

Oil prices fluctuate, gold at lowest level

LONDON, Feb 3: The surprise attack launched Tuesday evening by several thousand Iraqi soldiers on the Saudi town of Khafji, nearly two weeks after the outbreak of war in the Gulf, could not prevent gold from sliding to its lowest level for three months and had little impact on oil prices, reports AP.

Gold was the victim of a lack of interest among investors and speculators who saw it fall below its level of last August 1, the day before the Iraqi invasion of Kuwait.

Brent North Sea crude prices fluctuated in the region of 20 dollars a barrel, given that fears of a shortfall in supplies - which uncashed a climb to 40 dollars at the end of September - have not materialized.

On the London Metal Exchange (LME), worries relating to the recession provoked a slide in prices for most metals. Lead fell to its lowest level for three and a half years, zinc and aluminium hit two-year and nine-month lows, respectively while copper was edging toward 30-month lows.

In softs, cocoa fell to an 11-month low prompted by the increased levels of Ivory Coast supplies, while coffee remained close to its recent historical lows.

Prices of natural rubber fell to their lowest level. Tea market was steady and average prices remained stable.

Gold: weak. Prices slumped mid-week to their lowest level for three months, despite the first land battles between Iraqi and allied forces, at the Saudi border town of Khafji. Analysts attributed the losses to liquidation by Japanese operators and by US funds and to rumours of sales by producers countries.

An attempt at a recovery was made in the aftermath of the falls, but by Friday prices had not come back to the 370 dollars an ounce mark, having lost nine dollars Wednesday.

Analysts said the metal was negatively influenced by the Gulf war, the market estimating the risk of damage to Saudi oil installations to be small now that the Iraqi air force is thought to be out of action. Meanwhile, although uncertainties about the duration of the war persist, the market has no doubts about an eventual allied victory.

Silver: Weak. Silver fluctuated in the wake of gold, sliding to fresh 15-year lows. The recession affecting certain industrial economies and the uncertainties about the Gulf war damped sentiment for the metal.

Platinum: Weak. Platinum prices fell at the beginning of week to their lowest level for five years, depressed by the slowdown of the automobile industry in Europe and the United States, the manufacture

of catalytic converter being the primary end-use of platinum.

Prices followed the fluctuations of gold during the remainder of the week.

Copper: Slightly easier, then rally. Copper came under pressure again at the beginning of the week, edging toward 30 months lows on recession in metal-consuming industries Japan's commitment to contribute 9 billion dollars to the war is expected to restrain growth with repercussions on all basic metal demand. Announcement of cutbacks in spending and output by Toyota and Honda indicated the spread of recession in the world auto industry.

Lead: Easier. The background of recession and weakness in the new and replacement car battery markets continued to undermine sentiment. Prices eased to new lows, cash metal falling below 300 pounds a tonne - their lowest since April 1987. A threatened strike at Peruvian state mining firm Centromin, which has been postponed until next Monday following a new wage offer, had little impact. LME stocks of lead fell by 2,075 tonnes to 65,200 tonnes.

Zinc: Easier. Worries about recession in the construction and automobile industries pushed zinc to its lowest levels since introduction of the current contract on the LME, before prices recovered slightly in the wake of copper.

Tin: Quiet. Tin prices fluctuated in a narrow band in quiet trading. Analysts said tin was resisting further falls partly because of the historically low price of the metal, but also because of uncertainty about the future pattern of exports from Brazil, the world's number one producer. At the end of December, the Government banned use of ore from independent prospectors using manual mining techniques to help protect rain forests.

Aluminium: Easier. A reduction in worries about the impact of the war on supplies from the region saw aluminium prices break through previous support levels, with three-month metal dipping under 1,500 dollars per tonne. Cash metal fell to its lowest for nine months, prices firmed slightly at the end of the week in the wake of copper.

Nickel: Stable. Prices fluctuated in a narrow band. Lehman brothers international predicted Nickel prices would fall to an average 3.75 dollars per pound in 1991, compared to an average of 4.03 in 1990. The fall will be mainly due to a recession induced four per cent drop in consumption in the non-socialist world.

Coffee: Weak. Prices remained close to the previous week's 15 year lows, which are record lows in real terms.

Traders attributed the weakness of the market to the fact that forecast shortage on the January contract had not materialised.

Recent rains in the producer regions in the south of Brazil previously affected by drought contributed to the losses.

Sugar: Weak. Prices moved in a narrow band around the depressed levels of the previous week, despite rumours of recent Chinese purchasing.

According to market sources, Indian exporters are looking to obtain a 20 per cent Government subsidy to compensate for low export prices. The Government has authorised export of 200,000 tonnes of sugar by March.

Vegetable oils: Easier. Vegetable oils lost ground, particularly soy oil, which fell back after the rains in Brazil - world number one producer of soy - took the country out of several months of drought.

Palm oil followed the trend despite an expected slowdown in Indonesian exports due to a drop in stocks and production.

Oil: Quiet. North Sea Brent Crude prices moved in a narrow band around the 20 dollars a barrel mark, with Gulf events having little influence. The decision of the international energy agency to go ahead with contingency plans to make an extra 2.5 millions barrels per day available to the market had been anticipated and consequently had little impact.

The first land battles between Iraqi and allied forces also failed to spark any movement, the market continuing to accord most significance to the current absence of any crude shortages or damage to Saudi installations.

Rubber: Weak. Prices of natural rubber fell below the 500 pounds per tonne mark on the London physical market, following slides on Asian markets. Prices in Singapore fell to their lowest level for 15 years due to liquidation by Japanese traders.

Grains: Recovery after a weak start. After easing at the beginning of the week, wheat and barley futures recovered.

The International Wheat Council (IWC) forecast in its last report that world production of wheat in 1991-92 (July-June) would register a substantial fall against the record level of 1990-91, which at 594 million tonnes was an increase of 10 per cent on the previous year.

Tea: Steady. Demand became more selective at the weekly auction, where average prices remained stable at 230 pence per kilo for quality grade and a 135 pence for medium grade, but advanced to 88 pence from 86 pence the previous week, for low medium grades.



Jute is being carried for final baling. Afterwards, the process is completed for export. — Star Photo

Govt raises LC margin, tariffs Imports go down

By Enamul Huq
Taka 1500 three months ago. Import price of skimmed milk powder has increased to Taka 2100 from Taka 1650 per 25 kg bag. Traders say, skimmed milk powder sells at Taka 2050, cost of importing baby food which sells at Taka 1470 to Taka 1490 per 2 kg tin is, according to traders, higher than the sale price.

Prices of sugar in markets is lower than the mill rate traders say. More over, smuggled Indian sugar sells at much lower price than the locally produced sugar. A maund of locally produced sugar sells at Taka 1095 while Indian sugar sells at Tk 980 per maund. As a result, local mills are facing serious crisis. Traders draw only the amount required to save their quota.

Import of different items has gone down in recent months as the government has increased LC margin, tariffs, duty and sale taxes, according to traders at Moulybazar, the country's commercial nerve centre.

They said, LC margin was increased from 15 per cent to a minimum of 50 per cent in March, 1990. Duty and sale taxes on different items have been raised from 30 and 20 per cent to 50 and 30 per cent respectively. Tariffs on imported goods were also increased.

Traders said, prices in international markets has also gone up following the outbreak of war in the Gulf. Freight charges have also increased. Insurance premium is covering 4 per cent of war risk.

They said, price of soyabean oil in international market has increased from US \$370 to US \$407 per ton in the last three months.

As a result, soyabean oil which was sold at Taka 1050 per maund three months ago is now selling at Taka 1200.

Price of palm oil is Taka 1070 per maund which sells at Taka 1155 per maund in local market. Traders say, they have to buy every empty drum of five maunds at Taka 550 which they can sell at Taka 150 only.

Import price of butter oil is US \$18500 per ton. Tariff of Taka 75,000 per ton was imposed on import of butter oil at the beginning of current fiscal year. Duty on butter oil was raised from 30 per cent to 50 per cent. Sale tax was increased from 20 per cent to 30 per cent a 12 kg carton of butter oil now sells at Taka 1700 which used to sell at

is lower than the mill rate traders say. More over, smuggled Indian sugar sells at much lower price than the locally produced sugar. A maund of locally produced sugar sells at Taka 1095 while Indian sugar sells at Tk 980 per maund. As a result, local mills are facing serious crisis. Traders draw only the amount required to save their quota.

Prices of pharmaceutical items of same ingredients produced by different companies often vary significantly.

The patients, being prescribed by the doctors have to buy the high rated items as the others are claimed to be sub-standard or not credible.

It is claimed by some doctors, producers of high rated medicines and some patients, Availing the opportunity of high demands, some companies create a gulf of difference between the prices of its products and the same products, produced by other companies, a pharmaceutical salesman said.

It was gathered that the price of Riboflavin, produced by Squibb and Chemist costs Taka 90 and Taka 80 per box while the costs of other companies vary from Taka 27 to Taka 33 per box.

Grysovine of Glaxo, Fulstrect of ICI and Sfulvine of Square costs Taka 7, Taka 4.50 and Taka 4.00 respectively, though all these contain some ingredients of same ratio, as claimed by the levels.

Colonel (Retd.) Mukhlesur Rahman, Director of Drug Administration said the administration considered two factors while chalking out the policy of fixing up the prices of pharmaceutical items - one was the active ingredients and the other excipient ingredients, the medicines contained within it.

The active ingredients refers to the chemicals and the excipient ingredients to the binding, flavour and packaging of the products.

The Director said a separate committee in the Administration was active in supervising the prices. He admitted that the prices of medicines were not supervised properly due to inadequate manpower and facilities of the drug administration.

National Professor Nurul Islam said the price variation was obvious, but it must be within the reasonable limit. He accused the law enforcing agency for this chaotic situation in the drug market and said they were not effective.

Prof. Islam discouraged both high and low rates of the pharmaceutical items. "Doctors had the vital role to play in this regard. They should consider many things while prescribing medicines for the patients and should be conversant of all latest information about medical science", Prof. Nurul Islam opined.

WASHINGTON, Feb 3: Although the United States is at war in the Gulf, President George Bush will ask Congress on Monday for a cut of 3.7 billion Dollars in U.S. defence spending for next year, officials said on Saturday, reports Reuter.

The proposed decrease would bring the U.S. defence budget for the financial year beginning October 1, 1991, to 295.2 billion Dollars, but would not include war costs estimated to be more than 500 million Dollars a day, the officials said.

Large oil field found in China

BEIJING, Feb 3: An oil field one and a half times the size of Taiwan has been discovered in China's far-western region of Xinjiang, an official newspaper reported Saturday, reports AP.

The 48,000 square kilometre (19,200 square mile) oil field was located in the Turpan-Hami Basin, in eastern Xinjiang, the China Daily said, quoting China National Petroleum Corp. Vice President Zhou Yongkang.

Mr. Zhou did not provide figures for oil reserves but said estimates could be expanded since exploration work was still incomplete.

Exploration is currently focused on the Qilqing and Shanshan areas, where 15 test wells have struck oil with industrial value, he said.

The official said 10 oil-bearing structures have been identified, adding that his corporation planned to build a large oil field with an annual capacity of two million tonnes over the next five years.

Capacity could be expanded to four million tonnes after 1990, Mr. Zhou said.

China, which began oil exploration in the basin in the 1950s, made the recent breakthrough by using advanced seismic technology.

China National Petroleum has spent more than 100 million yuan (19 million dollars) in exploration there so far, and has deployed 10 seismic survey teams and 41 drilling teams staffed by 14,000 workers, Mr. Zhou said.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

China's northwest has major oil deposits, particularly in the Tarim Basin. Despite the region's great potential, transportation problems in the landlocked area have prevented greater exploitation.

Snippets

China's wheat output rises
BEIJING, Feb 3: The People's Daily reported that China's wheat output per unit area is 40 percent higher than the world output per unit area, reports Xinhua.

The wheat output topped 100 billion kilograms last year, a 9.8 percent increase over 1984, and the per unit area yield reached 219 kilograms, a 14.1 percent increase. The wheat output for 1990 was the highest for any year in the history of China.

Last year's wheat output made China the world's number one producer of wheat.

Gold smuggler nabbed after feud with fiancée
NEW DELHI, Feb 3: Doctors examining the X-ray of a man shot by his jilted fiancée found eight gold pieces he had swallowed in a smuggling bid, newspapers reported Sunday, reports AP.

Taranjit Singh was arrested on smuggling charges while still in hospital. The Hindustan Times said.

His fiancée, who turned the gun on herself after shooting Singh, is admitted to the same hospital. She faces charges of attempted murder, the newspaper said.

Singh, 22, thought up a novel way to smuggle gold into India - he swallowed pieces of the metal while on holiday in Hong Kong, it said. He returned to New Delhi on Thursday.

All Share Price Index moves up
Star Economic Report
Trading was dull at Dhaka Stock Exchange (DSE) on Sunday with a marked decline in transactions in volume terms.

But All Share Price Index of DSE witnessed an upturn after successive declines in last fortnight. The index which is the barometer of price movements of all the listed stocks with the bourse rose to 336.325 points from Saturday's 336.214.

Mujor gains in the price of Uttara shares caused the index to move up. Uttara bank is one of high-capitalised listed stocks with the exchange.

In all, 2012 shares and debentures changed hands compared with Saturday's 2012.

Traded stocks valued Taka 89,720.00 against Taka 2,40,390 on the previous day. Transactions involved 14 stocks. Of them, three rose in prices, six fell and five remained unchanged at their previous quoted rates.

On the decliners side, million tannery in miscellaneous sector and Tallu Spinning in textiles lost Taka 3.65 and Taka 2.00 to Taka 26.36 and Taka 101.00 respectively at closing. Fifth ICB Mutual Fund declined Taka one to Taka 117.00. The marginal losers were BGIC in insurance, National Tubes in engineering and Ambec Pharma in pharma & chemicals, with their prices falling Taka 0.50 Taka 0.25 and Taka 0.44 respectively.

Among the gainers, Uttara Bank advanced Taka five to Taka 210.00 at closing. The debentures of Apex Tannery rose also Taka five to Taka 985.00. Saimhan textiles gained Taka 2.33 and closed at Taka 87.00.

Quoted prices of traded stocks
February 3

NAME	IV/ML	Closing (Taka)	Change (Taka)
Uttara Bank	100.5	210.00	(+5.00)
INVESTMENT			
5th ICB M. Fund	100.10	117.00	(1.00)
INSURANCE			
BGIC	100.10	105.50	(0.50)
ENGINEERING			
National Tubes	100.5	80.00	(Unchanged)
PHARMA & CHEM			
Ambec Pharma	100.10	116.00	(+2.00)
FOOD & ALIEN			
Zal Bangla Sugar	10.50	8.00	(Unchanged)
JUTE			
5th Jute Public Joint	100.5	95.00	(Unchanged)
PHARMA & CHEM			
Amber Pharma	10.50	13.50	(+0.44)
The Pharma	100.10	85.00	(Unchanged)
TEXTILE			
Saimhan Textile	100.10	87.00	(+2.33)
Tallu Spinning	100.10	101.00	(-2.00)
MISCELLANEOUS			
Millon Tannery	100.5	98.50	(+2.65)
Pharmaceutical	100.5	100.00	(Unchanged)
DEBENTURE			
Apex Tannery	1000.1	985.00	(+5.00)

Dhaka Stock Exchange Market Profile February 3

133 Listed stocks

3 Gainers 6 Losers 124 Unchanged *

*124 unchanged stocks include five traded on the day at the previous day's quoted prices.
DSE All Share Price Index = 336.325
Issued Capital = Taka 4,602,377,190.00
Market Capitalisation = Taka 9,610,787,259.00
Turnover = Taka 89720.00 (Value) 2012.00 (Volume).

Price Barometer: Essentials

February 3

Item	Price (Taka per Kg)
Rice (Aman Very fine)	17.00-18.00
Aman (fine)	14.00-15.00
Patang	13.00-14.00
Ufishi	11.50-12.50
VEGETABLES (Taka per kg)	
Potato (White)	5.00-5.50
Brinjal	7.00-10.00
Lady's finger	15.00-18.00
Cauliflower / piece	6.00-10.00
Karola	20.00-22.00
Lalshak	6.00-8.00
Green Banana (Four Pieces)	5.00-8.00
(MIRCHPOKRA) (Taka per kg)	
Flour	12.00-14.00
Atta	11.00-12.00
Wheat	9.50-10.00
FISH (Taka per kg)	
Ruhibig	120.00-130.00
Katibig	80.00-90.00
Hilsa	60.00-65.00
Shrimp (big)	80.00-100.00
Singi	55.00-60.00
Koi	60.00-70.00
PULSES (Taka per kg)	
Mash	36.00-40.00
Mung	34.00-36.00
Chhola	26.00-28.00
Moan	27.00-28.00
Khesari	18.00-20.00
MEAT (Taka per kg)	
Meatless day	
OIL (Taka per litre)	
Mustard	48.00-54.00
Soyabean	33.00-35.50
Coconut (Colombo)	60.00-64.00
Vegetable Ghee	44.00-52.00
SPICES (Taka per kg)	
Onion (new)	22.00-24.00
Garlic	48.00-52.00
Chillies	62.00-68.00
Tumeric (Round)	42.00-46.00
(Long)	48.00-52.00
Green chillies	20.00-24.00
Ginger	16.00-20.00
Cinnamon* (10gms)	3.00-3.50
Cardamom* (large)	8.00-8.50
Shir (50gms)	7.00-7.50
MISCELLANEOUS (Taka)	
Ghee	220.00-230.00
Sugar	31.00
Molasses	16.00-18.00

Source: Department of Agricultural Marketing

India in fiscal crisis despite IMF loans

NEW DELHI, Feb 3: Despite a 1.79 billion Dollar loan from the International Monetary Fund, India is grappling with what may be the worst fiscal crisis in its history, economists say, reports Reuter.

Finance Minister Yashwant Sinha said a bloated budget deficit in the culprit and the government will raise taxes and slash spending in the 1991/92 budget that begins in April. Even such sacred cows as food and fertilizer subsidies may be axed.

The starting point must be controlling the fiscal deficit he told reporters last week. "We are looking at the entire area of subsidies to see where they can be reduced."

"Undoubtedly, the economy is facing its worst fiscal crisis," economist P.R. Brahmananda said, citing vanishing foreign exchange reserves and the burgeoning deficit.

Official estimates say the current year will end in March with a deficit of 114 billion Rupees (6.2 billion Dollars). It was 111 billion in 1989/90.

HIDES & SKIN (Wet/Salted)

February 3

Item	Price (Taka per 100 pieces)
Cow	12,000.00 - 15,000.00
Light	25,000.00 - 30,000.00
Medium	35,000.00 - 40,000.00
Heavy	50,000.00 - 55,000.00
Very heavy	65,000.00 - 70,000.00
Rejected	25,000.00 - 30,000.00
Goat	
Big & heavy	12,000.00 - 12,500.00
Light & medium	7,000.00 - 7,500.00
Rejected	3,000.00 - 3,500.00
Sheep	9,000.00 - 10,000.00
BUFFALO	55,000.00 - 60,000.00

Source: Department of Agricultural Marketing

Exchange Rate

February 3

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (BC's) and Overseas Drafts (OD's) One Unit of Foreign Currencies (FC's) for Taka	Buying	Selling
US Dollar	35.9226	35.4433
UK Pound Sterling	70.8845	70.0628
German Deutsche	24.4754	24.1326
Mark		
French Franc	7.1924	7.0922
Saudi Riyal	9.6101	9.4819
Dutch Guilders	21.731	