BATA

Rajeev Gopalakrishnan, chairman of Bata Shoe Company (Bangladesh) Ltd, presided over the company's 48th annual general meeting on September 10 through a digital platform. The shoe maker approved 125 per cent cash dividend for 2019. Anirban Asit Kumar Ghosh, managing director, was present.

China would rather see TikTok US close than a forced sale

REUTERS

Beijing opposes a forced sale of TikTok's US operations by its Chinese owner ByteDance, and would prefer to see the short video app shut down in the United States, three people with direct knowledge of the matter said on Friday.

ByteDance has been in talks to sell TikTok's US business to potential buyers including Microsoft and Oracle since US President Donald Trump threatened last month to ban the service if it was not sold. Trump has given ByteDance a deadline of mid-September to finalise a deal.

However, Chinese officials believe a forced sale would make both ByteDance and China appear weak in the face of pressure from Washington, the sources said, speaking on condition of anonymity given the sensitivity of the situation.

ByteDance said in a statement to Reuters that the Chinese government had never suggested to it that it should shut down TikTok in the United States or in any other markets.

Two of the sources said China was willing to use revisions it made to a technology exports list on Aug. 28 to delay any deal reached by ByteDance, if it had to. China's State Council Information Office and its foreign and commerce ministries did not immediately respond to requests for comment sent after working hours.

Asked on Friday about Trump and TikTok, Chinese foreign ministry spokesman Zhao Lijian said at a regular press briefing that the United States was abusing the concept of national security, and urged it to stop oppressing foreign companies.

Reuters has reported that TikTok's prospective buyers were discussing four ways to structure an acquisition from ByteDance.

Within these, ByteDance could still push ahead with a sale of TikTok's US assets without approval from China's commerce ministry by selling them without key algorithms. ByteDance and its founder Zhang Yiming have been caught in a clash between the world's two preeminent powers.

Trump last month issued two executive orders that require ByteDance to sell TikTok's US assets or face being banned in the country, where the app is hugely popular among teenagers. US officials have criticised the app's security and privacy, suggesting that user data might be shared with Beijing. TikTok has said it would not comply with any request to share user data with the Chinese authorities.

Beijing has said it firmly opposes Trump's executive orders and on Aug. 28 moved to give itself a say in the process, revising a list of technologies that will need Chinese government approval before they are exported. Experts said TikTok's recommendation algorithm would fall under this list.

Chinese regulators said last week the rules were not targeted at specific companies but they reaffirmed their right to enforce them.

REUTERS/FILE

China and US flags are seen near a TikTok logo in this illustration picture.

Still no takers as Indian gold dealers offer discounts for fourth week

REUTERS, *Mumbai/Bengaluru*

Physical gold dealers in India were forced to offer discounts for a fourth straight week as bullion remained unattractive for most retail consumers.

In India, the second-biggest buyer after China, demand took a further hit due to the start of 'Shradh', a two-week period considered inauspicious to buy gold and other assets.

Local gold futures traded around 51,445 rupees per 10 grams on Friday, having hit an all-time high of 56,191 rupees last month.

Discounts eased to $30 an ounce over official domestic prices, inclusive of 12.5 per cent import and 3 per cent sales levies, from last week's $40.

While demand usually picks in the run up to the October- November festival season, a worsening COVID-19 outbreak has hammered sentiment, with India's economy shrinking by nearly a quarter in April-June.

"Even during the festivals, demand will remain lower than usual due to higher prices," said a Mumbai-based dealer with a bullion importing bank.

A dip in benchmark global spot prices however, triggered buying from customers in Singapore.

"As long as prices come down, we'll see more buying," and many more clients are now looking at gold, Brian Lan of dealer GoldSilver said, adding, however, that retail purchases were muted. Premiums were unchanged at $0.80-$1.50 an ounce versus the benchmark.

"Sales were respectable, but the lowest in the past four weeks," Vincent Tie, sales manager at Silver Bullion said. In China, demand remained weak with gold sold at $45-$50 discounts, versus last week's $56 level.

Discount may narrow, especially going into the fourth quarter wedding season, said Samson Li, a Hong Kong-based precious metals analyst at Refinitiv GFMS.

Used cars drive US consumer prices higher; inflation pressures firming

REUTERS, *Washington*

US consumer prices rose solidly in August, with the cost of used cars and trucks accelerating by the most in more than 51 years likely as Americans shunned public transportation because of fears of contracting COVID-19.

The report from the Labor Department on Friday also showed a firming in underlying inflation last month, putting fears of deflation to rest. Deflation, a decline in the general price level, is harmful during a recession as consumers and businesses may delay purchases in anticipation of lower prices. Still, stirring inflation is unlikely to discourage the Federal Reserve from pumping more money into the economy to aid the recovery from the COVID-19 recession amid considerable labor market slack. The US central bank in August rewrote its framework, putting new emphasis on the labor market and less on worries about too-high inflation.

"Consumer prices are rebounding from the pandemic shock, but as supply shortages are resolved, upward price increases should moderate," said Kathy Bostjancic, chief US financial economist at Oxford Economics in New York. "The Fed's new policy objectives underscore that monetary policy will remain very accommodative for a considerable time."

The consumer price index increased 0.4 per cent last month, also lifted by gains in the costs of gasoline, recreation and household furnishings and operations. The CPI advanced 0.6 per cent in both June and July after falling in the prior three months as business closures to slow the spread of the coronavirus depressed demand.

In the 12 months through August, the CPI increased 1.3 per cent after gaining 1.0 per cent in the 12 months through July.

Economists polled by Reuters had forecast the CPI would rise 0.3 per cent in August and climb 1.2 per cent on a year-on-year basis. Excluding the volatile food and energy components, the CPI gained 0.4 per cent last month after surging 0.6 per cent in July, the largest gain since January 1991. A 5.4 per cent jump in prices of used cars and trucks, the largest gain since March 1969, accounted for more than 40 per cent of the rise in the so-called core CPI last month.

In the 12 months through August, the core CPI climbed 1.7 per cent after rising 1.6 per cent in July. Though the Fed's embrace of what it calls "flexible average inflation targeting" is still shy of many details, in theory it could see policymakers tolerate price increases above its 2 per cent target for a period of perhaps several years to offset years in which inflation was lodged below its goal.

Policymakers have expressed a range of ideas about how this might work in practice, but agree the aim is to let prices rise fast enough that household and businesses take their inflation target seriously. The Fed's preferred inflation measure, the core personal consumption expenditures (PCE) price index rose 1.3 per cent in the 12 months through July. August's core PCE price index data is scheduled to be released at the end of this month.

Some economists questioned the need for higher inflation as many households were struggling because of the pandemic.

"For the individual worker, rising inflation is not good news, no matter what the Fed thinks," said Joel Naroff, chief economist at Naroff Economics in Holland, Pennsylvania.

Stocks on Wall Street were trading higher after pulling back in the previous session. The dollar was slightly lower against a basket of currencies. Prices of US Treasuries rose. Though food prices rocketed at the height of the COVID-19 business shutdowns, inflation stayed muted as the pandemic undercut demand for services like healthcare, air travel, dining out and hotel accommodation. High unemployment is also keeping a lid on price pressures despite the Fed's extraordinarily easy monetary policy and record fiscal stimulus from the government. Nearly 30 million people are on unemployment benefits.

Last month, gasoline prices rose 2.0 per cent after increasing 5.6 per cent in July. Food prices edged up 0.1 per cent after declining 0.4 per cent in July, the first decrease since April 2019. The cost of food consumed at home fell 0.1 per cent after dropping 1.1 per cent in the prior month.

REUTERS/FILE

Used cars are shown for sale in National City, California.

FAA to begin key Boeing 737 MAX training review on Monday in London

REUTERS, *Washington*

A training review for the grounded Boeing 737 MAX will begin on Monday in London, the U.S. Federal Aviation Administration (FAA) said, in a key milestone for the plane's eventual return to service.

The FAA said the Joint Operations Evaluation Board for the Boeing 737 MAX will take place at London Gatwick Airport and meet for approximately nine days "to review Boeing's proposed training for 737 MAX flight crews" and will include civil aviation authorities and airline flight crews from the United States, Canada, Brazil and the European Union.

There are several other key steps to be completed that raise questions about if there will be any 737 MAX commercial flights before 2021. Boeing did not immediately comment.

This week in Vancouver, the European Union Aviation Safety Agency conducted flight tests of the Boeing 737 MAX after Canada conducted its own tests.

The best-selling plane has been grounded globally since March 2019 after two fatal crashes in five months killed 346 people. Boeing has said it expects to win necessary approvals "in time to support resumption of deliveries during the fourth quarter."

A Boeing spokesman said Friday all remaining steps are "incorporated in our estimate. Not new hurdles or comment periods we didn't expect."

After the nine-day review, the results will be incorporated into the draft FAA Flight Standardization Board report, which will be then be open for public comment.

Then, FAA Administrator Steve Dickson will undergo recommended training and conduct an evaluation flight at the controls of a Boeing 737 MAX. He will share observations with FAA technical staff.

The FAA will then review Boeing's final design documentation to evaluate compliance with FAA regulations. The multi-agency technical advisory board will review the Boeing submission and issue a report prior to a final FAA determination of compliance.

Good governance, digitalisation can charge up stock market: analysts

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To ensure transparency, the BSEC is working to digitise every sphere of trading and activities of the stock market, he said.

Islam hoped the digitisation work will be completed within 2021.

"Now we are working to ensure good governance in the trading of junk stocks. After that we will take steps about the companies that are listed with the over-the-counter market."

The commission is trying to give the money back to the people who invested in debentures long ago but did not get anything in return, he said. "We hope people will get the money back soon."

Good governance and supportive macroeconomic environment are needed to achieve sustainable development of the stock market, said Md Moniruzzaman, managing director of IDLC Investments.

"A correction takes place when index or companies' stocks rise past the earnings growth, which is evident from the stock market statistics of the last one decade."

The market does not need so many non-performing stocks, rather it needs some well-performing dependable scripts, he said while presenting a paper in the meeting.

No well-known multinational company came to the market in the last one decade after the listing of Grameenphone, said Asif Ibrahim, president of Chattogram Stock Exchange.

"But we need to bring some good companies for the sake of a sustainable stock market."

The BSEC, the BMBA and other intermediaries should work relentlessly to bring well-performing and the best-governed companies into the market, said Ibrahim, also a former president of Dhaka Chamber of Commerce and Industry.

Focus should be given on why good companies are not coming to the market, said Sayadur Rahman, president of BMBA.

"Lower tax benefits of being listed is the reason."

The difference between listed and non-listed companies' corporate tax has been brought down to 7.5 per cent this year from 10 per cent, he said.

"If we want to bring good companies to the market then tax benefits should be offered to them."

The stock market should emphasise good governance, efficient manpower, product diversification and digitalisation, said Eunusur Rahman, chairman of the DSE.

"To get a sustainable stock market, we need good governance, good governance, and good governance."

Hasan Imam, president of AMC Association; Sharif Anwar Hossain, president of the DSE Brokers' Association, and Hasan Imam Rubel, president of the CMJF, also spoke at the event along with other top officials of leading stock brokers and merchant banks.

Workers halt container movement at Ctg port for 12 hours

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Some depots' authorities might not have been able to do so in the last couple of months over issues arising for the pandemic, he admitted.

These long vehicles play a vital part in maintaining schedules as they bring containers once they are loaded with export items at the 18 ICDs.

They also take containers to the ICDs carrying 37 types of imports once they are unloaded from ships and taken through customs clearance and for delivery.

On a normal day, around 1,600 TEUs (twenty feet equivalent units) of export-laden containers are taken from the ICDs to the port while 800-1,000 TEUs of import-laden containers are taken out of the port.

Meanwhile, some 1,500 TEUs of empty containers are also shifted an average.

Yesterday container movement to and from vessels had continued uninterrupted alongside delivery of imports from the port on trucks and covered vans, said Md Omar Faruk, secretary to Chattogram Port Authority.

UK economy extends recovery from Covid-19 crash, growth seen fading

REUTERS, *London*

Britain's economy recovered half of its COVID-19 crash by the end of July, helped by pubs and restaurants reopening from lockdown, but the bounce-back is expected to slow as job losses mount and Brexit tensions rise.

After shrinking by a record 20 per cent in the second quarter, output expanded by 6.6 per cent in July, slower than June's monthly rate, the Office for National Statistics (ONS) said on Friday. Economists polled by Reuters had expected growth of 6.7 per cent.

Finance minister Rishi Sunak welcomed the figures but added that people were rightly worried about the coming months.

The economy remains 12 per cent smaller than its level in February, before the pandemic hit Britain.

"July was probably the last of the big step-ups in activity and a full recovery probably won't be achieved until early 2022," Thomas Pugh, an economist with Capital Economics, said.

In response, the Bank of England was likely to ramp up its bond-buying stimulus programme by a third, or 250 billion pounds ($320 billion), Pugh said.

Britain's economy suffered the sharpest second-quarter fall of any Group of Seven nation in the April-June period.

Hopes for a swift rebound have faded as businesses struggle to cope with social distancing rules and many people remain reluctant to travel on public transport or go to crowded places.

Tensions between London and Brussels over a post-Brexit trade deal are also mounting. Furthermore, unemployment is expected to rise sharply because Sunak has ruled out extending his coronavirus job retention scheme which is due to expire at the end of October.

Parliament's Treasury Committee urged Sunak to "carefully consider" a targeted extension of the scheme and other support measures, a call echoed by the head of a major employers group.

Carolyn Fairbairn, director general of the Confederation of British Industry said she was in "deep conversation" with the government about a more selective version of the job subsidies scheme to avoid long-term job losses.

"We need to make sure that other countries, for example Germany, France, Australia, others who have put in place schemes like this, don't steal a march on our economy at this time," she told Sky News.