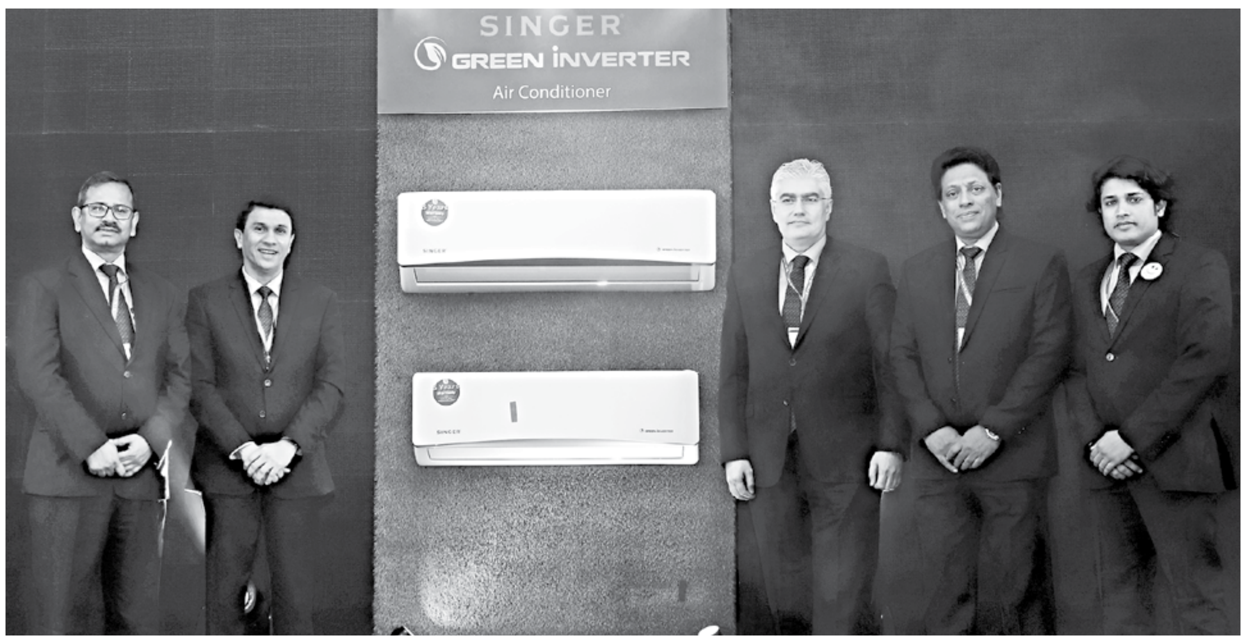


SINGER

MHM Fairoz, managing director and CEO of Singer Bangladesh, launches the consumer electronics and home appliances company's new products, Singer Green Inverter Air Conditioner, at a ceremony in Dhaka recently. Priced at Tk 47,990 to Tk 83,990, the air conditioners would save 60 per cent electricity and ensure less carbon emission.

US retailers upbeat on 2020 sales despite virus uncertainty

AFP, *New York*

US retailers projected solid sales in 2020 Wednesday despite uncertainty over the coronavirus that has thrashed global equity markets in recent days.

Global markets have gyrated this week as the virus has spread to additional countries and raised concerns about the economic hit from the sorts of lockdown measures that have limited travel and industrial production in China.

Many companies have warned that their bottom line will feel the impact, at least in the current quarter, but the National Retail Federation forecast sales gains of between 3.5 percent and 4.1 percent to more than $3.9 trillion for 2020, pointing to a solid labor market and low interest rates that have been the linchpin of the US economy since the 2008 financial crisis.

"The nation's record-long economic expansion is continuing, and consumers remain the drivers of that expansion," said NRF President Matthew Shay in a press release.

"There are always wild cards we cannot control like coronavirus and a politically charged election year. But when it comes to the fundamentals, our economy is sound and consumers continue to lead the way." At a large toy trade show earlier this week, some companies said their plants in China were still closed or operating at only 20 or 25 percent, constrained by a lack of workers and raw materials.

NRF officials said it was impossible to generalize about the impact of the virus on retailers, and it remains premature to expect shortages of goods.

Shay pointed to "positive signs from China" in recent days that have raised hopes that supply chain effects will not be prolonged, adding that "the disruption to be less severe than originally expected." NRF Chief Economist Jack Kleinhenz said the US companies have had more time prepare for the virus than countries that were hit earlier.

He also said it was "fortunate this is occurring where we are, in a fairly solid state of the economy," adding that the damage would have been worse had the epidemic happened between 2007 and 2009 when US unemployment was much higher due to the global financial crisis.

India's GDP seen growing at 4.7pc year-on-year in Dec quarter

REUTERS, *New Delhi*

Having suffered its weakest expansion in over six years in the September quarter, India's economy probably fared slightly better in the December quarter, before suffering a relapse due to the impact of the coronavirus globally, analysts said.

Gross domestic product data due to be released on Friday will cover up to the end of last year, before the epidemic in China had sparked fears of a pandemic.

The median forecast of a Reuters poll of economists put annual economic growth at 4.7 per cent in the December quarter, marginally higher than 4.5 per cent in the previous quarter thanks to a small rebound in rural demand, private consumption and government spending.

"The economy showed some signs of recovery in December quarter due to higher government spending and external factors, but faces a risk of relapsing in the current quarter mainly due to the coronavirus," said N.R. Bhanumurthy, an economist at National Institute of Public Finance and Policy (NIPFP), a Delhi-based government funded think tank.

Even achieving 4.5 per cent annual growth this quarter would be a challenge, Bhanumurthy added.

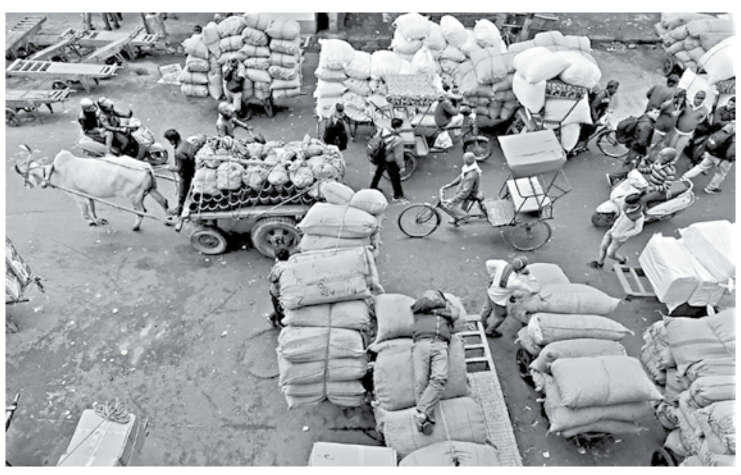
In its annual budget presented earlier this month, the government estimated economic growth in the current fiscal year ending in March would be 5 per cent, the lowest for 11 years.

And the government only targeted a slight recovery in growth to 6 per cent for 2020/21, well below the levels required to generate jobs for the millions of young Indians entering the labor market each month.

Analysts expected growth would pick up gradually driven by a favorable base effect, a cut in corporate tax rates last September and increased government spending.

But, the central bank earlier this month warned that the downside risks to global growth have increased as a result of the coronavirus epidemic, the full effects of which are still uncertain and unfolding.

"Although number of cases of COVID-19 (coronavirus) in India are less, the economic impact is expected to accrue from supply chain risk," Soumya Kanti Ghosh, chief economist at State Bank of India citing problems in supply of raw materials from China for pharmaceuticals and other exports.



REUTERS/FILE

A labourer sleeps on sacks as traffic moves past him in a wholesale market in the old quarters of Delhi.

A spike in inflation to a more than 5-1/2 year high of 7.59 per cent in January is expected to make the Reserve Bank of India hold off on further cuts in interest rates for now, while keeping its monetary stance accommodative.

Finance Minister Nirmala Sitharaman has said some signs of green shoots were visible in the economy as the government has eased bottlenecks for consumer and industry bank loans, while expanding spending on infrastructure.

But analysts remained doubtful.

Goldman Sachs cut its growth forecast to 4.9 per cent for the March quarter from earlier estimate of 5.4 per cent.

"Despite the downward revision, we believe the risks to our growth forecast are still tilted to the downside, given the risk aversion in the domestic financial sector, the continued weakness in rural demand," Goldman Sachs, said in a note on Wednesday.

Standard Chartered's 2019 pre-tax profit rises to $4.2b

AFP, *Hong Kong*

Standard Chartered said Thursday its pre-tax profit rose to $4.2 billion last year but warned growth for 2020 would likely be dented by the coronavirus outbreak.

The Asia-focused British bank said pre-tax profit surged eight percent in 2019 despite what the group's chief executive Bill Winters described as "an increasingly challenging external environment".

In a statement attached to the results, Winters said the bank faced low interest rates, a slowing global economy, the US-China trade war and several months of pro-democracy protests in Hong Kong last year.

And now coronavirus is wreaking growing economic havoc.

"These external challenges will mean that income growth in 2020 is likely to be lower than our anticipated 5-7 per cent medium term range," said Winters, although he described the economic headwinds in 2020 as "transitory".

The results showed greater China and North Asia fared well with three percent growth while Africa and Middle East surged 29 percent and was the bank's fastest-growing market.

Bank chairman Jose Vinals said geopolitics and societal change have become "more uncertain than ever".

"This means that instability and rapid change are becoming the new normal," Vinals added.

Last week, Asia-focused HSBC axed 35,000 jobs and posted a third of pre-tax profit slump in the 2019 annual profits to $13.3 billion.

LOTTO

Lotto Bangladesh Managing Director Kazi Jamil Islam, Marketing Consultant Kazi Javed Islam, TVS Auto Bangladesh Ltd's Managing Director Biplob Kumer Roy and Actor Ferdous Ahmed attend a ceremony in Dhaka yesterday, where the companies organised a raffle draw for their 'Shoe Kinun, Bike Jitun' campaign.

TRUCK LAGBE

Bashir Ahmed, proprietor of New Bangla Motors, a star dealer of BP Lubricants, and Mir Hossain Ekram, chief operating officer of Truck Lagbe, a truck hiring app, sign the documents of an agreement in Dhaka on Tuesday. Users of the app now can purchase BP Lubricants online at market price.

Virus-hit stocks shed $3tn; safe havens thrive

REUTERS, *London*

Stocks resumed their plunge, wiping out more than $3 trillion in value this week alone, and US Treasuries yields hit record lows on Thursday as the coronavirus spread faster outside China and investors fled to safe havens.

The number of new coronavirus infections in China - the source of the outbreak - was for the first time overtaken by fresh cases elsewhere on Wednesday, raising pandemic fears.

The pan-European STOXX 600 index opened 2.3 percent lower and Italy's blue-chip index sank. Dozens of European companies have warned about potential damage to their profits.

In the United States, Microsoft became the second trillion-dollar company to warn about its results after Apple. X.Its Frankfurt-listed shares were down 4 per cent.

Global equities have now fallen for six straight days. Wall Street's so-called fear gauge was near its late 2018 highs.

Spot gold rose 0.5 percent to $1,649 per ounce and silver gained 1 percent to $18.03 an ounce. Gold prices hit a seven-year high at near $1,688 per ounce on Monday.

"Safe-haven currencies are doing very well and gold is heading back higher, and unless we see a slowdown in the coronavirus cases outside China, risk sentiment will continue to be undermined," said Peter Kinsella, global head of FX strategy at UBP in London

Meanwhile, the yield on U.S. Treasuries, which falls when prices rise, dropped below 1.3 per cent US10YT=RR and the yield curve continued to send recession warnings.

Markets are pricing a roughly even chance of the Federal Reserve will cut interest rates next month and have almost fully priced in a cut by April.

Yields on benchmark German 10-year maturities fell to -0.5140 percent. Italian debt underperformed as Europe's worst flare-up of the virus in that country raised fears of a recession there.

E-mini futures for the S&P 500 were down 0.3 percent ESc1 and oil, sensitive to global growth, fell more than 1 per cent to its cheapest in over a year.

Analysts have downgraded forecasts for Chinese and global growth, and policymakers from Asia, Europe and the United States have begun to prepare for a steeper economic downturn.

South Korean stocks shed another 1.05 percent on Thursday, closing at a four-month low, as it reported its largest daily rise in new virus cases since first case last month.

Unnerving investors further, the Bank of Korea kept interest rates unchanged on Thursday, even though it downgraded its growth outlook.

With the infections rate in China slowing, the blue-chip CSI300 finished up 0.3 percent. China's central bank said on Thursday that it would ensure ample liquidity to help limit the impact of the epidemic.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.5 per cent, taking it more than 4 per cent lower for the week.

Taiwan raised its epidemic response level to the highest possible. Japan's Nikkei dropped 2 percent to a four-month low amid more worries the Tokyo Olympic Games would be cancelled or shifted. Safe-haven currencies such as the Japanese yen and the Swiss franc gained on Thursday with the Japanese currency heading towards 110 yen to the dollar, up nearly 2 percent so far this week. The dollar fell 0.32 per cent.

That was enough to help drag the China-sensitive Aussie dollar from an 11-year low and lend support to the euro EUR.

REUTERS/FILE

A man wearing a surgical mask walks past a screen showing Shanghai Composite index and Nikkei index outside a brokerage in Tokyo.

Cement giant LafargeHolcim sees 2020 growth despite China slowdown

REUTERS, *Zurich*

LafargeHolcim expects to shake off a "massive slowdown" in China caused by the coronavirus with a rebound in Chinese demand later in the year and strong sales in other regions, the world's largest cement maker said on Thursday.

"What we are experiencing at the moment is a massive slowdown in China, however most of our cement plants are running again in China," CEO Jan Jenisch told reporters.

Infrastructure and other building projects in China may have been postponed, Jenisch said, but he expected that to bump demand to later in the year.

"According to the World Health Organization we expect a recovery starting in May in the China market," he said.

Operations in other countries have not been affected by the spread of the virus, he said.

"At the moment construction sites and infrastructure as well as our plants are fully running everywhere in Europe, in North America, Latin America, India and Africa," Jenisch said.

The building materials maker on Thursday reported 2019 net income up nearly 50 per cent to 2.25 billion Swiss francs ($2.30 billion), just ahead of estimates for 2.21 billion francs, Refinitiv Eikon data showed.

Its shares opened 1.8 per cent higher in a lower market for Swiss blue chips.

The profit increase was driven by lower restructuring costs, lower financial expenses and a reduced tax rate, LafargeHolcim said.

Stripped of impairment charges and gains from divestments, net profit was up 32 per cent to 2.07 billion francs, the highest since the company was formed in 2015.

Sales fell 2.7 per cent to 26.72 billion francs versus analyst forecasts of 26.79 billion.

This year it expects sales to rise by 3 per cent-5 per cent and set its recurring operating profit growth target at at least 7 per cent.

LafargeHolcim's operations in China do not supply other countries and although the company has taken precautions such as travel controls it did not expect the downturn to affect its overall figures for the year.

"We have had a great start to the year in all our five regions, we have no indications of a slowdown at this point in time, we have full order books."

"Despite a challenging situation in several emerging markets and continued currency headwinds, management delivered strong results and an encouraging outlook," said Bernd Pomrehn, an analyst at Bank Vontobel.