

U.S. government shutdown begins as spending bill fails in Senate

WASHINGTON (Reuters) - The U.S. government shut down at midnight on Friday after Democrats and Republicans, locked in a bitter dispute over immigration and border security, failed to agree on a last-minute deal to fund its operations.

In a late-night session, senators blocked a bill to extend government funding through Feb. 16. The bill needed 60 votes in the 100-member Senate but only 50 supported it.

Most Democrats opposed the bill because their efforts to include protections for hundreds of thousands of mostly young immigrants, known as Dreamers, were rejected by President Donald Trump and Republican leaders.

Huddled negotiations between Senate Majority Leader Mitch McConnell and Senate Democratic leader Chuck Schumer were unsuccessful, and the U.S. government technically ran out of money at midnight.

While the two men said they remained committed to reaching a deal, the shutdown formally began on Saturday, the first anniversary of President Donald Trump's inauguration.

His inability to cut a deal despite enjoying a Republican majority in both houses of Congress highlighted the deep political divide in Washington.

Until a funding deal is worked out, scores of federal agencies across the country will be unable to operate, and hundreds of thousands of "non-essential" federal workers will be put on temporary unpaid leave.

Trump immediately moved to blame Democrats.

"Tonight, they put politics above our national security, military families, vulnerable children, and our country's ability to serve all Americans," the White House said in a statement.

It also said it would not discuss immigration until the government was up and running again.

"We will not negotiate the status of unlawful immigrants while Democrats hold our lawful citizens hostage over their reckless demands. This is the behavior of obstructionist losers, not legislators."

In return, Schumer pointed the finger directly at Trump.

"It's almost as if you were rooting for a shutdown and now we'll have one and the blame should crash entirely on President Trump's shoulders," he said.

NEGOTIATE OR FIGHT?

Democratic and Republican leaders agreed to reopen negotiations on Saturday and said they were committed to getting a quick agreement.

Source: <https://www.reuters.com/article/us-usa-congress-shutdown/u-s-government-shutdown-begins-as-spending-bill-fails-in-senate-idUSKBN1F814Y>

ThaiBev Bets Big in Vietnam With \$4.8 Billion Brewery Stake

Thai Beverage Pcl is doubling down on Vietnam after it partnered with a local company to buy a \$4.8 billion stake in the country's largest brewer, a key step for the company controlled by billionaire Charoen Sirivadhanabhakdi as it seeks to dominate Southeast Asia's beverage market.

Vietnam Beverage, the local unit which ThaiBev holds a stake in, said it won the bidding for an almost 54 percent holding in Saigon Beer Alcohol Beverage Corp. ThaiBev emerged as the only major investor to bid in what had been billed as a hotly-contested auction of Vietnam's biggest asset sale. Vietnam's Ministry of Industry and Trade sold the Sabeco stake for 320,000 dong (\$14.09) a share, according to a statement to the stock exchange. That's a 3.5 percent premium over Monday's closing price.

Shares of Sabeco, as the brewery is known, jumped as much as 2.8 percent to 317,900 dong in Vietnam Monday, before closing little changed. Vietnam investors were buoyed by the news, with the benchmark VN Index jumping 2.5 percent, the most since July 2016. Trading in Thai Beverage shares was halted in Singapore.

Soaring Valuation

While global companies including Anheuser-Busch InBev NV and Asahi Group Holdings Ltd. had shown interest earlier, many were put off by Sabeco's valuation as the stock surged 56 percent this year. ThaiBev is paying a premium to get into Vietnam's \$6.5 billion beer market as it targets to expand across Southeast Asia to diversify revenue streams.

"While the deal could be deemed pricey, it does give ThaiBev access to a strong player" in Vietnam's growing beer market, CIMB-GK Securities analysts Cezzane See and Siew Khee Lim wrote in a note before the winning bid was announced. "The acquisition is in line with the group's Vision 2020 of being a regional beverage play."

To solidify its position in Southeast Asia, ThaiBev is seeking to increase the revenue contribution from outside Thailand to more than 50 percent by the end of 2020. The company gets 97 percent of its sales from its domestic operations, according to data compiled by Bloomberg as of Sept. 30.

ThaiBev, through its Fraser and Neave Ltd. investment unit, also holds a 16 percent stake in Vietnam Dairy Products JSC, the country's biggest dairy, and has registered to increase its holding. Another Charoen-owned company, TCC Holding Co., struck a deal to acquire Metro Cash & Carry Vietnam for about \$700 million in 2015.

'More Advantages'

The Sabeco deal allows ThaiBev to boost the chain of its investments in Vietnam, said Pham Phu Ngoc Trai, chairman of Ho Chi Minh City-based Global Integration Business Consultants. "Thai Beverage has more advantages than other competitors in this sense," he said.

ThaiBev said it has confidence in the "growth potential of the Vietnam market and has genuine interest in exploring investment opportunities in the country," according to a statement last week. An expanding middle class and youthful population helped drive a 300 percent surge in beer demand since 2002, according to Euromonitor International.

Vietnam raised a total of 110 trillion dong (\$4.8 billion) from the sale, with the only other bidder an individual who purchased a less than 1 percent stake in the brewer. Vietnam Premier Nguyen Xuan Phuc will decide whether to sell more shares of Sabeco, Truong Thanh Hoai, head of industry at the trade ministry, said at the beer company's auction in Ho Chi Minh City.

ThaiBev's unit is registered as a local company, making it eligible to take a controlling stake as foreign ownership limits do not apply to it. Last month, Thai Beverage purchased a 49 percent stake in a Vietnamese food and beverage company, Vietnam F&B Alliance Investment Joint Stock Co. The company, which was incorporated on Sept. 27 for management consultancy and investment holding

activities, owns Vietnam Beverage. This unit registered for the Sabeco auction, according to the Ministry of Planning and Investment.

Central Group acquires 3 premium department stores in Germany.

IndiaToday.in, June 18, 2015

Thailand's leading retail and hotel operator Central Group has joined European property developer SIGNA to acquire the KaDeWe Group, which owns three luxury department stores in Germany.

Thailand's leading retail and hotel operator Central Group has joined European property developer SIGNA to acquire the KaDeWe Group, which owns three luxury department stores in Germany.

While the deal size was not disclosed, the acquisition will allow Central Group to hold 50.1 per cent stake in the KaDeWe Group and SIGNA will own the remaining 49.9 per cent.

All three department stores, comprising KaDeWe, Oberpollinger and Alsterhaus, have been in operation for more than 100 years and been among well-known ones in the country.

This move is in line with its strategy to expand its luxury retail business in Europe after it has earlier acquired La Rinascente Department Store in Italy and ILLUM Department Store in Denmark.

"It's been our honour to become a partner with one of the top property developers like SIGNA. This acquisition makes us become the third largest operator of luxury department stores in Europe, and we will use our expertise to improve all three department stores to be a must-to-visit for both local people and tourists," said Central Group's chief executive officer Tos Chirathivat.

Currently, Central Group recognizes the revenue of around 600 million euro a year from La Rinascente and ILLUM. After this acquisition is completed, it expects that its revenue in Europe will jump to 800-900 million euro in 2015 and 1.2 billion euro in 2016.

SIGNA has owned a many assets in Europe with total value of 6.5 billion euro. It also owns three retail businesses, which are Karstadt Warenhaus, Karstadt Sports and the KaDeWe Group, with more than 100 branches in Germany and the revenue of 3 billion euro a year approximately.

Source: <http://indiatoday.intoday.in/story/thailand-central-mall-in-germany/1/445320.html>

Will the dollar rise or fall on a Trump victory?

A stock market decline seems likely if Trump wins. For the greenback, the outcome seems less certain. The dollar may go up against EM currencies but down against the Swiss franc and yen

YESTERDAY's decline in the American stock market, on news of a narrowing in the poll gap between Hillary Clinton and Donald Trump (under two points according to Real Clear Politics), confirms the argument made in last week's column. A combination of Mr Trump's adverse policy proposals on trade, foreign policy and the Federal Reserve, and uncertainty about how much of this agenda would get through Congress, would hit equities hard were he to be elected.

But what about the dollar? The picture is far from clear. Over the last 24 hours, America's currency has lost ground against the Swiss franc, euro, yen and sterling but gained against emerging market currencies like the Mexican peso and Brazilian real. That makes some sense. A Trump victory would make international investors less confident about the direction of American economic policy. This in turn might lead to the Fed being less willing to tighten rates in December, another reason for the dollar to weaken.

On the other hand, Mr Trump's trade policies—tearing up NAFTA and threatening tariffs—would, if implemented have an adverse impact on many emerging markets. That is why the Mexican peso has been the most sensitive currency to his opinion poll rating. His other hints about downplaying America's military alliances in Asia, and its role in NATO, would also hit EM currencies. Furthermore, one Trump policy—encouraging, or forcing, foreign multinationals to repatriate their overseas earnings—might eventually lead to dollar strength.

It is the “exorbitant privilege” of America that it is the global reserve currency and can benefit from a flight to safety, even when (as during the 2008 subprime crisis), it is the place that has caused the shock. Americans who had invested overseas might bring their money home. So the trade-weighted dollar might not be too badly hit by a Trump win (it is higher than it was six months ago, for example).

But if the dollar falls back against developed world currencies, those nations won't be happy as that will, in effect, be a tightening of their own monetary policy. That might cause the ECB and Bank of Japan to indulge in a further round of monetary easing. The prospect of that merry-go-round continuing may explain why gold is up more than 20% this year.

Source: <http://www.economist.com/blogs/buttonwood/2016/11/currencies>