

He is known as Mr Copper

NEW YORK, June 15: He was known by fellow traders as Mr. Copper, reports AP. They called him the most powerful player in the multi-billion dollar world market - able to move copper prices with huge transactions that sometimes involved hundreds of millions of dollars.

Now, though, far less flattering superlatives are used to describe Yasuo Hamanaka, the former head copper trader at Japan's Sumitomo Corp.

Accused mastermind of one of the biggest financial frauds ever cover-up artist who hid an estimated 1.8 billion dollars in losses from his employer.

Sumitomo Corp, the leading player in the global copper business, said Thursday Hamanaka admitted falsifying the company's books for 10 years to conceal his cover-up from the company. The size of the loss makes it the biggest ever blamed on the unauthorized activities of a single trader.

As fellow players in copper markets here and abroad reflected Friday on Hamanaka's sudden downfall, a common theme emerged.

"Everyone was familiar with him," said a trader in the copper floor of the New York Mercantile Exchange. If his name was mentioned as the trader behind a big transaction, "It would make me quiver."

"He was the most feared man in the copper market," said another New York trader. "In copper as in any physical commodity, whoever controls the chips in the game controlled the way things proceeded."

These traders spoke on condition they not be identified by name because their employers had banned them from discussing the Sumitomo scandal - an indication of the company's influence.

The downfall of Hamanaka, 48, was just the latest financial scandal to hit a big world corporation.

Regulators begin to dissect Sumitomo copper scandal

WASHINGTON, June 15: Around the world, regulators moved Friday to calm copper markets thrown into turmoil by a Sumitomo Corp. disclosure that a rogue trader hid up to 1.8 billion dollars in losses, reports AP.

In London, Britain's Serious Fraud Office and local police opened a fraud investigation.

The activity comes after Sumitomo, a giant Japanese company with 152 billion dollars in sales last year, disclosed that its powerful copper trader, Yasuo Hamanaka, 48, falsified the company's books and records to cover up losses over a 10-year period.

The disclosure jolted the world's copper markets. On the London Metal Exchange, the contract for delivery in three months dropped as low as 1.860 dollars a metric ton, down from 2.145 dollars at the close of trading Thursday. It later recovered partly to 1.980 dollars.

In the United States, copper for July delivery fell sharply, down 10.3 cents to 93.85 dollars a pound on the COMEX division of the New York Mercantile Exchange.

although somewhat higher than the day's lows.

Aside from the intense price volatility, the Sumitomo scandal's impact on US firms and the financial markets as a whole appeared limited. But big copper mining companies expressed concern about the impact. Even the finance minister of Chile, one of the world's leading copper producers, got spooked.

"The fall of copper prices worries me because it reduces our fiscal income," Finance Minister Eduardo Aninat told a news conference in Santiago. Sumitomo didn't directly deal on the COMEX or any US commodities markets, although its activities certainly affected global copper prices. Regulators and traders both here and abroad were counting on Sumitomo's promise to stand fully behind its trades and other obligations.

Regulators said they weren't concerned that US firms active in the London market, such as Merrill Lynch and Co, would be damaged.

"We don't have any discomfort in terms of anything concerning the US broker-dealers," said a senior Washington regulator, who spoke on condition of anonymity.

Traders in New York said they suffered relatively few losses compared to their counterparts overnight in London, where traders are free to borrow money to play the market.

Regulators say the focus of their investigations is in London, where Hamanaka's trading was heaviest. Britain's Serious Fraud Office, which probes complex financial crimes, announced it was opening an investigation of the Sumitomo matter after discussions with Britain's main financial markets regulator, the Securities and Investment Board.

Celinwen Jones, a spokeswoman at the Serious Fraud Office, declined to provide further details or say if Hamanaka was a target of the probe. The London Metals Exchange, where 94 per cent of the world's copper is traded, and the Securities and Investment Board said they were investigating the copper markets, in cooperation with the CFTC.

Lanka announces ambitious plan to invest \$2b in southern region

COLOMBO, June 15: Sri Lanka announced yesterday an ambitious plan to invest up to two billion dollars in the island's southern region, a hot bed of unemployment and the birth place of two leftist anti-government insurrections, reports AP.

The head of the Southern Development Authority (SDA) Navin Generatne said they wanted to make the investments in the next five years and expected nearly 75 per cent of the money to come from local and foreign private sectors.

"There has been a lack of co-ordination in implementing development projects in the region," Generatne told reporters here. "The south has been one of the most neglected areas of the country."

Leftist militants, staged a failed insurrection in 1971 and attempted another between 1988 and 1990 when they were put down in a violent crackdown.

The country's top bureaucrat, Kumumstri Balapataband who is the secretary to President Chandrika Kumratunga said the Southern Development Authority had priority to push through several schemes to enhance employment.

"The reason for the youth unrest in the south was because there was no planned development activities in the area," one bureaucrat said.



Chinese Vice Minister for Foreign Trade Shi Guangsheng (R) leads US Trade Representative Charlene Barshefsky and her deputy Lee Sands (C) to the start of talks in Beijing aimed at resolving a dispute over copyright piracy that has brought their countries to the brink of a trade war. Barshefsky will have two rounds of talks before the 17 June trade war deadline. —AFP/UNB photo

WB to urge int'l donors to pay out promised money to Bosnia

FLORENCE, Italy, June 15: The World Bank said on yesterday it would urge international donors to Bosnia to pay out promised aid money to make sure there is a visible peace dividend before national elections due this autumn, says Reuters.

"The international community has pledged 1.8 billion dollars for reconstruction in 1996, but the World Bank said in a report for a meeting of nations and organisations charged with overseeing Bosnia's peace that not all the cash had been firmly committed.

"Several key donors have not committed all or part of their funds," the World Bank said in the report, which it will present on Friday to the meeting in the central Italian city of Florence, a copy was released in advance.

"Timing is everything,"

Assistance should be front-loaded to ensure a visible peace dividend" before the elections.

"Donor commitments to support the (government's) priority reconstruction programme are needed now."

Under the Dayton deal which ended war in Bosnia, elections are due to be held by September 14. The Florence meeting was expected to set that as the poll date despite fears that not all conditions were in place to ensure a free and fair procedure.

The Bosnian government with the support of the European Commission, the World Bank and the European Bank for Reconstruction and Development, worked out a 5.1 billion dollar, three-to-four year plan which was endorsed by donors in December to start

repairing the estimated 50 billion dollar war damage.

"About 20 per cent of 1996 pledges are still uncommitted or uncommitted," the World Bank said.

"The World Bank said the peace dividend could lead to a considerable economic benefit. "With the reconstruction programme now under way, 1996 growth rates could reach around 35-40 per cent," it said.

"Assuming growth averages about 10 per cent per year between 1996-2000, GDP could recover to close to two-thirds of its pre-war level by the year 2000."

It said per capita income was around 1,900 dollar below the 43-month war in Bosnia.

The World Bank said it had committed 160 million dollars towards seven projects, covering infrastructure, agriculture and small businesses, water and sewage projects, transport, heating, education and the rehabilitation of war victims.

It plans to support eight more, including power projects, landmine clearing, housing, hospital and public works.

Bosnia, now a member of the International Monetary Fund, has struck a deal with the World Bank which consolidates its outstanding principal and interest arrears into a new 30-year loan and reduces debt-servicing charges.

But the bank called for further steps to kick-start Bosnia's economy. "Normalisation of relations with other creditors - and in particular with the Paris and London clubs - is now of critical importance," it said.

It also urged donors to think ahead now: "since reconstruction in Bosnia will require sustained commitment, donors need to think ahead already now, to their reconstruction pledges for 1997 and beyond."

Good harvest for China's summer grain depends on weather

BEIJING, June 15: A good harvest for China's summer grain is in sight if there are no abnormal weather changes in the coming days, according to an official with the Ministry of Agriculture, reports Xinhua.

He forecasts that the summer grain output will be same as last year, or up a little, adding that the exact output still depends on the weather conditions in the next few days.

China produced 106.55 billion kilograms of summer grain last year.

The southern parts of China have finished reaping, while the northern parts are fully occupied with gathering in crops.

The official noted that wheat suffered lodging or began to sprout in some parts of the middle and lower reaches of the Yangtze river, which experienced cloudy days over the past few days.

According to the State Bureau of Meteorology, north China will enjoy sunny and cloudy days during June 12-16, which will be good for harvest.

The official also said that a dry-hot wind did not occur this year.

The drought and low temperatures in the early days did not cause a big loss to wheat growth, either, the official added.

US turns down maritime liberalisation initiative

WASHINGTON, June 15: The United States rejected yesterday a package of 23 offers from various countries aimed at liberalising global maritime transport services, a top US trade official announced, reports AP.

"There is little to be considered market-opening or trade liberalising," Charlene Barshefsky, the acting US Trade Representative, said in a statement.

The announcement, which was expected, dealt a serious blow yesterday to World Trade Organisation (WTO) negotiations aimed at liberalising maritime transport services. Barshefsky is also the US ambassador to the talks.

As the proposals on the table were inadequate, the United States has no reason to submit an offer to the WTO, the statement added.

The United States would consider other offers that might be made by conference participants before the WTO negotiations are scheduled to conclude June 30th.

In all, 50 countries are attending the negotiations to liberalise world maritime transport services, which are the last of three items that were unresolved when the Uruguay Round of talks created the WTO as the successor to the General Agreement on Tariffs and Trade.

Talks in the other two areas - financial services last year and telecommunications in April - also failed to produce an agreement, damaging the credibility of the fledgling trade organisation.

The maritime services being considered in the current negotiations cover freight, auxiliary services, and the access and use of port facilities.

Exchange Rates

Table with Sonali Bank header, listing selling and buying rates for various currencies like USD, GBP, DM, FRF, CAD, SFR, and JYEN.

Table with Janata Bank header, listing selling and buying rates for various currencies like Saudi Riyal, UAE Dirham, Kuwait Dinar, etc.

Table with Janata Bank header, listing selling and buying rates in cash currency for public, including US Dollar, GBP, S.Riyal, UAE Dirham, and Koru Dinar.

Shipping Intelligence

Table titled 'Chittagong port' showing berth position and performance of vessels as on 15.6.96, with columns for Berth, Name of vessels, Cargo, L port call, Local agent, Date of arrival, and Leaving.

Table titled 'Vessels due at outer anchorage' showing Name of vessels, Date of arrival, L port call, Local agent, Cargo, and Loading port.

Table titled 'Vessels at Kutubdia' showing Name of vessels, Cargo, L Port call, Local agent, and Date of arrival.

Table titled 'Vessels at outer anchorage' showing Name of vessels, Date of arrival, L port call, Local agent, Cargo, and Loading port.

Table titled 'Vessels not ready' showing Name of vessels, Date of arrival, L port call, Local agent, Cargo, and Loading port.

Table titled 'Vessels awaiting instruction' showing Name of vessels, Date of arrival, L port call, Local agent, Cargo, and Loading port.

Table titled 'Vessels not entering' showing Name of vessels, Date of arrival, L port call, Local agent, Cargo, and Loading port.

Table titled 'Movement of vessels for 16/6/96' showing Outgoing, Incoming, and Shifting vessels.

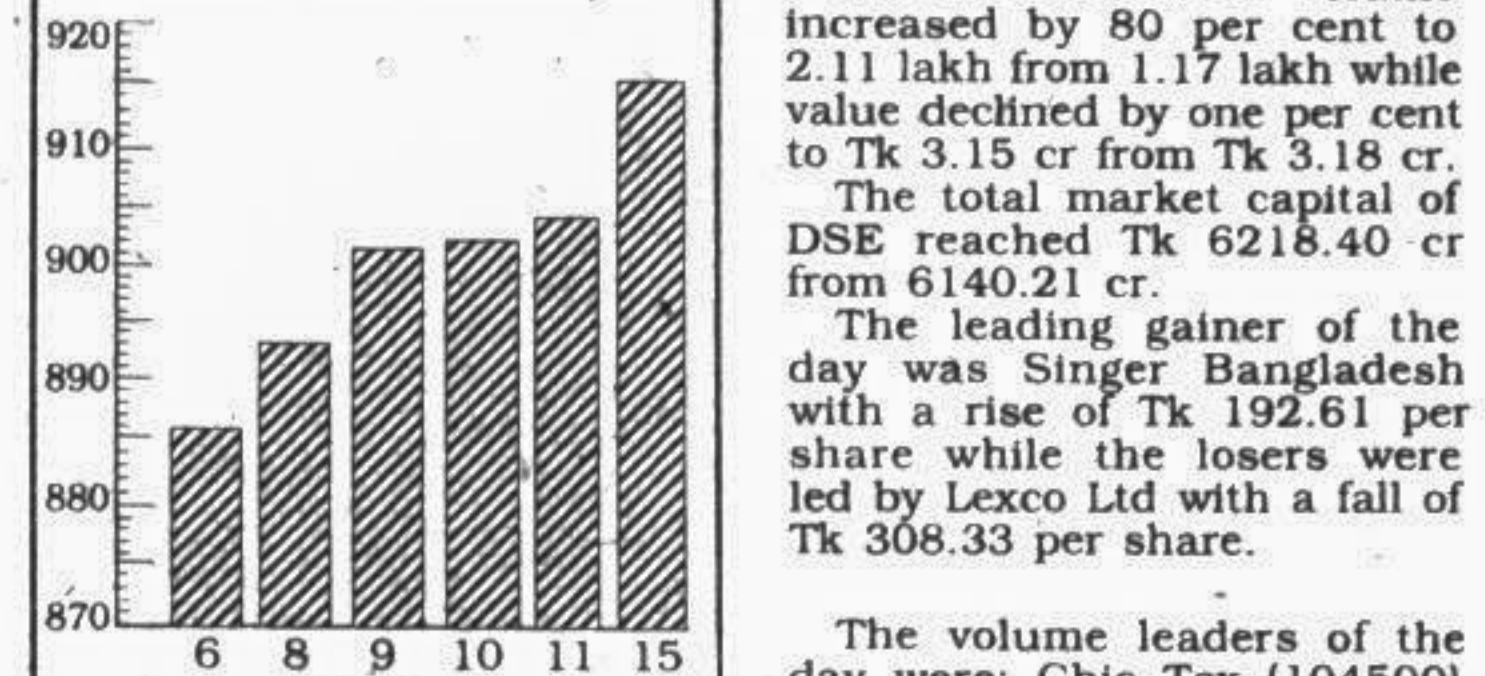
Large table listing shipping companies (AB Bank, IFIC, National Bank, etc.) and their share prices and debenture rates.

Dhaka Stock Prices

At the close of trading on June 15, 1996

12-point rise in index

The Dhaka Stock Exchange All Share Price Index rose by 11.52 points to 915.82



The transaction in volume increased by 80 per cent to 2.11 lakh from 1.17 lakh while value declined by one per cent to Tk 3.15 cr from Tk 3.18 cr.

The leading gainer of the day was Singer Bangladesh with a rise of Tk 192.61 per share while the losers were led by Lexco Ltd with a fall of Tk 308.33 per share.

The volume leaders of the day were: Chic Tex (104500) and Beximco Pharma (20200).

Trading at a glance

Table listing various companies and their trading performance, including DSE All Price Index, Market Capital Tk, and various company names like Quasem Textile, Saitam Textile, etc.

DSE Shares and Debentures

Table listing company names, share prices, and debenture rates for various firms like Quasem Silk, Saitam Textile, etc.