

Oil reaches above \$75

AFP, New York

Crude oil prices hit all-time peaks above 75 dollars per barrel in London and New York Friday on signs of strong global demand and simmering geopolitical tensions, dealers said.

New York's main contract, light sweet crude for delivery in August, soared to a new record high of 75.70 dollars per barrel. Friday's record run saw New York crude beat Wednesday's historic peak of 75.40 dollars, reached as news emerged of North Korea's series of missile tests.

In London on Friday, Brent North Sea crude for August delivery hit a

historic high 75.03 dollars, beating an all-time pinnacle of 74.94 dollars achieved on May 2.

Oil futures are soaring owing to strong global demand and heightened geopolitical concerns, particularly over Iran and North Korea, dealers say.

Adjusted for inflation, current prices nonetheless remain below levels reached after the 1979 Iranian revolution.

At around 1200 GMT, the New York contract stood at 75.55 dollars, up 41 cents from Thursday's close. London Brent showed a gain of 82 cents at 74.90 dollars.

Market participants were weighing "the impact of an unexpected

rise in US gasoline stocks against strong gasoline demand and lingering geopolitical concerns", Sueden analyst Michael Davies said.

The international standoff over the Iranian nuclear energy crisis continued to plague the market.

EU foreign policy chief Javier Solana and Iranian negotiator Ali Larijani held talks late Thursday to see whether the Islamic republic might be prepared to discuss an offer of political and economic incentives in exchange for suspending uranium enrichment.

Larijani also agreed to further discussions in Brussels on Tuesday.

Nissan picks China for launch of new car line

AFP, Tokyo

Nissan Motor Co said Thursday that it would roll out a new family of cars later this year, picking China for the new product launch for the first time.

The Livina Geniss is to make its world debut at the International Motor Show in the southern Chinese city of Guangzhou later this month, Japan's second-largest automaker said in a statement.

Nissan described it as a "luxurious, yet practical vehicle" seating up to seven people and powered by a 1.8-liter gasoline engine.

"This new family of global cars represents an important investment for Nissan," said Nissan executive vice president Carlos Tavares.

"We expect the Livina Geniss and the other variants to become significant contributors to Nissan's growth in China and other key global markets," Tavares added.

Enron founder Ken Lay dies

AFP, Washington

Enron founder Kenneth Lay, convicted of fraud and conspiracy in one of the largest corporate scandals in US history, died Wednesday while awaiting what was expected to be a long prison sentence.

Lay, 64 was pronounced dead at a hospital in the mountain resort town of Aspen, Colorado, early Wednesday after a medical emergency, the Pitkin County Sheriff's Office said.

An autopsy was pending, the sheriff's office said in a statement.

Steve Wende, a pastor at the First Methodist Houston, the church Lay attended, said the executive "suffered an apparent massive coronary."

"Apparently, his heart simply gave out," the pastor said in a message to church members.

Lay spokeswoman Kelly Kimberly said the former Enron chairman and chief executive died of "natural causes" in Aspen, the only place he was allowed to travel pending his sentencing in federal court in Houston, Texas.

Most industrialised economies plus India, Russia to grow: OECD

AFP, Paris

Industrialised countries are headed for moderate economic growth as a whole and the prospects for India and Russia are improving but forecasts for China, Brazil and the United States are less rosy, an OECD study said Friday.

"Moderate expansion lies ahead in the OECD area according to the latest composite leading indicators (CLI)," the Organisation for Economic Cooperation and Development said in its latest report.

The CLI are designed to provide "early signals of turning points (peaks and troughs) between expansion and slowdowns of economic activity".

For the 29 industrialised nations that comprise the OECD, the indicator rose by 0.1 point in May to 109.9, though its six-month rate of change fell for the second month in a row.

For India, the CLI rose by one point in April and for Russia it gained 1.2 points in May. In both cases the six-month rates of change increased as well, for the fifth and fourth month respectively.

The OECD sees the six-month rate of change as a more reliable indicator of potential turning points because it combines a long-term growth rate with cyclical move-

ments, the organisation explained.

Its news for Brazil and China was somewhat less encouraging.

In May, the CLI for the former fell by 1.3 points and its six-month rate dropped for the third straight month.

Meanwhile, the Chinese indicator rose by 0.2 points in May, but the six-month trend fell for the second month in a row.

Within the OECD aggregate, the US CLI fell by 0.6 points in May and its six-month outlook was also down for the second consecutive month.

Things looked better for the eurozone, which posted an increase of 0.6 points in May and saw its six-month forecast rise for the 12th straight month.

The study was released two weeks after International Monetary Fund head Rodrigo Rato forecast global economic expansion of 5.0 percent this year and next, a revision of the previous IMF forecasts of 4.9 percent growth this year and 4.7 percent in 2007.

Economies would expand despite high oil prices, Rato said on June 23 in Madrid.

"I think the world is really in an expansionary phase," he told African representatives at a meeting to prepare for the annual session of the IMF and World Bank in Singapore in September.



PHOTO: PRAN
Elias Mridha, executive director of Pran, gives away an air ticket for Malaysia to a winner of a promotional campaign of the company styled 'Pran Mashlay Malaysia' at the first phase of the prize giving ceremony held recently. The campaign for Pran spices that started on May 20 will continue until August 20. Other senior officials were also present at the function.

Weekly Currency Roundup

July 02-July 06, 2006

Local FX Market

Demand for US dollar was stable in this week and USD fell slightly against Bangladeshi taka.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 12,780.00 was accepted, compared with total of BDT 8,095.00 million in the previous week's bid.

Overnight money market was steady throughout the week. The call money rate remained unchanged throughout the week and ranged between 6.50 and 7.00 percent.

International FX Market

The dollar tumbled to fresh three-week lows against the euro and yen on Friday with expectations that the Federal Reserve may soon end a two-year monetary tightening campaign. At the beginning of the week, the euro held near an earlier three-week high on Monday, as stronger than expected eurozone manufacturing sector data supported the view that the European Central Bank could accelerate rate hikes. Some analysts now forecast a rate hike this week to 3 percent, although the consensus remains for a move in August. In contrast, the Federal Reserve last week toned down its rhetoric on inflation, dampening expectations for a US rate hike in August and putting the dollar under pressure. The dollar briefly hit a three-week trough against the yen, but the Japanese currency could not sustain the gain. The yen was boosted by a headline diffusion index in the June tankan and making it more likely the BOJ will raise interest rates from zero at its two-day policy meeting on July 13-14.

In the middle of the week, the euro hit a four-week high against the dollar on Tuesday. The Fed followed its 17th rate increase in as many policy meetings last week with a statement saying slower economic growth could help contain inflationary pressures, which many investors took as a sign the bank might pause on its tightening cycle. The yen remained near the previous day's record low against the euro as expectations grow that the Bank of Japan is unlikely to raise interest rates aggressively this year, even though investors widely expect an increase next week. The government has sent mixed messages about whether it approves of a BOJ move so soon. The yen fell to an all-time low against the euro on Wednesday as news North Korea test-fired at least seven missiles deepened losses stemming from expectations that Japanese interest rates would rise only gradually. The euro was also pressured as retail sales in the single currency zone unexpectedly fell in May from April and grew little in annual terms.

The euro firmed against the US dollar on Thursday as focus turned to a ECB meeting that could signal higher interest rate, and US jobs data that may yield clues on the outlook for US rates. ECB policymakers are widely expected to keep rates unchanged at 2.75 percent at 1145 GMT, but investors are keen to scrutinize post-meeting remarks from ECB President Jean-Claude Trichet for any suggestion of a quicker pace of tightening. A recent run of strong data has increased expectations for an ECB rise in August. The dollar eased against the yen, as safe haven buying on security concerns in Asia subsided a day after the US currency got a boost from a series of missile launches by North Korea.

-- Standard Chartered Bank



PHOTO: GRAMEENPHONE
Shafiqul I Sarker, director of Purbani Group, a business house, and Farhan Khandaker Omer, head of Direct Sales (Business Solutions) of mobile phone operator GrameenPhone (GP) Ltd, pose for photographs at an agreement signing ceremony recently. As per the deal, GP will provide complete communication facilities under its 'Business Solutions' package for Purbani Group.



PHOTO: APOLLO HOSPITALS
Richard Larison, chief executive officer (CEO) of Apollo Hospitals Dhaka, and Hakim Ali, CEO of Hotel Agrabad, Chittagong, exchange documents after signing a corporate agreement recently. Under the deal, the hospital will provide medical services and special corporate facilities for the staff of the hotel. Senior officials from both the sides were also present.



PHOTO: UNITREND
The 10th and final raffle draw of 'Coca-Cola Fun Island' under the 'Crown Program 2006' was held recently in Dhaka under the aegis of Bangladesh Muktiyoddha Kalyan Trust (BMKT). Saumindra Bhattacharya, country manager (Bangladesh) of Coca-Cola Far East Ltd, Amin Ahmed Chowdhury Bir Bikram, chairman of Raowa Club and ex-managing director of the BMKT, and SM Yasin Ali, ex-general manager of Tabani Beverage Company Ltd, among others, were present at the function.

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