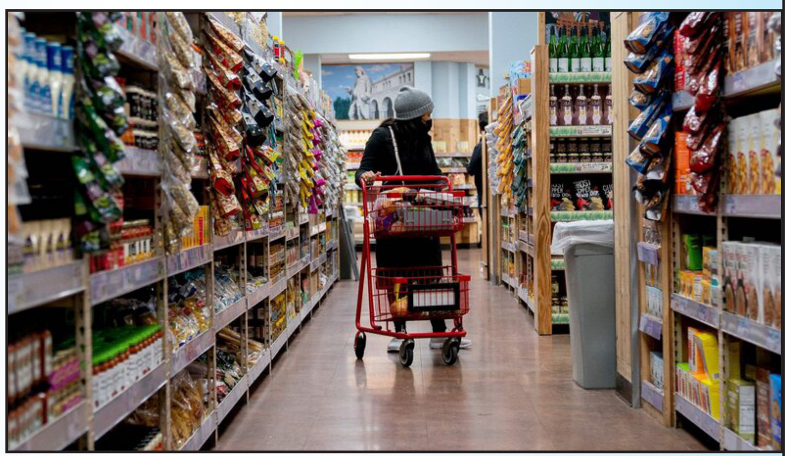
The yield on 10-year Treasury notes eased to 3.45 percent, after clocking their biggest intraday gain since March on Thursday as investors weighed the looming debt ceiling showdown in Washington. The yield on the 30-year Treasury bond eased to 3.696 percent.

The dollar index, which measures the currency against six rivals, was 0.532 percent higher, with the euro down 0.4 percent to $1.098.

U.S. crude eased 0.16 percent to $74.65 per barrel and Brent was trading at $78.42, flat on the day.

U.S. Economic Growth Slows as Firms Cut Investment

LONODN (BBC) - **The U.S. economy slowed in the first three months of the year, as businesses reduced investments in the face of higher borrowing costs.**



The economy grew 1.1% on an annualized basis, the Commerce Department said.

That was down from a rate of 2.6% in the prior quarter, despite strong consumer spending.

Analysts are watching nervously to see how the world's largest economy handles a mix of higher interest rates and rising prices.

The latest report on gross domestic product - the widest measure of economic activity - showed the economy has now grown for three quarters in a row.

The U.S. economy had contracted in the first half of last year as trade flows adjusted from the pandemic and higher borrowing costs led to a sharp slowdown in home sales.

But a strong job market has kept consumer spending - the main driver of economic activity - resilient, despite rising living costs, helping to defy predictions of a recession.

Spending was up 3.7% on an annual basis in the January-to-March period.

U.S. President Joe Biden has cast the slowdown as a necessary adjustment after the boom following the reopening from the pandemic.

"Today, we learned that the American economy remains strong, as it transitions to steady and stable growth," he said in a statement following the report.

However, many forecasters still expect the U.S. to fall into economic recession sometime this year.

"Overall, the data confirm the message from other indicators that while economic growth is slowing, it isn't yet collapsing," said Andrew Hunter, deputy chief U.S. economist for Capital Economics.

"Nevertheless, with most leading indicators of recession still flashing red and the drag from tighter credit conditions still to feed through, we expect a more marked weakening soon."

The U.S. central bank has pushed interest rates to more than 4.75%, from near zero last March, moving aggressively to try to slow the economy and ease the pressures pushing up prices.

Since the campaign started, inflation - the rate at which prices rise - has dropped back, falling to 5% in March, but it remains higher than the bank's 2% target.

Meanwhile firms - especially in sectors such as housing, finance and tech where low borrowing costs had fuelled growth - have been growing more cautious.

Recent weeks have been marked by announcements of job cuts from many big businesses, including consultancy Deloitte, manufacturer 3M, retailer Gap and tech giant Meta.

Thursday's report showed the biggest drop in business investment in equipment since the pandemic in 2020, falling 7.3% on an annual basis.

Oil Heads for Another Monthly Decline

NEW YORK (CNBC) - **Oil prices were heading for another monthly decline on Friday after disappointing U.S. economic data and uncertainty over further interest rate hikes weighed on the demand outlook.**

Brent crude futures for June were up 34 cents, or 0.4%, at $78.71 a barrel while the more actively traded July contract was up 25 cents at $78.47. Brent is set for its fourth straight monthly fall.

Brent prices retraced earlier losses after data showed the euro zone returned to growth in the first quarter, albeit only modestly and more slowly than expected.

U.S. West Texas Intermediate (WTI) crude gained 10 cents, or 0.1%, to trade at $74.86 a barrel and is set for its sixth straight monthly decline.

Data on Thursday showed that U.S. economic growth slowed more than expected in the first quarter.

Investors are worried that potential interest rate hikes by inflation-fighting central banks could slow economic growth and dent energy demand in the United States, Britain and the European Union. The U.S. Federal Reserve's next policy meeting is over May 2-3.

On the supply side, Russian Deputy Prime Minister Alexander Novak said on Thursday said the OPEC+ producer group saw no need for further output cuts despite lower than expected Chinese demand.

The Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, known collectively as OPEC+, this month cut its combined output target by about 1.16 million barrels per day (bpd), which sent oil prices higher.

The market rallied on the OPEC+ announcement but has since weakened on concern about possible recession and the impact that would have on demand.

Energy Information Administration data this week showed that U.S. crude oil and gasoline inventories fell more than expected last week as demand for the motor fuel picked up ahead of the peak summer driving season.