

Asian stock markets close mostly higher

HONG KONG, July 15: Asian stock markets closed mostly higher Friday, with share prices surging in Hong Kong in active trading, reports AP.

The Hang Seng index, the Hong Kong market's key indicator of blue chips, rose 308.74 points, or 3.5 per cent, closing at 9,117.02. On Thursday, the index had slipped 20 points.

Turnover rose to 5,112 billion Hong Kong dollars 655 million US dollars up from Thursday's 3,838 billion Hong Kong dollars 492 million US dollar.

Brokers attributed the surge to the easing of worries that local and US interest rates will be raised in the near future.

In Tokyo, share prices closed higher for the third consecutive session.

The 225-issue Nikkei Stock Average gained 52.11 points, or 0.25 per cent, closing at 20,770.15. On Thursday, the average closed at 20,718.04 points, up 177.63 points or 0.86 per cent.

The Tokyo Stock Price Index of all issues listed on the first section rose 3.95 per cent, or 0.24 per cent, to 1,668.47.

Stocks edged higher as players were encouraged by signs of stability in the currency market.

Taiwan's forex reserves up

TAIPEI, July 15: Taiwan's foreign currency reserves increased to US \$7.79 billion dollars at the end of May, the highest in almost two years, the island's Central Bank of China reported Friday, says AP.

Central Bank officials attributed the increase to a stronger German mark and the continued flow of overseas funds for equity investments in Taiwan.

SEATTLE: Share prices closed higher in active trading. The market's Weighted Index rose 102.89 points to 6,407.50.

MANILA: Share prices closed higher in active trading. The Philippines unified composite index of 31 selected issues rose 47.07 points to 2,604.90.

SYDNEY: Australian share prices closed higher, buoyed by sharp gains in share price index futures and general bullishness following strength on overseas exchanges overnight. The All Ordinaries Index rose 50.4 points to 2,058.1.

SEOUL: Share prices closed lower after a flurry of late selling by institutional investors. The Korea Composite Stock Price Index fell 8.48 points to 950.24.

SINGAPORE: Share prices closed higher for the third straight day. The 30-share Straits Times Industrials (STI) index rose 8.54 points to 2,198.32.

KUALA LUMPUR: Malaysian share prices closed higher despite some profit-taking. The Kuala Lumpur Stock Exchange's Composite Index rose 1.31 points to 1,012.11.

BANGKOK: Thai stock prices closed higher in active trading. The Stock Exchange of Thailand (SET) index rose 42.80 points to 1,344.17.

Wellington: New Zealand share prices closed higher in reaction to a rally in global bond markets on Thursday. The NZSE-40 Capital Index rose 38.41 points to 2,012.51.

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Monsoon brings hope for India's sagging bourses

BOMBAY, July 15: Good monsoon rains in the wake of a corporate recovery have fuelled hopes of a rebound of India's sagging stock markets, analysts say, reports AFP.

Share prices and business volume have fallen on the Bombay Stock Exchange (BSE), the country's premier bourse, in a three-week slump amid little buying interest from local operators and foreign and domestic institutional investors.

Bhagirath Merchant, President of the BSE, said the almost complete absence of speculative activity was partly responsible for the slump, which reflects a general trend on Asian emerging markets.

The market regulator, the Securities and Exchange Board of India banned forward trading in December and three months later put in place a set of tough laws to curb excessive speculation, dampening local buying interest.

"The situation is not very healthy," said Merchant, but he forecast a bright medium- and long-term outlook for the market.

Merchant cited plentiful monsoon rains, which feed the major portion of India's crops, as a reason for hope of continuing corporate growth and a consequent share price recovery.

"The rains are quite good and widespread and the crop would be good, leading to a rise in rural incomes and purchasing power," the BSE president said.

The BSE's sensitive index of 30 blue-chip shares is now hovering around 4,100 points after touching a year's high of 4,332.98 points on June 20.

Stock broker Ajit Ambani said the slump was temporary, expecting buyers to be lured back into the market by the rains, which follow excellent financial results declared by corporate majors for fiscal 1993-94 ending March 31.

"The sensex should shoot up to 4,500 points by September or October," Ambani said, citing the normal monsoon for a seventh successive year, political stability and business growth as encouraging factors.

"Almost 80 per cent of the companies have declared their annual results. The corporate

performance has been excellent and a lot of companies have also announced bonus issues," he said.

Foreign institutional investors said the share price slump here reflected the trend in emerging markets. Investor interest has shifted out of equities with US interest rates rising to prop up the weak dollar, they said.

"This is part of globalisation," said Imran Contractor, analyst with the foreign brokerage WI (Far East). "But the outlook is positive in the long-term as a lot of firms are coming to the market and the rains have been good."

Sri Shankar of Hoare Govett Asia predicted that the BSE sensitive index would touch 5,000 points by October-November.

He said the time was ripe for long-term investors to pick up stock. "There is a fair amount of selling going on and prices are down. This is the time to buy," he said.

India has 23 bourses and the BSE is the oldest and the largest, accounting for some 70 per cent of the country's trade in stocks.



Leftist students scuffle with police during a demonstration near the US embassy in Manila on Thursday to protest alleged World Bank and International Monetary Fund impositions on the Philippines.

— AFP photo

UN report says

WB, IMF should strike at global economic imbalances

UNITED NATIONS, July 15: A major new study of the United Nations says the World Bank and the International Monetary Fund should attack the world's economic inequalities rather than overestimate their value to poor nations, reports Reuters.

"The World Bank has, of course, done useful work, but the realities do not really match the mystique," said the report, financed by the Ford Foundation.

Entitled "Renewing the United Nations System," the study was written by Erskine Childers and Sir Brian Urquhart, former senior UN officials and authors of several authoritative books on the United Nations.

Their book recommends radical reforms of other UN structures, including grouping all of its specialised agencies in one location instead of scattering them around the world.

It analyses UN economic and social activities rather than peacekeeping operations, saying that the world body has been denuded of a meaningful role in many such activities.

Both the Washington-based World Bank and the International Monetary Fund, nominal members of the UN system, have pledged to coordinate with UN bodies but do so accidentally rather than by design.

The authors characterised recent separate negotiations with the El Salvador government by the Bank and the IMF on one side and the United Nations on the other as akin to performing "unrelated surgery" on the same patient.

Among their recommendations: Secretary General Boutros Boutros-Ghali should organise world experts to make proposals on the World Bank and IMF when heads of state gather for the UN 50th anniversary next year.

The United Nations should consider setting up its own non-commercial bank to complement the commercial lending to developing states by the World Bank.

The General Agreement on Tariffs and Trade (GATT), which they say denies too many states a fair share of world trade, should be replaced by a genuine international trade organisation to include all countries in the world.

At minimum, the authors contend the IMF should live up to claims of devising macro-economic or big-picture strategies.

"While the United Nations has been denied its role as a forum for agreeing equitable macro-economic strategies, such strategies have not been formulated at the International Monetary Fund either," they say. "For most developing countries the experience has been disastrous."

Prospects for British economy look rosy: Analysts

LONDON, July 15: Prospects for the British economy looked rosy on Wednesday after a batch of statistics showed falling unemployment, underlying inflation at its lowest point for 25 years, and stable average earnings, analysts said, reports AFP.

"Everything in the garden is wonderful at the moment," said John Shepherd, Chief Economist at the Japanese Bank Yamaichi International.

"We have got non-inflationary growth — an excellent combination from the government's point of view."

The number of people unemployed in Britain fell by 18,600 in June, annual inflation was stable at 2.6 per cent, and average earnings were steady, showing a 3.75 per cent monthly increase, the Central Statistical Office (CSO) said.

A treasury spokesman said the data was "consistent with economic recovery."

The number of people without work, on a seasonally adjusted basis, fell by 18,600 in June to a total of 2,642,000 taking the rate to 9.4 per cent of the working population, unchanged from May. Analysts had forecast a decline of 20,000.

The June fall in unemployment brought the number of jobless down 330,000 since the peak reached at the end of 1993.

Inflation was unchanged in June from May, when prices rose 0.3 per cent, and was up an annual 2.6 per cent, unchanged from the two previous months. Analysts had expected the 12 month June figure at 2.7 per cent.

Underlying inflation, which excludes mortgage payments, showed a monthly fall of 0.1 per cent compared to a rise of 0.4 per cent in May and an annual rise of 2.4 per cent in June from 2.5 per cent in May.

This was below analysts' expectations of 2.6 per cent and was the lowest point for 25 years, the treasury said.

The CSO said price increases in alcohol in public houses, housing costs and fars had been broadly offset by falls in personal goods prices, seasonal food prices and the start of the summer sales for clothing leisure goods.

The underlying figure, which is regarded as a more reliable figure, remained in line with the government's target of between one and four per cent until 1997 by which time a general election must have been called.

Shepherd said that overall the figures suggested that in the near term inflation was not a problem and that there was no need for a base rate rise from the current 5.25 per cent to prevent the economy overheating.

Greenback gains ground against currencies in New York

NEW YORK, July 15: The dollar gained ground against other major currencies on Wall Street Thursday after Treasury Secretary Lloyd Bentsen said that the government wanted a strong dollar and was concerned over the currency's recent losses, reports AFP.

The ounce of gold meanwhile was up 70 cents from its Wednesday close at 384.10 dollars.

At 1700 GMT, the dollar was up at 1.5525 German marks compared to 1.5419 German marks at Wednesday's close and at 98.30 yen contre (98.25).

The greenback was also up at 1.3105 Swiss francs (1.3000), at 5.3240 French francs (5.2800) and at 0.6414 pound sterling (0.6394).

The markets broke out of their doldrums after Bentsen spoke at the White House and the dollar quickly reached the 1.5550 German marks barrier, a New York-based dealer with credit Lyonnais said.

The dollar was also boosted by the firmness of other US markets, analysts said.

"Some people are very optimistic and see the dollar at 1.5650 German marks before the weekend, but personally I think that 1.56 marks and 99 yen is already optimistic," the credit Lyonnais dealer said.

Garment workers in Ho Chi Minh city on strike for wages

HANOI, July 15: More than 300 workers are on strike from an unauthorised Taiwanese garment factory in Ho Chi Minh city because of delays in receiving pay, a report said today, reports AFP.

The workers walked off their jobs Tuesday after the Manager of the Minh Nhat factory refused to pay their wages following a dispute with a Taiwanese man who set up the company, the Lao Dong newspaper said.

The Taiwanese businessman, named by the labour newspaper as Em Won-Suh, paid the Vietnamese manager to set up the factory without going through normal licensing processes for foreign companies.

The deal backfired when a garment order from Japan was cancelled, prompting a dispute between the two and the freezing of pay to the 300 workers.

Toyota's purchase of foreign auto parts up 12 pc

TOKYO, July 15: Toyota Motor Corp, Japan's largest automaker, said Friday its purchases of foreign auto parts rose 12 per cent to 7.02 billion dollars in the year ending March 31, reports AP.

Toyota's purchases of foreign parts have now risen 72 per cent since 1990, partly because the rising Japanese yen makes foreign goods cheaper for Japanese companies.

But the rate of increase slowed in 1993, and the company said it would take considerably effort to meet its target of 9.7 billion dollars in foreign parts purchases in the year ending March 1997.

"Given that we've put out this target, all we can do is try our best. Come what may, we're going to meet it," said company spokesman Nobuya Eto.

US negotiators have demanded that Japanese automakers buy more American parts. Washington says Japanese firms rely too heavily on affiliated parts makers with whom they have built up relationships over several decades.

Construction of China's biggest aluminium plant at final stage

NANNING, July 15: The first phase construction of China's largest aluminium smelting project — Guangxi Pingguo Aluminium Smelting Complex — is entering its final stage, and the plant is expected to begin operation at the end of September, reports Xinhua.

Up to now, 90 per cent of the construction has been completed and 75 per cent of the facilities have been installed.

Located in the western part of the Guangxi Zhuang autonomous region, the complex is considered the largest and most advanced in technology of its kind, as it has introduced technology and facilities from France, Sweden, the Netherlands, Denmark, Germany, the United States and Japan.



Additional Secretary of Economic Relations Division Dr Saadat Husain and Japanese Ambassador to Bangladesh Shigeo Takenaka seen signing, on behalf of their respective governments, an agreement concerning Taka 320 crore Japanese grant aid for debt relief, in the city on Thursday.

— PID photo

Exchange Rates

Following are the Sonali Bank's dealing rates to public for some selected foreign currencies effective as on July 14 and 15.

Currency	Selling				Buying			
	TT & OD	EC	TT	OD	TT	OD	TT	OD
US Dollar	40.3875	40.4150	40.1600	40.0725	39.9475	40.0725	39.9475	40.0725
Pound Sterling	63.4981	63.5413	61.8760	61.7412	61.5486	61.7412	61.5486	61.7412
DM	26.4724	26.4905	25.7853	25.7291	25.6489	25.7291	25.6489	25.7291
F Franc	7.7286	7.7338	7.5300	7.5136	7.4901	7.5136	7.4901	7.5136
C Dollar	29.5590	29.5791	28.7896	28.7268	28.6372	28.7268	28.6372	28.7268
S Franc	31.3780	31.3993	30.5599	30.4933	30.3982	30.4933	30.3982	30.4933
Jap Yen	0.4172	0.4175	0.4022	0.4013	0.4001	0.4013	0.4001	0.4013
Indian Rupee (AMU)	1.2908	1.2973	1.2754	1.2594	1.2594	1.2594	1.2594	1.2594
Pak Rupee (AMU)	1.3204	1.3270	1.3046	1.2883	1.2883	1.2883	1.2883	1.2883
Iranian Ryal (AMU)	0.0231	0.0232	0.0228	0.0225	0.0225	0.0225	0.0225	0.0225
A) T. T. (DOC) US Dollar Spot Buying Tk	40.1162							
B) Usance Rates:								
30 Days DA	39.8092	39.8247	39.2402	38.9558	38.8668	38.9558	38.8668	38.9558
60 Days DA	39.8092	39.8247	39.2402	38.9558	38.8668	38.9558	38.8668	38.9558
90 Days DA	39.8092	39.8247	39.2402	38.9558	38.8668	38.9558	38.8668	38.9558
120 Days DA	39.8092	39.8247	39.2402	38.9558	38.8668	38.9558	38.8668	38.9558
180 Days DA	39.8092	39.8247	39.2402	38.9558	38.8668	38.9558	38.8668	38.9558
C) US Dollar sight export bill 3 months forward purchase:	Tk. 40.0725							
D) US Dollar 3 months forward sale:	Tk. 40.6150							

Currency	Selling		Buying	
	T.T. & O.D.	O.D. Transfer	O.D. Transfer	O.D. Transfer
S Riyal	10.7707	10.7707	10.6530	10.6530
UAE Dirham	10.9986	10.9986	10.8765	10.8765
Kuwait Dinar	137.1096	137.1096	135.2802	135.2802
Singapore Dollar	26.7411	26.7411	26.4253	26.4253
D Guilders	23.5209	23.5209	23.2594	23.2594
S Kroner	5.3384	5.3384	5.2778	5.2778
Malaysian Ringgit	15.6118	15.6118	15.4397	15.4397

Note: AMU—Asian Monetary Unit

Shipping Intelligence

Chittagong Port									
Berth position and performance of vessels as on 14-7-1994									
Berth	Name of vessels	Cargo	Last Port	Local Call Agent	Date of Arrival	Date of Leaving	Arrival	Leaving	Arrival
J/1	Nand Bhagratih	HBI	MAGD	OTL	7/7	18/7	18/7	18/7	18/7
J/2	Seli Bishr	SS(P)	Kara	MMI	11/7	18/7	18/7	18/7	18/7
J/3	*Amila	M. Seed	Dunk	LTL	2/7	18/7	18/7	18/7	18/7
J/4	Sea Lady	Cement	Sing	HSL	20/6	15/7	15/7	15/7	15/7
J/5	Catrina	Sugar(P)	Kaus	Seacom	8/7	20/7	20/7	20/7	20/7
J/6	*Al Swamruz	GI	Pena	ASLL	29/6	14/7	14/7	14/7	14/7
J/7	Sea Song	Wheat(P)	Gara	Seacoast	10/6	20/7	20/7	20/7	20/7
J/8	Perla One	Cement	Sing	PSAL	28/6	19/7	19/7	19/7	19/7
J/9	Banglar Maya	GI	Yamen	BSC	24/6	15/7	15/7	15/7	15/7
J/10	Dolores	Idle	Seacom	R/A	20/7	20/7	20/7	20/7	20/7
J/11	*Fantasy	Rice(P)	Sing	SES	2/6	14/7	14/7	14/7	14/7
J/12	Stamar	Wheat(P)	P. Land	MSA	3/7	15/7	15/7	15/7	15/7
J/13	Elpis	Cement	Sing	PSAL	1/7	15/7	15/7	15/7	15/7
MPB/1	*I.Yamburenko	Cont	Sing	GT	10/7	14/7	14/7	14/7	14/7
MPB/2	*Imke Wehr	Cont	Sing	APL(B)	9/7	14/7	14/7	14/7	14/7
	Fong Yun	Cont	Sing	BDShip	12/7	16/7	16/7	16/7	16/7
CCJ.	*Arcadia-1	C. Clink	Visa	Seacom	23/6	14/7	14/7	14/7	14/7
GSJ.	*Banglar Asha	Wheat(G)	Seacom	BSC	R/A	22/7	22/7	22/7	22/7
RM/4	Jala Mudra	Cement	Jaka	USTC	6/7	17/7	17/7	17/7	17/7
RM/5	Tram Trinta	HSD/MSD	Sing	MSPL	10/7	16/7	16/7	16/7	16/7
RM/6	Pada	SKO/J.P-1	Sing	MSPL	13/7	16/7	16/7	16/7	16/7
DAJ.	*Banglar Shourabh	C. Oil	BSC	R/A	R/A	17/7	17/7	17/7	17/7
DDJ/1	I'carl One	Repair	Yang	ENCL	15/6	20/7	20/7	20/7	20/7
DDJ/2	Kaptai	Repair	R	Karna	R/A	17/7	17/7	17/7	17/7
RM/9	Banglar Shobha	Repair	Pase	BSC	22/6	20/7	20/7	20/7	20/7
CUFJ.	Orupia	Urea	Monf	ISTA	22/6	16/7	16/7	16/7	16/7