

Global deflationary trend deepening

AFP, Tokyo

A leading Japanese business daily warned Sunday long-term interest rates were falling to historically low levels in Japan, the United States and Europe, amid fears of a deepening global deflationary trend.

The yield on newly issued 10-year government bonds, a benchmark of Japanese long-term interest rates, has fallen about two-thirds in a year, the Nihon Keizai Shimbun said.

The rate declined to 0.555 per cent on Friday, down from the 1.400 per cent return offered a year earlier.

The daily noted that the yield on 20-year bonds sank to 0.860 per cent and that on 30-year instruments dropped to 0.980 per cent.

This means that the yields on all key Japanese long-term bonds are now lower than one per cent, Nihon Keizai said, adding that long-term interest rates are close to future nominal economic growth rates predicted by investors.

Private-sector economists have

predicted the Japanese economy will suffer negative growth of minus 1.3 per cent in nominal terms in the year to March 2004.

Japan's price index for consumer goods, excluding perishables, had steadily fallen from year-earlier levels for the past three and a half years, it said.

The deflationary trend is spilling over into the United States and Europe with China emerging as the world's largest manufacturing base with cheap labour and technological innovation, it quoted an analyst as saying.

US and European interest rates were already declining rapidly, with the yield on the 10-year US treasury bond touching 3.28 per cent on Friday, the lowest level since 1958.

The yield on 10-year German federal government bonds slid to 3.6 per cent, the lowest return since January 1999. The US consumer price index dropped 0.3 per cent in April from the previous month.

The US Federal Reserve Board has pointed to a disinflationary

trend in which the pace of price growth declines.

The direct cause of recent drops in Japanese long-term interest rates has been the growing movement of funds from stocks to bonds by banks, life insurance companies and pension fund managers, who predict a fully-fledged economic recovery will not occur for some time, it said.

Those investors are expecting deflation to adversely affect stock prices through falling corporate sales and income, and are rushing to shift their funds to bonds to protect themselves against that risk, it said.

The concentration of investment in government bonds causes a serious distortion in the overall flow of funds, the daily warned.

But even if financial authorities relax their grip on credit, most of the funds made available will make their way into government debt instruments, with lending to corporate borrowers continuing to drop and little money being funneled into stock purchases.

Greenspan girds for battle against deflation

AFP, Washington

The Federal Reserve is readying a battle plan to avert a bout of Japanese-style deflation in the United States, although some economists say it may win without firing a single shot.

Fed chairman Alan Greenspan is taking the deflation issue seriously and told lawmakers recently the central bank is prepared to fight deflation as fiercely as it fought to squeeze out inflation over the past few decades.

"We see no credible possibility that we will at any point ... run out of monetary ammunition to address problems of deflation," Greenspan told a congressional hearing.

Lawmakers wanted to know what the Fed could do with the base federal funds rate at a four-decade low of 1.25 per cent.

"We do have the capability, should that be necessary, of clearly moving out on the yield curve -- essentially moving longer-term rates down and in the process expanding the monetary base," Greenspan replied.

HK airport reveals \$100m SARS rescue package

AFP, Hong Kong

Hong Kong's Airport Authority (AA) unveiled Sunday a 100 million Hong Kong dollar (12.84 million US) SARS revivification package to stimulate air traffic and bring tourists back to the city.

The package, announced two days after the World Health Organisation (WHO) lifted an economically devastating advisory against non-essential travel to Hong Kong, would aim to restore passenger numbers back to pre-SARS levels, said AA chairman Victor Fung.

Fung said air traffic last week hit its lowest point since the outbreak of Severe Acute Respiratory Syndrome (SARS) in mid-March, with passenger numbers plummeting 80 per cent while flight frequencies were 40 per cent down on normal levels.

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank

| Selling TT/OD | BC | Currency | Buying | | |
|---------------|---------|----------|----------|--------------|-------------|
| | | | TT Clean | OD Sight Doc | OD Transfer |
| 58.7300 | 58.7800 | USD | 57.8000 | 57.6302 | 57.5612 |
| 70.4643 | 70.5242 | EUR | 67.4988 | 67.3006 | 67.2200 |
| 97.0102 | 97.0928 | GBP | 93.7400 | 93.4647 | 93.3528 |
| 39.5488 | 39.5825 | AUD | 37.4197 | 37.3098 | 37.2652 |
| 0.5071 | 0.5076 | JPY | 0.4898 | 0.4884 | 0.4878 |
| 45.9295 | 45.9686 | CHF | 44.4376 | 44.3071 | 44.2541 |
| 7.3305 | 7.3370 | SEK | 7.3358 | 7.3352 | 7.3344 |
| 43.0036 | 43.0402 | CAD | 41.8325 | 42.7897 | 41.8597 |
| 7.5382 | 7.5446 | HKD | 7.4041 | 7.3823 | 7.3735 |
| 34.2210 | 34.2301 | SGD | 33.4085 | 33.3084 | 33.2888 |
| 16.1209 | 16.1346 | AED | 15.6182 | 15.5644 | 15.5457 |
| 15.7855 | 15.7990 | SAR | 15.2966 | 15.2457 | 15.2274 |

Exchange Rates of some currencies against US dollar

| Indian rupee | Pak rupee | Lankan rupee | Thai baht | Nor kroner | NZ dollar | Malaysian ringit |
|--------------|-----------|--------------|-----------|------------|-----------|------------------|
| 46.82 | 57.8 | 97.25 | 41.900 | 6.6479 | 0.5846 | 3.80 |

Local Interbank FX Trading:

The local interbank foreign exchange market was subdued Sunday as the international market remained closed. US dollar remained unchanged against Bangladesh taka.

Local Money Market:

Demand for call money was moderate. Liquidity condition remained stable in the market. Call money rates remained almost unchanged and ranged between 11.00 and 12.00 per cent. The Bangladesh Bank T-Bill auction was also held.

This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.

ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Thursday, says a press release.

| Prizes | Name of winners | Card No |
|---|---------------------|------------------|
| Sentra Travels and Tours free Dhaka Cox's Bazaar Dhaka Biman Ticket | Aleya Parvin | 5047981000014857 |
| Saint Martin free Domestic Tour for Two | Rony Shahabuddin | 5047980000026213 |
| YMCA free Computer/English Spoken Course | Masud Hasan | 5047980000045038 |
| Drik.net free 100 hours Browsing | Motahar Hossain | 5047980000046999 |
| Longla free Panjabee | ASM Lutfuzzaman | 5047980010010014 |
| Sharee Complex free Gift Box | Jamal Uddin Ahmed | 5047980010010800 |
| Step and Shop free Gift Box | Sarqume Mohd Kabir | 5047980010001346 |
| M/S Mukta Enterprise free Gift Box | ABM Anamul Hoq | 5047980000009956 |
| M/S Mukta Enterprise free Gift Box | Md Moinul Hassan | 5047980000005264 |
| M/S Mukta Enterprise free Gift Box | Md Rejve | 5047980000045333 |
| M/S Mukta Enterprise free Gift Box | SMA Azimul Hoque | 5047980000011267 |
| Great Wall free lunch/Dinner for two | Md Rafiqul Islam | 5047980000037658 |
| Great Wall free lunch/Dinner for two | Armanur Rahman | 5047980010012598 |
| Great Wall free lunch/Dinner for two | Mahbub Hasan | 5047980000046026 |
| Great Wall free lunch/Dinner for two | Alhaj MU Ahmed | 5047980000027427 |
| FedEx free shipment | Sunil Kumar Roy | 5047980000046059 |
| FedEx free shipment | Biplobmujiburrahman | 5047980010004446 |
| FedEx free shipment | Kazi Masud Rana | 5047980000046767 |
| FedEx free shipment | Tasliqul Aziz | 5047980000027733 |
| Dhansiri-1 free Lunch/Dinner for two | Md Imran Ahmed | 5047980010011080 |
| Dhansiri-1 free Lunch/Dinner for two | Md Nazrul Islam | 5047980010013734 |
| Dhansiri-1 free Lunch/Dinner for two | Md Mahfujul Hassan | 5047980010014242 |
| Dhansiri-1 free Lunch/Dinner for two | Dr Zakir Hossain | 5047980000044699 |

Winners can collect their prizes from the Executive, Promotions of ReadyCash, within 30 days of this news circulation. ReadyCash encourages its cardholders to read The Daily Star and The Daily Prothom Alo for a new listing of card winner or call our Customer Service at: 8125294-7, 8130497 and 8123850.

SHIPPING

Chittagong port

Berthing position and performance of vessels as on 25/5/2003.

| Berth No | Name of vessels | Cargo | L Port call | Local agent | Date of arrival | Leaving | Import disch |
|----------|-------------------------------------|----------|-------------|-------------|-----------------|---------|--------------|
| J/1 | Eltanin | Rice | Kand | Total | 8/5 | 2/6 | 1310 |
| J/2 | Pearl | Rice | Kaki | Mutual | 2/5 | 29/5 | 1033 |
| J/3 | Inwa | Rice | Yang | Total | 7/5 | 26/5 | 632 |
| J/4 | Hua Tuo | Gi | Novor | RSA | 24/5 | 28/5 | - |
| J/5 | Sonali | Rice | Kand | OWSL | 18/5 | 2/6 | - |
| J/6 | MU DU Bong | Rice | Kand | Able | 6/5 | 27/5 | 944 |
| J/7 | Taraman Bibi | Rice | Kaki | QWSL | 24/5 | 26/5 | 421 |
| J/8 | Captain Michale (R.S.Y.Pel.Lentils) | Gi | Sing | Litmond | 12/5 | 29/5 | 1821 |
| J/9 | Pyong Yang-813 | Sug/Rice | Kand | Able | 20/5 | 1/6 | 628 |
| J/10 | Jat Na Mu | Wheat | Viza | Uniship | - | 3/6 | 639 |
| J/11 | Banga | Shikha | Cont | BSC | 24/5 | 28/5 | (586/600) |
| J/12 | Jaami | Cont | Cont | Everbest | 24/5 | 28/5 | (427/300) |
| J/13 | Eagle Strength | Cont | Sing | Nol | 18/5 | 25/5 | 505/634 |

Vessels due at outer anchorage

| Name of vessels | Date of arrival | L Port call | Local agent | Cargo | Loading port |
|------------------------|-----------------|-------------|-------------|------------------|--------------|
| AL Muztuba | 25/5 | Kaki | Cla | Rice/WT | Gi |
| Ocean Pride | 28/5 | Yang | PSAL | Gi | Sing |
| Banglar Doot | 25/5 | Mumb | Royal | Gi | Sing |
| Bright Moon | 25/5 | Behihai | Unique | Tsp (P)/M. Jetty | - |
| Seabo | 26/5 | Hald | Sunshine | Gi | Sing |
| Kola Berjaya | 26/6 | Sing | PI (Bd) | Cont | Sing |
| Ruhunupura | 29/5 | Hald | PSSL | Cont | Yang |
| Xpress Manaslu | 28/5 | P Kel | RSL | Cont | Sing |
| QC Honour | 27/5 | P Kel | CCSL | Cont | Sing |
| QC Larik | 28/5 | P Kel | CCSL | Cont | Sing |
| Skopelos | 27/5 | Fj | Jf | For Scraping | Pkel |
| Ocean Trader | 27/5 | Sing | OTBL | For Demolition | - |
| Liberty Spirit | 27/5 | Kada | Lams | Wheat | - |
| Banga Bijoy | 29/5 | Sbo | Baridhi | Cont | Col |
| Arctic Blue | 28/5 | Sin | Jf | For Scraping | - |
| Banga Borak | 28/5 | Pki | Bdship | Cont | Sing |
| Bosowa Sembilan | 30/5 | - | PSAL | Clink | - |
| Feng Shun Shan (Liner) | 3/6 | - | Bdship | Gi | - |
| Myeik | 26/5 | - | Total | Rice | - |
| Anabat Sgag | 28/5 | Bedi | Cla | Rice | - |
| Taian Cheng | 28/5 | Tamp | Litmond | GTSP(P) | - |
| Banga Lanka | 30/5 | - | Baridhi | Cont | Sing |
| Banga Borti | 29/5 | - | Bdship | Cont | Sing |

Tanker due

| Name of vessels | Date of arrival | L Port call | Local agent | Cargo |
|-----------------|-----------------|-------------|-------------|---------------|
| Gaz Master | 25/5 | Kaki | MBL | Ammonia (K/A) |
| Siam Bhavas | 25/5 | Pasi | Rainbow | CPO (RM/4) |
| EG; Antome | 26/5 | Bint | Rainbow | CPO (RM/3) |
| High Rider | 26/5 | Kuwa | MSTPL | HSD (RM/5) |

Vessels at Kutubdia

| Name of vessels | Cargo | Last Port call | Local agent | Date of arrival |
|--------------------|---------|----------------|-------------|-----------------|
| Outside Port Limit | | | | |
| Barge: S-657 | P Cargo | Kol | Sakhi | 21/2 |
| Dea Captain | - | - | Arafeen | R/A(12/5) |

Vessels at outer anchorage

| Name of vessels | Cargo | Last Port call | Local agent | Date of arrival |
|-----------------|-----------|----------------|-------------|-----------------|
| Al Monsoor | Rice | Kaki | Total | 8/5 |
| Pho Thee | Rice | Kaki | Able | 20/5 |
| Kwa Mo Bong | Sug/Rice | Chand | SSTL | 22/5 |
| Banga Borat | Cont | - | Bdship | R/A (28/3) |
| Eco Vision | R.S/WT(P) | Sing | USL | 21/5 |
| Banga Bodor | Cont | P. Kel | Bdship | 25/5 |

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



PHOTO: RANGS PROPERTIES

Chairman of Rangs Group A Rouf Chowdhury (4th-L) visits the Rangs Properties stall at DBH Property Fair-2003 in Dhaka, which concluded on Saturday.

STOCK