Gold edges higher as US stimulus bets outweigh vaccine hopes

REUTERS

Gold prices ticked higher on Monday, as grim US jobs data bolstered hopes for more fiscal stimulus, although optimism around coronavirus vaccine rollouts kept gains in check.

Spot gold prices rose 0.2 per cent to $1,841.93 per ounce by 0554 GMT, while US gold futures were up 0.2 per cent at $1,844.20.

"Softer jobs growth and tighter social mobility restrictions ostensibly lower the hurdle for a policy response from (US) Congress," said Stephen Innes, chief global market strategist at financial services firm Axi.

Data on Friday showed the US economy added the fewest jobs in six months in November.

Talks over a fresh pandemic relief package gathered momentum on Friday, as bipartisan US lawmakers worked to put the finishing touches on a new $908 billion bill.

While the gold market might be disappointed with the size of the package, markets will likely take support from the bipartisan nature of the deal that suggests further compromise in the U.S Congress ahead, Innes said.

Gold is seen as a hedge against inflation that could result from large stimulus.

Raising geopolitical uncertainty, the United States is preparing to impose sanctions on at least a dozen Chinese officials, according to sources familiar with the matter.

However, gold's gains were capped as Britain prepared to become the first country to roll out the Pfizer/BioNTech COVID-19 vaccine this week.

While vaccine news is seen as bearish for gold, it is not going to stop governments from pursuing easier monetary and fiscal policies, said ED&F Man Capital Markets analyst Edward Meir in a note.

Gold has resistance at $1,850 an ounce, with a close above that pivot area setting the scene for a test of the resistance line at $1,920 an ounce, Jeffrey Halley, a senior market analyst at OANDA said in note.

Silver fell 0.1 per cent to $24.15 per ounce and platinum dropped 1 per cent to $1,044.00, while palladium gained 0.7 per cent to $2,359.05.

REUTERS/FILE

A worker places gold bullion on display at an event of Hatton Garden Metals in London.

Everyone has a home office now. So who's paying for it?

REUTERS, *New York*

In the past, home offices were often an afterthought: Ill-equipped, cramped, and a little dusty from only occasional use.

Now in 2020, many home offices are looking more like the command center at NORAD: Multiple screens, high-tech capabilities, and professional Zoom-ready surroundings.

And all that costs money.

Good thing about two-thirds of companies are providing or reimbursing for needs of newly remote workers, according to a survey by HR consultancy Mercer: 55 per cent are covering laptops, 33 per cent mobile phones, 26 per cent printers and 24 per cent ergonomic equipment.

Only 32 per cent of companies said they were not helping out with those costs.

"The shift to working remotely means many employees are now having to ask their firms to cover costs associated with setting up and maintaining a home office," says Kathleen Burns Kingsbury, a wealth psychology expert and author of "Breaking Money Silence." "This has many looking for best practices, for engaging in a home-office expense negotiation."

Of course, we are in a new and fluid situation, and companies as well as employees are learning as they go.

The questions on most people's minds: What exactly can you get reimbursed for? What can you deduct on your taxes? And how do you make an airtight case to your boss for things you think your company should really be paying for?

When considering the costs of a home-office setup, here are some issues to keep in mind.

Getting reimbursed for home-office expenses is not always a black-and-white issue – your bosses may need some convincing. So "think like the CFO," advises Kingsbury. "Tie your request to an increase in productivity and revenue if at all possible."

Do not try to bust their budget completely, with only top-of-the-line equipment, but give them a range of different options to choose from. And if you do get an initial 'No' ask what would have to change for your request to be granted, Kingsbury says. "Then work towards a second ask in a month or two," she adds.

Not every cost is going to get covered by your employer, so instead of aiming for the moon and asking for everything, focus on the items where you have the best rationale for financial support.

For example, in the Mercer survey, only 4 per cent of companies report helping out with the cost of home utilities – so that area may not represent your best chance of success. In comparison, according to a new survey by the nonprofit organization WorldatWork, 25 per cent of companies are covering Internet access for work-from-home employees – which could be a big help on a monthly basis.

For salaried employees, your best route is to get employers to pay for home-office equipment and supplies up-front, or to get reimbursed for them. Under current tax law, such employees are not allowed to deduct those out-of-pocket expenses on their own taxes come April 15, says Michael Hennessy, a financial planner with Harbor Crest Wealth Advisors in Fort Lauderdale, Florida.

If you are not a salaried employee, however – maybe you are a solo entrepreneur who does a variety of contract work, for instance – those rules do not necessarily apply.

"As long as you are self-employed and part of your home is used for business use, you can take advantage of the home office deduction," Hennessy says. That way a percentage of related costs like mortgage interest, insurance, supplies, utilities and repairs will be deductible.

A laptop and an Internet connection are the most obvious building blocks for a work-from-home setup. But other elements are important, too, like the chair you sit on for multiple hours a day.

REUTERS/FILE

A woman works in a house while workers are forced to work from home and demand payback for extra home office costs during the coronavirus disease outbreak in Sassenheim, Netherlands.

Davos set can easily make do in Singapore

UNA GALANI *for* REUTERS

Singapore is a natural home for the World Economic Forum's annual shindig. Although rubber shoe covers are more appropriate footwear than crampons, the tropical city state makes for a decent approximation of Davos, the alpine Swiss enclave that regularly hosts the event.

It is clean, safe and has one of the world's best-connected airports. The place also functions as a regional private wealth hub and is neutral enough. With a future billionaire class emerging from Asia, it might even suit as the more a permanent site.

The island nation could truly claim its mantle as "the Switzerland of the east" if the WEF chooses Singapore for its 2021 gathering, as Bloomberg reported is possible.

The resurgence of coronavirus-related lockdowns in Europe may have scuppered Chairman Klaus Schwab's original Plan B, to keep the festivities in Switzerland, in nearby Lucerne-Buergenstock.

Like Switzerland, the Asian hub has had its bank scandals too with institutions engulfed in the 1MDB money laundering drama.

A faster return to normalcy makes Singapore, which shrugged off most domestic pandemic containment restrictions in June, an obvious choice. Hong Kong's political tensions are an obstacle.

A new national security law imposed by Beijing, where loosely defined crimes of subversion and collusion with foreign forces can be punished with up to life in prison, would be a turn-off for many visitors from democratic nations.

It has been nearly two decades since chief executives and statesmen convened for the event somewhere other than Davos. In 2002, New York was chosen, supposedly out of solidarity after the 9/11 attacks, but senior U.S. delegates also were reluctant to travel overseas because of security concerns.

A shift east would be more profound because it would follow the money. Asia is home to 831 billionaires, per the latest edition of a report on the world's richest people by UBS and PwC.

It is the region with the highest tally, representing 38 per cent of the total billionaire population holding wealth amounting to $10.2 trillion.

Airbnb plans to raise price target range for IPO

REUTERS

Airbnb Inc has plans to raise the target price range for its initial public offering (IPO) to between $56 and $60 per share, underscoring demand for new US stocks, a person familiar with the matter said on Sunday.

The US home rental firm had on Tuesday set a price range for its IPO to sell shares at $44 and $50 apiece.

Airbnb could communicate the upwardly revised price range to investors in a public filing on Monday, the source added, requesting anonymity as the plans are private.

At the upper end of the new range, Airbnb would sell $3.1 billion in stock and have a fully diluted valuation, which includes securities such as options and restricted stock units, of $41.8 billion.

This is well above the $18 billion Airbnb was worth in an April private fundraising round in the early weeks of the COVID-19 pandemic in the United States, and above the $31 billion in its last pre-COVID-19 fundraising in 2017.

Airbnb's stock market debut, slated for Dec. 10 on Nasdaq, will be one of the largest and most anticipated U.S. IPOs of 2020, which has already been a bumper year for flotations.

Record label Warner Music Group, data analytics firm Palantir Technologies and data warehouse company Snowflake Inc have all gone public in the past few months.

NBR introduces lottery to boost VAT collection

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Implementation) to the NBR. The revenue authority's declaration comes after it installed nearly 1,000 EFDs at stores in Dhaka and other major cities as a part of its efforts to ensure that VAT charges properly reach the state coffer.

VAT is the biggest source of revenue for the state and revenue officials and analysts on several occasions said the government does not get the actual amount of VAT paid by consumers owing to unscrupulous business practices.

The NBR started installing the devices from August this year and initially installed 100 EFDs at stores and businesses in Dhaka and Chattogram to see the results before embarking on a nationwide rollout.

The EFDs are provided for free to 25 types of businesses, including shops, hotels, restaurants, sweet stores, clothing, furniture and electronics outlets and jewelers.

The revenue administration started rolling out the devices three years ago after its previous bid to enforce the use of electronic cash registers (ECRs) failed mainly because of an absence of any electronic system to monitor transactions at shops through the devices to ensure actual collection of the tax. The NBR said it connects the EFDs at stores to a central server at the NBR in order to monitor sales as the devices will generate real-time data.

In its policy, the revenue authority said it will hold lottery on the 5th of every month and will publicise the winning coupon numbers within three working days in various media. The second highest prize will be Tk 50,000 and the NBR will give one prize for this category. The money for the third prize will be Tk 25,000 and the NBR will issue five prizes for this category.

The prize money for the remaining 94 prizes will be Tk 10,000 each. The NBR said a six-member management committee, headed by NBR Member VAT Implementation and IT, will oversee the overall task.

Busy for the perfect bloom

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Liton Hossain of Beledanga village hopes to get around Tk 500 per bundle of some 800 flowers from his five bighas of land, although he had sold at double the rate just prior to August 15 this year. Flowers provide a livelihood to about three million people in the country, some 20,000 of whom are directly involved in the farming, said Abdur Rahim, president of the industry platform Bangladesh Flower Society.

He alleged that florists and traders did not get any agricultural loan from the stimulus package provided by the government through financial institutions.

Maksons Group to invest $111m at Bangabandhu Shilpa Nagar

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Currently, local spinners can supply nearly 95 per cent of raw materials to the knitwear sector, and local weavers can meet 40 per cent demand of the woven sector.

This means Bangladesh depends on imports for 60 per cent raw materials, or 600 crore metres of fabrics for the export-oriented garment sector, costing $8 billion a year.

"So, the sector has a room for an investment of Tk 1 lakh crore to serve the thriving garment sector. If local investors can invest properly, Bangladesh would be able to export $100 billion worth of garment items a year very soon," Khokon said.

Local millers can supply 70 per cent of raw materials to the promising denim sector, he said.

Khokon praised the government's stimulus packages, saying industries are rebounding from losses caused by the pandemic thanks to the support.

He reached his $30 million export order target in the last three months as the recovery of businesses has started.

The entrepreneur said he supported the government initiative of not allowing utility services to the industries outside of the economic zones.

He called the procedures of the Duty Exemption and Drawback Office complex that create troubles for businesses.

He suggested the Beza ease rules in the economic zones so that local and foreign investors can come and invest.

Bangladesh has created a market for chemicals worth $2 billion on the back of the textile and garment industries, he said.

Paban Chowdhury, executive chairman of the Beza, said his office has launched "One Stop Service Centre" to help investors receive services quickly.

The Beza has adopted a zero-tolerance policy in dealing with corruption, he said.

The agency is developing the BSMSN on 30,000 acres of land as part of its plan to construct 100 economic zones across the country by 2030.

Investment proposals worth $20 billion have already been approved at the BSMSN that might create jobs for 10 lakh people, Chowdhury added.

Bangladesh scores low in digital evolution index

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governments attempting to expand digitalisation in their economies.

The index also looks at "Digital Trust", which is the bridge that connects its journey from the digital present to an intelligent and inclusive digital future.

The Digital Trust scorecard measures 198 indicators in 42 of the index economies across four key pillars: behaviour, attitudes, environment, and experience.

Economies such as Singapore, Hong Kong, Chinese Taipei and South Korea provide citizens with a near seamless experience, delivering the holy grail of advanced infrastructure, broad access and unparalleled interaction.

This experience is also matched by high levels of engagement, offering these economies a clear advantage in a "beyond access" future.

China, Indonesia and Vietnam have increasingly favourable attitudes about their digital future, buoyed by rapidly expanding digital adoption and opportunity.

Overall, digitally advanced economies with higher levels of socio-economic equity expressed more positive attitudes towards digital technologies, while fast-moving "Break Outs" are more optimistic than their "Watch Out" peers, according to the index.

Ajay Bhalla, president for cyber & intelligence at Mastercard, said never before has there been such an acute need to understand the factors that drive digitalisation and digital trust.

With that knowledge, businesses and governments can work together to help all 7.6 billion people around the world benefit from the vast opportunities a digitally advanced economy can bring.

"While much remains uncertain today, it is clear that digital success will be a key building block in our collective recovery," Bhalla added.

Matthew Driver, executive vice president for services at Mastercard Asia Pacific, said Covid-19 has advanced digitalisation across the region by at least five years in as many months, only serving to further accelerate the development of the digital ecosystems across the region.

"With rising levels of consumer trust and engagement and growing digitization in the small business segment, all deeply supported by proactive enabling actions from governments, the opportunities ahead for the region's digital economy are immense," he added.

The executive vice president went on to say that with Asia Pacific poised to recover quickly from the pandemic, the strong performance in the two components of Digital Evolution and Trust will only serve to further support Asia's leadership in the digital landscape.

LG shakes up loss-making phone business

REUTERS, *Seoul*

LG Electronics said on Monday it had reorganised its mobile phone division to increase outsourcing of its low to mid-end smartphones, which analysts said represented an attempt to cut costs and compete with Chinese rivals.

LG's mobile communications business, which has reported an operating loss for 22 consecutive quarters, has created a new management title for original design manufacture (ODM), a spokeswoman for the South Korean company said.

This refers to the outsourcing of design and manufacture of smartphones, with LG putting its label on the product.

State mills to start sugarcane crushing on Dec 10

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"If the mill do not run, where will the farmers sell their sugarcane, as it is not like food grain that can be sold anywhere," said the general secretary of Pabna Sugar Mill Workers Union, Md Ashrafuzzaman Uzzal.

He said they would observe two hours' work abstention every day and hold demonstrations over their demands until December 15.

The demand has been forwarded to the prime minister, said the general secretary of Bangladesh Chinikal Ankh Chasi Federation, Md Shahajahan Ali Badsha.

Farmers will face acute losses if there is a reduction in sugarcane purchase by the government for the mills, he said. According to him, there are at least 2 lakh sugarcane farmers in the northern part of the country.

BGMEA reiterates demand for a fresh round of stimulus

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The retail sales in Europe declined 13 per cent in September in an indication that the second wave is affecting businesses and also the shipment of garments from Bangladesh to its leading export destination.

Between 2014 and 2019, the rate offered to Bangladeshi garments declined by 1.79 per cent, the BGMEA chief said.

In September, the rate dropped 5.23 per cent as international retailers and brands are offering lower prices. In the US, the rate fell by 4.81 per cent, she added.