

US consumers cheerier, jobs may be turning

REUTERS, New York

The mood of American consumers brightened a little in October, after they took a break from spending last month, according to reports on Friday that pointed to growth moderating from the breakneck pace in the third quarter.

A separate report on Midwest businesses showed a jump in activity in October and an encouraging lift in employment to its highest level since January 2000, bolstering optimism that the economic recovery is finally on solid ground.

With the economy coming off its strongest growth in nearly two decades, the University of Michigan said its index of consumer sentiment for October rose to 89.6 from 87.7, the first increase in three months and in line with forecasts.

Better economic news and tantalizing signs of job growth seem to have lifted consumers' spirits.

"Consumers are going to slow down because you can't really maintain the pace you saw in the third quarter, but they're not likely to disappear from the ballgame," said Lehman Brothers economist Drew Matus.

"There are indications that a sustainable recovery is underway. There's going to be good growth for several quarters," he said.

US Treasury prices edged higher after the economic reports and the dollar strengthened on the jobs reading. The main U.S. stock market indexes closed steady, with the broad S&P 500 index finishing up 3.77 at 1,050.71.

Separately, the National Association of Purchasing Management-Chicago business barometer rose to 55.0 from an unexpectedly weak 51.2 in September. The figure was close to forecasts but included an unexpected surge in the employment component to 53.1 from 45.3.

That raised hopes the national payrolls report for October, due next week, could show another moderate gain after September rose for the first time in eight months. Preliminary forecasts are for a rise of 55,000, after a gain of 57,000 in September.

A top White House economist said he expected U.S. job growth to ramp up over the next few months.

"What is still missing from this recovery is robust job creation, but we

expect that to arrive in the coming months," Gregory Mankiw, chairman of the Council of Economic Advisers, said in an on-line chat session on the White House Web site.

Even though the economy has gathered steam in recent months, the labor market has lagged. More than 2.7 million jobs have been lost in the past three years.

And the Federal Reserve has said plainly it has no intention of raising interest rates until it is sure the economy is firing on all cylinders, and the risk of inflation falling has been removed. This week the Fed voted to keep its short-term interest rate target at a 45-year low of 1.0 percent.

The U.S. economy posted its strongest growth since 1984 in the third quarter, at an annual rate of 7.2 percent, fueled by consumer and business spending, the government said on Thursday. But as the stimulus of tax cuts fades and jobs remain scarce, some analysts worry about how the economy will fare next year.

India's inflation rises to 5.01pc

REUTERS, New Delhi

India's year-on-year inflation based on wholesale prices rose in the week ended October 18 on the back of increased prices of grains, vegetables and textiles, the Commerce and Industry Ministry said Friday.

Data released showed inflation rose to 5.01 per cent from 4.95 per cent in the previous week. Inflation stood at 3.01 per cent in the week ended October 19, 2002.

The figure was higher than 4.90 per cent estimated in a Reuters poll of 12 banks and research houses conducted on Thursday.

Inflation, which fell last week for the first time in six weeks, had been inching up from below four per cent in August, mainly due to a rise in prices of fruits, vegetables and other food products.

The index for food articles rose 1.1 per cent to 187.3 from 185.3 in the previous week while non-food articles, which includes edible oilseeds, tobacco and rubber, rose 0.2 per cent in the week ended October 18.

US unveils plan to lift Canadian cattle ban

AFP, Washington

The United States announced Friday it planned to lift an import ban on Canadian cattle imposed after a single outbreak of mad cow disease discovered in May.

The risks of spreading mad cow disease from Canada were now "minimal", the US Department of Agriculture said.

Canada reported a case of mad cow disease on May 20, leading to an immediate import ban on its beef and cattle in the United States and other consumer nations.

Since the outbreak reported in May, no other cow in Canada has tested positive for the brain-wasting bovine spongiform encephalopathy (BSE), or mad cow disease.

Under a proposed new rule, the United States would allow in cattle aged 30 months or younger from countries considered to pose a "minimal risk" despite a mad cow outbreak.

Canada is so far the only country on that list, officials said.



PHOTO: FRENCH EMBASSY

Dilip Das Gupta (R), general manager of Credit Agricole Indosuez, Dhaka, receives Chevalier de l'Ordre National du Merite (Knight of the National Order of Merit) award given by the French government, from Michel Lummaux, French ambassador to Bangladesh, at a ceremony held in Dhaka on Thursday. The French government has awarded Gupta for his contribution towards banking and expansion of trade between Bangladesh and France.

S'pore pursuing trade pact with China

ANN/THE STRAITS TIMES

In a bid to enlarge its web of free trade agreements (FTAs), Singapore has asked China if it is interested in a bilateral pact. Trade and Industry Minister George Yeo told The Straits Times yesterday.

"We have expressed our interest at the official level," he said, in reply to questions on FTAs Singapore is pursuing.

Yeo said he meant to broach the subject personally with Chinese counterpart Lu Fuyuan, at last month's Asia-Pacific Economic Cooperation meeting in Bangkok. But Lu could not attend for health reasons.

Yeo did not say what response there had been from China, Singapore's fourth biggest trade partner in 2002, excluding Hong Kong, with \$28 billion of trade.

Following the historic FTA with the United States this year, sealing an agreement with Beijing would be another significant step for Singapore.

While Asean is pursuing an FTA with China, analysts say there is nothing to prevent individual member-countries seeking bilateral deals.

In any case, as Yeo put it yesterday, all of Singapore's FTAs "are intended to bring in the rest of Asean eventually".

He said an FTA with China should go beyond removing tariffs to include the liberalisation of services.

It should also build on a four-point proposal the countries agreed on last year, for Singapore to work with Chinese firms in their efforts to go global; boost cooperation in high-tech areas; strengthen cooperation in human resource training and development; and work to develop China's western regions.

Trade groups here yesterday welcomed the prospect of a pact with China.

Singapore-China Business Association president Lo Koh hoped it would allow investment rules to be relaxed, while Singapore Chinese Chamber of Commerce and Industry secretary-general Lim Sah Soon looked forward to tighter enforcement of contracts and a dispute-settlement mechanism.

The American Chamber of Commerce also saluted Singapore for taking "a leadership role" in promoting freer trade.

As for China's likely response to the approach, East Asian Institute research director John Wong thinks it will be positive, as "China is increasingly operating as a locomotive for regional economic growth".



PHOTO: "K" LINE BANGLADESH

Officials of "K" Line Bangladesh Limited, a part of Japanese Kawasaki Group, celebrate the 15th anniversary of the company's presence in Bangladesh in Dhaka recently.

CURRENCY

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

Sell	Currency	Buy
TT/OD	BC	TT Clean
58.7300	58.7800	USD
69.0547	69.1135	EUR
100.5340	100.6196	GBP
42.4148	42.4509	AUD
0.5395	0.5400	JPY
44.1778	44.2154	CHF
7.4886	7.4930	SEK
44.8526	44.8908	CAD
7.5722	7.5786	HKD
33.9284	33.9673	SGD
16.4209	16.4346	AED
15.7859	15.7984	SAR
9.5217	9.5298	DKK
		OD Sight Doc
		OD Transfer
		57.6310
		65.9183
		96.9237
		40.1227
		0.5189
		42.6454
		7.0284
		43.2860
		7.4138
		32.9508
		15.5832
		15.2459
		8.6481

Exchange rates of some currencies against US dollar						
Indian	PAK	Lankan	Thai Baht	Nor. Kroner	NZ Dollar	Malaysian
Rupee	Rupee	Rupee				Ringgit
45.32	57.3	94.76	39.950	7.1105	0.6635	3.80

Local Interbank FX Trading
Local interbank market was subdued as the international market was closed. Dollar remained unchanged against the Bangladesh taka.

Local Money Market
Money market was active. Call money rate increased slightly and ranged between 2.50 and 3.00 per cent compared with 1.75-2.25 per cent previously.

International Market
The dollar surged against the yen and rallied against other major currencies on Friday, lifted by mountain confidence in the US economic rebound and data showing yen-weakening intervention by Japan in October.

ReadyCash Raffle Draw Winners

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

Prizes	Name of Winners	Card No
China Junction Chinese Free Lunch for Two	Md Kamal Hossain	504798000049478
Meal in the Box Free Lunch for Two	Md Atiqur Rahman	5047980010025014
Kena Kata free Gift Box	Md Anayet Hossain	5047980010025015
White Castle free Lunch Package	Md Shafiqul Haque	5047980010025035
Liton's Snacks free Meal Box	Md Mofizul Islam	5047980010025140
Pabna Cloth Store free Gift Box	Md Moshirur Rahman	5047980000049423
Desh Karupanna free Gift Box	Mirza Mahmudul Anam	5047980000049428
Kamal General Store free Gift Box	Papri Khastagir	5047980010025170
Swiss free Meal Box for three	Suman Day	5047980010025155

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, and 8125294-7.



PHOTO: GREY WORLDWIDE

Apex Footwear Ltd, a venture of Apex group, opened its 32nd Gallerie Apex showroom at Shezan Point on Indira Road in Dhaka recently. Officials of the company were present at the inauguration.

STOCK