

Iraqi resistance rattles world financial markets

AFP, Singapore

Oil prices climbed, the US dollar tumbled and stock markets were mixed Monday amid signs the US-led invasion of Iraq could be longer and more difficult than earlier expected.

Fiercer-than-expected Iraqi resistance less than a week into the war have brought back caution to the world's markets, which had earlier rallied on hopes of a quick end to the conflict.

The United States suffered its biggest blow of the Iraq war Sunday when film of dead bodies and five captured US soldiers was shown by Iraqi television.

Oil prices rose by as much as 2.85 per cent early Monday after the images were shown and US-led forces suffered their biggest battlefield casualties in the campaign so far, before easing in the later hours.

The benchmark New York light sweet crude contract for May delivery was trading at 27.42 dollars a barrel at 2:30 pm (0630 GMT), up 51 cents from its close in New York Friday. It reached an intraday high of 27.70 dollars a barrel.

"The war in Iraq could take longer than expected," DBS Bank said in a market commentary.

"It is now becoming clear that the war could drag on longer than expected," a dealer with a Singapore-based oil major said. "There are still plenty of surprises as the conflict goes on."

An economic research report by Societe Generale said the market's scenario was for a short war with no major damage to oil production and export capacities in the Gulf region.

"Since this is the most optimistic scenario, all others are inevitably more pessimistic, and as such contain much higher price levels,"

it said, warning the impact of fears of a longer war could be "disproportionate."

News from the battlefield also pulled the dollar lower against the yen and euro.

The greenback fetched 121.00-04 yen at 2:00 pm (0500 GMT) down from 121.65-75 yen in New York on Friday afternoon.

The euro was quoted at 1.0601 dollars up from 1.0520-0530 dollars Friday afternoon in New York.

"Last week we saw the dollar go higher due to expectations for a short war," said Toru Umemoto, currency strategist for Morgan Stanley.

"But over the weekend we have seen some strong resistance by Iraq and also several US soldiers have been captured by Iraqi troops," he said.

"This pessimism fuelled a decline in the dollar."

Stock markets were mixed amid continued hopes that the United States' overwhelming firepower would ultimately prevail.

Japanese share prices surged 2.93 per cent Monday with expectations of a speedy end to the war in Iraq remaining intact despite resistance from Iraqi forces, dealers said.

The Nikkei-225 average of the Tokyo Stock Exchange jumped 240.02 points to end the day at 8,435.07.

Australia's key SP/ASX 200 index closed 0.29 per cent lower at 2,858.5 points while South Korea's composite index ended down 1.03 per cent at 569.85.

The Hang Seng index in Hong Kong closed morning trade 0.15 per cent higher at 9,193.39 points but Singapore's Straits Times index finished the early session down 1.21 per cent at 1,310.16.

Japan's trade surplus with Asia triples

AFP, Tokyo

Japan's trade surplus with the rest of Asia in February more than tripled from a year earlier, boosted by strong exports of automobiles and electronics parts, the finance ministry said Monday.

The surplus surged 205.7 per cent to 561.4 billion yen (4.6 billion dollars), with exports rising 24.7 per cent to 1.95 trillion yen and imports edging up 0.6 per cent to 1.39 billion yen.

"The surplus to the EU and Asia continued to grow, especially the surplus to Asia which achieved 12 consecutive months of growth," a ministry official said.

"Automobile exports to Asia rose 91.8 per cent. Those to China in particular increased 571.6 per cent," he said.

Hisashi Yamada, an economist with the Japan Research Institute, said strong exports to Asia reflected the shift of Japanese production abroad and the healthy regional economy.

"Asia is becoming the world's factory," Yamada said. "Japan is making the parts, and products are being put together in Asia for export to the United States. That's why we see strong parts and semiconductor exports."

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling		Currency		Buying	
TT/OD	BC	TT Clean	OD Sight/Doc	OD Transfer	
58.8500	58.9000	USD	57.9000	57.7299	57.6608
62.9401	62.9936	EUR	60.7371	60.5587	60.4862
92.8476	92.9265	GBP	89.9303	89.6661	89.5588
35.4807	35.5108	AUD	33.7210	33.6219	33.5817
0.4907	0.4912	JPY	0.4750	0.4736	0.4731
42.5586	42.5947	CHF	41.2893	41.1680	41.1188
6.8074	6.8132	SEK	6.6782	6.6586	6.6506
39.8146	39.8485	CAD	38.6619	38.5483	38.5022
7.5535	7.5599	HKD	7.4166	7.3948	7.3860
33.4242	33.4526	SGD	32.5977	32.5019	32.4630
16.1538	16.1675	AED	15.6364	15.5995	15.5718
15.8617	15.8752	SAR	15.3573	15.3422	15.2938

Exchange rates of some currencies against US dollar

Indian Rupee	Pak. Rupee	Lankan Rupee	Thai Baht	Norwegian Kroner	NZ Dollar	Malaysian Ringgit
47.675	57.83	96.935	42.995	7.4329	0.5513	3.80

Local Interbank FX Trading:

The local interbank foreign exchange market was active Monday. Dollar remained steady against the Bangladeshi taka and ended almost unchanged today.

Local Money Market: Demand for call money was high today. Call money rates increased due to a liquidity shortfall in the money market caused by the central bank's auction of T-bill worth of Tk 14.32 billion on Sunday. At the close call rates ranged between 8.00 and 9.00 per cent compared with 6.50-7.25 per cent previously.

International Market: The dollar fell across the board on Monday as optimism over a quick war in Iraq took a hit during a weekend of casualties and setbacks for coalition led

by the United States. After three days of minimal setbacks, US and British troops endured their heaviest combat casualties on Sunday -- unnerving markets worried about whether Washington can bear the costs of protracted conflict. Any signs of a long war play on the market's biggest dollar fears. A long conflict means more costs, more doubt about other US policies and perhaps more conflicts between the US and its allies. Monday's losses knocked the dollar back from Friday's two-month highs against both the euro and the safe-haven Swiss franc as well as three-month peaks versus the yen.

At 1630 hours on Monday, euro was at 1.0646/50, GBP at 1.5716/20 and yen at 120.49/55 against the dollar.

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Oil prices rebound on Iraqi fightback

AFP, London

Oil prices raced higher on Monday as dealers absorbed a weekend of difficult news for US and British forces fighting in Iraq, which cast doubt on traders' expectations of a quick end to the war.

The price of benchmark Brent North Sea crude oil for May delivery rose 93 cents to 25.28 dollars per barrel in early trading.

New York's benchmark light sweet crude for May delivery climbed 67 cents to 27.58 dollars in out-of-hours electronic trading, after slumping more than a dollar on Friday.

Traders said the rise was inevitable given the way that the market had pervasively assumed the war would be over relatively quickly and simply.

"There is no doubt we are due up because of the activities over the weekend, because the Americans have found it more difficult to move forward, they have run into considerably more resistance than they first thought," said GNI trader Robert Laughlin.



PHOTO: PUBALI BANK LTD

Khondker Ibrahim Khaled, managing director of Pubali Bank Limited (PBL), speaks at a workshop on prevention of money laundering at the bank's head office in Dhaka recently. Md Harunur Rashid Chowdhury, general manager of money laundering division of Bangladesh Bank, AH Ziauddin Ahmed, deputy managing director of PBL, ATM Hasanuzzaman, general manager of audit division, and M Rafiqul Islam, general manager of PBL, were present at the workshop.

SHIPPING

Chittagong port

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	Ever Gain	GI	Yang	CCNL	23/3	27/3	393
J/2	Myeik	Rice	Yang	Total	20/3	27/3	1625
J/4	Maritime Master	R Seed	Adel	SSL	14/3	25/3	2863
J/5	Al Muztuba	Rice/WT	Viza	CLA	17/3	25/3	1017
J/6	Morning Star	GI	Osaka	Prog	20/3	27/3	2319
J/7	Capricorn Ace	Vehi	Sing	Everett	23/3	24/3	541
J/9	Bosowa Delapan	Sugar (P)	Tuti	Mutual	13/3	30/3	1555
J/10	Eagle Strength	Cont	sing	Nol	22/3	27/3	79/666
J/11	Banga Shikha	Cont	Sing	BSC	22/3	25/3	359/X
J/12	Xpress Resolve	Cont	Col	Everbest	21/3	25/3	172/X
J/13	Kola Singa	Cont	Sing	Pil (BD)	21/3	24/3	238/X
CCT/1	Mardios	Cont	P Kel	RSL	21/3	26/3	280/X
CCT/2	(CT with X Resolve)	Cont	P Kel	Bdship	22/3	25/3	159/182
CCT/3	Banga Brijay	Cont	Col	Baridhi	21/3	24/3	64/X
RM/14	Banglar Mamata	Repair	--	BSC	R/A	28/3	

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Balaban-I	26/2	Hald	MBL	WLD	Urea
Eastem Star	24/3	Xing	Total	R Phos	--
Tae Dong Gang	24/3	Viza	Uniship	Wheat/Rice	--
Feng Shun Shan	25/3	Yang	Bdship	GI	--
Qc Lark	26/3	P Kel	QCQL	Cont	Sing
Banga Bortl	26/3	P Kel	Bdship	Cont	Sing/P Kel
Banga Biral	29/3	--	Bdship	Cont	Sing
Nand Srishti	27/3	Jaka	RSA	GI	--
QC Dignity	27/3	P Kel	QCQL	Cont	Sing
Banga Bonik	30/3	--	Bdship	Cont	Sing
Banga Birol	30/3	--	Baridhi	Cont	Sing
Banglar Mookh	28/3	Pipa	BSC	GI	Rice
Jaami	28/3	Col	Everbest	Cing	Col

Tanker due

Adhisatya	25/3	Dumal	MTCL	CPO (RM/8/3)
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Vessels at Kutubdia

Outside Port Limit				
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Barge: S-657 P Cargo -- Kol -- Sakhi 21/2

Sea Captain -- -- -- Arafen R/A

Vessels at outer anchorage

Vessels ready					
Taraman Bibi	Rice	Kaki	Uniship		19/3
Gaz Master	Ammonia	Hald	MBL		23/3
New Sea Star	Cont	P Kel	QCQL		24/3
Al Badiyah	HSD/JP-1	Mina	MSTPL		23/3

Vessels not ready

Prospects	Rice/Wheat	Viza	Uniship		18/3
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Vessels not entering

Eka Lestari	Scraping	Lumut	Move/OTBL		16/3
Excellent	C Clink	Cebu	ANCL		18/3
Sailor-1	C Clink	Kant	Litmond		20/3
C Harmony	C Clink	Tong	Uniship		21/3

Movement of vessels for 25/3/2003

	Outgoing	Incoming	Shifting
J/4	M Master	Feng Shun Shan	RM/8 B Shourab
J/11	B Shikha	--	RM/10B Lanka

The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Family, Dhaka.

STOCK