

## OECD indicator forecasts slower growth by major economies

AFP, Paris

Leading economic indicators suggest that growth is slowing among the world's biggest economies, while major developing powers continue to expand, the OECD said Friday.

The OECD composite leading indicator (CLI) decreased to 109.7 in June from 109.8 in May, the Organisation for Economic

Cooperation and Development said. Data for China, India and Russia indicated that their economies would continue to see strong growth however, it added.

The CLI summarises information from a number of key short-term economic performance indicators and provides early signals of turning points between expansions and slowdowns in activity.

Such turning points are high-

lighted by the six-month rate of change in the CLI, which compares the current month's CLI figure with the average of the previous 12 months.

For the 30 OECD members, which do not include China, India or Russia, the six-month rate of change was lower for the third month in a row.

CLIs for the three developing economies rose in June however,

and their six-month rates of change also continued an upward trend.

For Brazil, the CLI fell by 0.4 points however, and the six-month rate was lower for the fourth month in a row.

Among the leading global economies, Japan posted the sharpest fall in June, with its CLI down by 0.9 points and its six-month rate showing a downward trend since March.



PHOTO: OTOBI LTD

Animesh Kundu, managing director of Otobi Ltd, inaugurates a month-long promotional campaign of the company styled 'Jhum Barshai Otobir Dhum Offer' in Dhaka on Tuesday. During the campaign, customers will get scratch cards to win various prizes on every purchase worth Tk 5000 from any showroom throughout the country. Amiti Kundu, director, and Saleh Muzahid, general manager (Sales and Marketing), were also present.



PHOTO: ISLAMI BANK BANGLADESH

Mohammad Abdul Mannan, deputy executive president and head of International Banking Wing of Islami Bank Bangladesh Ltd, and Khondakar Iftekhar Ahmed, chief executive officer of Bangladesh Money Transfers (UK) Ltd, shake hands after signing a remittance agreement recently. Under the deal, Bangladeshi expatriates will be able to send their money home easily and quickly through the branches of the bank.



PHOTO: GRAMEENPHONE

Abul Kashem Md Shirin, senior executive vice president of Dutch-Bangla Bank Ltd (DBBL), and Rubaba Dowla Matin, head of Marketing of GrameenPhone (GP) Ltd, pose for photographs at an agreement signing ceremony for SMS banking recently. Under the deal, DBBL customers having GP post-paid connections will get certain services from the bank. Senior officials from both the sides are also seen.

### DBBL, GP sign SMS banking agreement

Dutch-Bangla Bank Ltd (DBBL) has recently signed an SMS (short message service) banking agreement with mobile phone operator GrameenPhone (GP) Ltd, says a press release.

Under the deal, DBBL customers having GP post-paid connections will be able to pay their phone bills by debiting their account directly, check account balance and get mini statements by sending SMS to a specified number assigned by the bank.

Abul Kashem Md Shirin, senior executive vice president of DBBL, and Rubaba Dowla Matin, head of Marketing of GP, signed the deal on behalf of their companies while other senior officials from both the sides were also present.



PHOTO: LEMON COMMUNICATIONS

Ian R Barrow, general manager of Radisson Water Garden Hotel Dhaka, and Tanvir Ibrahim, head of Corporate Sales of Banglalink, exchange documents after signing a corporate agreement recently. As per the deal, the hotel will enjoy special tariff and value added services under the mobile phone operator's 'Professional' package. Senior officials from both the sides are also seen.

### US economy adds 113,000 new jobs

AFP, Washington

US employers created a weaker-than-expected 113,000 new jobs in July, the government said Friday in its closely watched "non-farm payrolls" report.

The Labor Department revised the June figure up to 124,000, and said the unemployment rate ticked up 4.8 percent last month from 4.6 percent in June.

Wall Street economists had expected the July report to show a much bigger rise in job creation of 145,000.

### CASINO BUSINESS

## Macau to overtake Las Vegas by 2007

AFP, Hong Kong

Booming Macau will leap-frog the world famous Las Vegas Strip as the world's strongest casino market this year, analysts said Thursday, predicting its gaming halls will generate 8 billion dollars by 2007.

With more than 20 billion dollars worth of investment committed to some 25 new hotels and casinos in the next five years the southern Chinese territory is expected to emerge as a world-class tourism destination, according to analysts Globalysis.

"We believe that Macau (revenue) will surpass that experienced on the Las Vegas Strip in 2006, signalling Macau success as a global casino gaming destination," it said in a statement.

While it gave no forecasts for Las Vegas revenues, the dozens of glitzy casinos on the strip earned just below 6 billion dollars in 2005.

The company stressed Macau was still some way from eclipsing all of Las Vegas' hundreds of casinos, which brought in 9.1 billion dollars in 2005.

Globalysis said Macau's mushrooming gaming business would be boosted by growth in casino-tourism related sector.

"Macau will continue its transformation into a holistic leisure tourism destination in 2007," Globalysis

partner Jonathon Galaviz said in a statement.

"We believe that Macau's casino gaming revenue in 2007 will be driven by substantial growth in non-casino amenities such as new convention center venues and innovative entertainment options incorporated into Macau's fresh Las Vegas style integrated resorts."

Macau's century-old casino sector was resuscitated from years of crippling decline in 2001 when the Chinese-backed government of the former Portuguese enclave wrested a 40-year operations monopoly from ageing tycoon Stanley Ho.

The move brought in a flood of American investment, principally from Las Vegas Sands -- operator of the phenomenally successful Venetian resort -- which reversed the city's ailing fortunes when it opened the Sands Macau in 2004.

Sands Thursday posted record quarterly growth for the three months to June 2006, with pre-tax profits up 52.7 percent to 117 million dollars, a company statement said.

Growth in Macau would not have been possible without a coincidental relaxation of travel restrictions on Chinese tourists, which boosted visitors to the tiny territory to a record 18 million in 2005.

### Weekly Currency Roundup

July 30-August 3, 2006

#### Local FX Market

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

#### Money Market

In the Treasury bill auction held on Sunday, bid for BDT 11,400.00 was accepted, compared with total of BDT 10,195.00 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 slid on Friday after a report showed the US economy grew at a surprisingly slow clip in the second quarter, backing a view that the Federal Reserve may leave interest rates on hold next month. The dollar fell 0.85 percent against the yen. The euro rose 0.4 percent on the day, but fell 0.45 percent against the yen. At the beginning of the week, the yen rose to its strongest levels in over two weeks against the euro and the dollar on Monday, after upbeat Japanese industrial output data prompted investors to cut back their short positions in the currency. The dollar held near a 3-week low against a basket of currencies after Friday's soft US growth data dampened expectations for an interest rate hike in August. The dollar was down around 0.2 percent on the day against the yen, just off a 2-1/2 week low of hit earlier in the session.

In the middle of the week, the dollar edged up from this week's three-week low against major currencies on Tuesday. The euro was down 0.2 percent against the dollar after hitting a three-week high in the previous session. The dollar was up 0.1 percent against the yen having hit a three-week low on Monday. The ECB is expected to raise the rates by 25 basis points to 3 percent later this week. The euro held near its highest level against the dollar in nearly a month on Wednesday. Dollar was up 0.2 percent against the euro, having hit a one-month low earlier, while it was steady against the yen. Against the yen, the euro lost around 0.2 percent. The yen got some support from comments by Bank of Japan Policy Board member Atsushi Mizuno, who said it would be a mistake to think there would be no more rate rises this year. Elsewhere, the Australian dollar strengthened after the Reserve Bank of Australia raised interest rates as expected.

By the end of the week, the euro retreated from this week's one-month high against the dollar on Thursday as investors awaited signals on future interest rate rises from the European Central Bank after an expected interest rate hike. The ECB is expected to raise rates to 3 percent in a decision to be announced today. The euro was down 0.3 percent against the dollar having hit a one-month high on Wednesday. Against the yen, the dollar was up 0.4 percent on the day, while the euro was up 0.1 percent. Sterling got a small boost after Italy's central bank said it had cut the share of its dollar reserves to 63 percent from 84, raised holdings of sterling to 25 percent from zero in 2004, and trimmed reserves in the yen. Investors are awaiting an interest rate decision by the Bank of England where some economists see a chance of tightening.

- Standard Chartered Bank

## STOCK