

Rouble firms further

MOSCOW, Sept 11: The rouble rallied for a second day on Thursday, firming 22 per cent to a central bank official rate of 12.8749 to the dollar from 15.77 yesterday, Interfax reported, says AFP.

The rouble had earlier appreciated as high as 10.7 to the greenback in electronic inter-bank trade. On Wednesday, it rallied 32 per cent, as bank which had frantically dolared their rouble assets began selling dollars against to boost their rouble liquidity.

Traders said their Thursday's rally might also reflect banks' liquidity problems as well as market intervention by the Russian central bank.

"The banks are still liquid, there has also been some intervention from the central bank, but it was not much since we are only seeing trading volumes of about 40 million dollars," said Dmitry Melyoshin of Ing Bank.

The central bank had been spending up to two billion dollars a week before freezing MICEX floor trading last month as the government's vaults ran dangerously dry.

It has since abandoned efforts to fix the exchange rate, although it participated in trading on Wednesday and Thursday.

"It is difficult to say which way we will go next," Melyoshin said. "A lot will depend on the politics."

Bangladesh takes part in Frankfurt Int'l Trade Fair

Bangladesh recently participated in the 'Frankfurt Int'l Trade Fair '98' in Germany, held between August 29-September 2, says an EPB press statement.

Under the management of the Export Promotion Bureau (EPB), 4 companies — M/S. Skylab & Fam Ltd, M/S. TDK, M/S. Leather Cottage and M/S. Creation (Pvt) Ltd — participated the fair.

Products exhibited at the Bangladesh stand included cane and jute handicrafts, leather products, paper-made products and a variety of other handicraft items. The buyers and importers showed their special interest in Bangladeshi products, particularly in leather and paper-made items.

During the fair, Bangladesh received spot orders worth US \$ 3,57,000 for export of cane, leather, paper and other handicrafts. Another order for \$ 500,000 is also being finalised for export of paper-made products.

Frankfurt Int'l Trade Fair is a well-known international fair for handicrafts.

Wall Street impact

Filipino stocks hit 7-year low

MANILA, Sept 11: Philippine stocks plunged again Friday, with main index dropping 1.6 per cent to a nearly seven-year low as Wall Street's steep overnight fall dragged down Asian markets, traders said, reports AP.

The Philippine market now joins the ranks of Asia's worst performing bourses, said Edgar Bancod, senior analyst for Paribas Asia Equity Securities Philippines Inc.

"We have under performed everybody else in Asia, except Indonesia, China and Pakistan," he said.

Preliminary data showed the 30-share Philippine Stock Exchange Index fell 17.99 points, or 1.6 per cent, to 1,082.18, its lowest closing level in nearly seven years. The last time the index finished below that level was on Nov. 7, 1991, at 1,056.91.

On Thursday the index lost 57.26 points, or 4.9 per cent. Blue-chip stocks once again dominated Friday's sell-down. Traders said the departure of foreign investors triggered a heavy sell-off suffered by index heavyweight stocks.

"We're now touching the core holdings of foreign funds," said Francisco Liboro, research head of PCCI Securities Brokers Corp.

"The threshold for the PSE Index is 1,000 points. The trend is still downward," he said. Bancod said foreign fund managers are no longer as upbeat about the country's economic prospects, convinced that the Philippines will join the rest of the region in a recession.

"If you look at the numbers, it's true we're headed for a recession — but we're still a whole lot better than anywhere else" in the region, he said.

Traders said investors were too preoccupied with unloading holdings to pay much attention to market rumors of corporate takeovers that could have sparked buying in some blue chips.

Those investors still in the market are just playing musical chairs by transferring funds from one stock to another," said Ian Kane, trader for Anscor-Hagerman Securities.

In currency trading, the peso strengthened against the dollar, buoyed by slight gains in the yen and weak demand for the US currency, traders said.

At midday the dollar averaged 43.776 pesos, down from Thursday's average of 43.935 pesos.

Traders said most banks and commercial lenders were staying in the sidelines, and holding off substantial dollar purchases until the peso-dollar rate stabilizes.

Russia needs time to tackle its economic crisis: Primakov

MOSCOW, Sept 11: Acting Prime Minister Yevgeny Primakov said Friday a new government would need time to tackle Russia's economic crisis and he appealed to all political factions for support, reports AP.

Primakov, whose appointment was expected to be confirmed by lawmakers later Friday, was keeping quiet about his likely economic policies. He told political leaders they should give the next government up to a year before deciding if it was succeeding or not.

"I am for consolidation of all political forces and mobilization of all efforts in order to come out of the crisis and preserve Russia as a strong state," he was quoted as saying by the ITAR-Tass news agency.

President Boris Yeltsin said a major crisis had been avoided by compromise and that Primakov had strong backing from all sides. He called for measures to stabilize prices, restore supplies to shops and prop up the banking system.

"I understand that it's hard for everyone, but one cannot give in to emotions...we'll have to draw lessons from the current crisis and now we'll have to work on overcoming it," Yeltsin said in a television address to the nation.

Communist lawmakers said they expected some of their supporters to be named to posts in the new Cabinet, but Primakov said it was too early to speak of policies or appointments.

Communist deputy Yuri Maslyukov, a Soviet-era economic official, would likely be first deputy prime minister for economic affairs, Duma deputies said. Maslyukov is a technocrat who until recently was trade and industry minister.

Meanwhile, opposition and pro-government political leaders hailed Yeltsin's decision to nominate Primakov for premier.

"Common sense has prevailed in our state," Communist leader Gennady Zyuganov said Thursday. Zyuganov spearheaded the opposition to the premier candidate for premier, Viktor Chernomyrdin.

Primakov, a former KGB spy chief respected across the political spectrum, will need to quickly assemble a Cabinet to deal with the most severe economic crisis since the Soviet collapse. The rouble has plummeted, industrial production is stagnant and the government is broken.

Despite such deep economic problems, Primakov's nomination raised hopes on Russia's battered markets. The price of the rouble was between 10 and 12 to the US dollar — up from 17 last Friday.

Primakov, 68, is supported by all but one of parliament's factions. He is seen as a technocrat, non-ideological and loyal to Yeltsin.

The low-key, publicity shy foreign minister appears more comfortable handling discreet diplomatic negotiations than enduring the glare of publicity that his new job will bring.

As foreign minister, Primakov won praise at home for his efforts to restore some of Russia's diminished international clout and create a "multipolar" world designed to counterbalance US dominance.

Primakov has cool but cordial relations with the United States. There has been periodic friction over his desire to ease sanctions against Iraq, maintain nuclear cooperation with

Iran, and resist NATO's expansion.

Former Soviet leader Mikhail Gorbachev picked him as one of his closest aides during the reform period of the late 1980s.

He entered the international spotlight at the end of 1990 when, shortly before the Gulf War began, he made several high-profile trips to Iraq and tried unsuccessfully to persuade Saddam Hussein to withdraw from Kuwait.

Primakov was briefly first deputy director of the KGB, the main Soviet security organization in 1991. After the Soviet breakup, he served as head of the Russian Foreign Intelligence Service until Yeltsin named him foreign minister in 1996.

Yeltsin settled on Primakov after parliament twice rejected Chernomyrdin, with opposition leaders vowing to vote him down again on a third and final vote.

Chernomyrdin served five years as prime minister before Yeltsin fired him last March. Many Russians blame him for the country's economic problems.

During the previous week (September 6-10), demand for US dollar continued to be high in the local foreign exchange market. The worst flood in the history of Bangladesh also took toll on the foreign exchange market. The government decided to import 300,000 tonnes of rice and 100,000 metric tons of wheat in addition to annual import of food grains.

During the past few weeks LCs worth of BDT 10,000 million were said to be opened. In August, foreign exchange reserve of Bangladesh Bank stood at US dollar 1.8 billion (Source: Reuters). This heavy import by the government and private sector pushed the demand for US dollar high.

The USD/BDT exchange rate in the interbank ranged between BDT 47.20 and BDT 47.25 in the kerb market, demand for cash US dollar was also up and the exchange rate ranged between BDT 48.70 and 49.00.

The call market was relatively stable but high last week. The call money rate ranged between 6 per cent and 8.5 per cent. Bangladesh Bank accepted the following Treasury Bills on Sunday (September 6):

Tenor Amount (million Taka) Yield
28 days 4,460 48.97%
364 days 100 10.44%
2 year 120 12.14%

T-bills worth of Tk 3960 million matured the same day. As some banks already discounted their T-bills on the previous Thursday (September 3), call money rate did not fall much on Sunday. Bangladesh Bank's decision to accept T-bills in multiple of 7 days and longer term was much appreciated by the bankers. The decision is expected to reduce maturity mismatch and early discounting by the bankers.

In the Asian region, market players remained focused on Pakistan and Malaysia. Pakistan decided on crack down on speculative kerb market operation while Malaysian imposed stricter restrictions on ringgit.

— Source: StanChart Bank

Weekly Currency Roundup

Local Market

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Only \$3.4b offered to IMF US House body okays \$16.2b for global aid programmes

WASHINGTON, Sept 11: A Key US Congressional panel yesterday approved a 16.2 billion dollars package to fund US aid programmes around the world but snubbed the White House by offering just 3.4 billion dollars to the IMF and by proposing restriction on abortion funding and lobbying, reports Reuters.

The House Appropriations Committee also voted to end a ban on US financial aid to Azerbaijan, and to curb funding to North Korea over suspicions the secretive Stalinist state was building a secret underground nuclear facility and developing powerful missile that threaten Japan and other US allies.

The Clinton administration, Congressional Democrats and lobbyists will seek major changes to the bill when it goes to the full house so its provisions were far from certain.

Even if approved by the House in its current form the legislation must still be reconciled with the companion Senate bill, which is itself highly controversial.

At Thursday's session, the

House Appropriations Committee agreed to give the International Monetary Fund just 3.4 billion dollars far short of the 18 billion dollars. The White House says the Washington based lending agency needs to deal with global financial emergencies.

IMF supporters say they will try on the House floor to secure the full 18 billion dollars to replenish IMF resources drained by multibillion dollar rescue deals for Russia and three Asian states — Indonesia, South Korea and Thailand.

The Senate approved the 18 billion dollars package last week and aides said the Clinton administration might succeed in the House if it agreed to tougher IMF reforms.

The House committee chaired by Louisiana Republican Rep. Bob Livingston also approved a controversial provision banning US funding for international family planning agencies that lobby foreign governments to change their abortion laws. The measures would bar funding to groups that perform abortions but let the

President waive the restrictions in some cases.

Livingston's panel also voted to cut off US aid for North Korea and the power project known as the Korean Peninsula Energy Development Organisation. Pyongyang had agreed to freeze its nuclear programme in return for US promises to provide some 5 billion dollars in new nuclear energy technology fuel oil and an eventual and to economic sanctions.

But Livingston said the Clinton administration was in effect subsidising North Korea's war machine during the debate. Democrats warned that a ban on US aid could undermine fragile US-North Korean negotiations.

In a victory for the White House, the committee agreed to lift Congress's ban on US aid to Azerbaijan, making it easier for American-based energy companies to do business in the oil rich nation, the ban was put in place in 1992 in response to Azerbaijan's blockade of Armenia and the disputed area of Nagorno Karabakh.

Facing Y2K bug Task force urges Japanese cos to get ready by June

TOKYO, Sept 11: Japanese companies should wind up their programmes to counter the millennium computer bug problem by next June, a government panel set up to coordinate the efforts recommended Friday, reports AP.

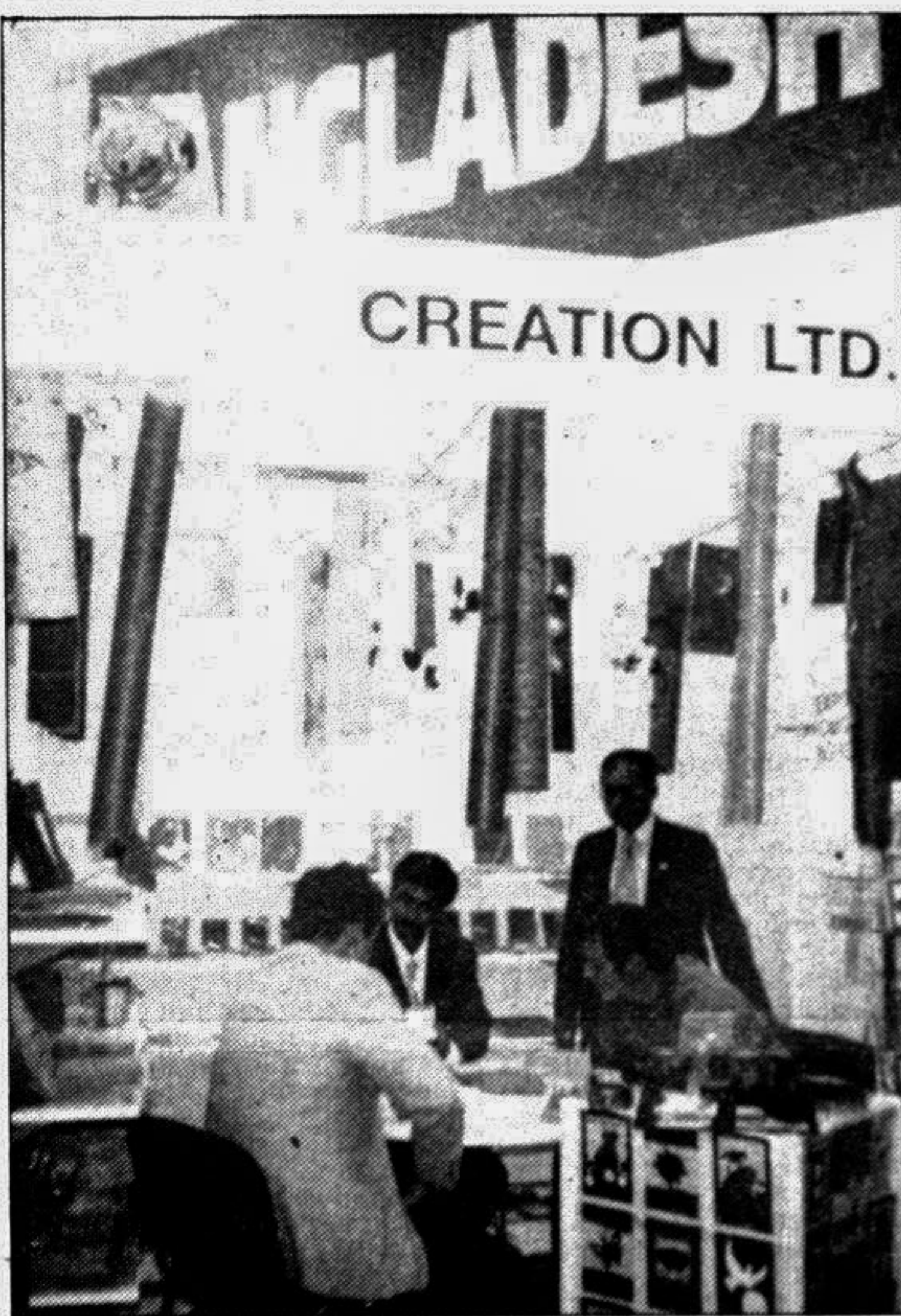
The recommendation came in a report compiled by a special task force chaired by Prime Minister Keizo Obuchi called the Advanced Information and Telecommunications Society Promotion Headquarters.

The report encouraged large firms to test their readiness for the potential turn of the century crisis by staging mock exercises no later than June, 1999. Government-run computers which have a substantial impact on people's welfare will be required to meet this deadline, it said.

Experts say computers around the world could be vulnerable to systemic crashes on the first day of the 21st century. Many computers were programmed to recognise years by the last two digits, so they may mistake January 1, 2000 for Jan. 1, 1900.

Japan has faced criticism that it has been slow to deal with the so-called Year 2000 problem.

The Tokyo Stock Exchange said last month that less than 10 per cent of 1,549 companies which responded to a recent survey said they had completed their bug preparations.



Buyers at the Bangladesh Pavilion in the recently-held Frankfurt Int'l Trade Fair. Pavilion Director A K M Nizamul Alam is seen standing. — EPB photo

'Malaysians taking risks with forex curbs' Japan complacent about steering Asia to economic recovery

SINGAPORE, Sept 11: Malaysian leaders are taking risks with capital and currency controls, and the Japanese government seems complacent about leading Asia to economic recovery, a high-ranking US trade official said Friday, reports AP.

Growing concerns about the future of American President Bill Clinton also were blamed for the latest slump in the stock markets, and another weakening of the US dollar.

"Unfortunately, what's good or bad for the US is good or bad for Asia" and the rest of the world, said Eugene Chung, Asia strategist at Warburg Dillon Read (WDR) Ltd, in Hong Kong.

In Japan, the 225-issue Nikkei Stock Average plummeted 749.05 points, or 5.12 per cent, to close at 13,916.98. It was the largest one-day point fall this year. The finish also was just above the Nikkei's 12-year closing low of 13,915.63 set on Aug. 28.

In another sign of turbulence, the dollar fell once again, buying 131.22 yen in mid-afternoon trading, down 4.48 yen from late Thursday in Tokyo. That figure also was below its late New York level of 134.23 yen overnight.

In Hong Kong, the blue-chip Hang Seng Index was down 249.11 points, or 3.2 per cent, to 7600.85 by midday Friday. Traders said the stock market was taking a breather from recent gains. However, they also

acknowledged that the sharp falls in the New York and Tokyo bourses were hurting the sentiment in Hong Kong.

In Singapore, where the market has been battered by capital controls, recently imposed by neighboring Malaysia, shares opened lower and by mid-afternoon the Straits Times Index was down 18.17 points, or 2.1 per cent, to 846.83 points.

On Thursday, Boris Yeltsin named a compromise candidate for prime minister, defusing a dangerous power struggle that had stalled efforts to tackle Russia's economic crisis.

The rouble and the Russian stock market quickly rebounded, and Foreign Minister Yevgeny Primakov was expected to win swift and resounding approval by parliament. But Asia's markets were far more influenced Friday by the wave of anxiety that had swept through Washington and world markets the day before.

On Thursday, news reports indicated that independent Counsel Kenneth Starr's referral to the US Congress accuses Clinton of perjury and obstruction of justice, and contains evidence that prosecutors contend shows impeachable offenses.

In New York, the Dow Jones industrial average responded by finishing the day 249.48 points, or 3.2 per cent, lower at 7,615.54. That was more than 1,700 points, or 18.4 per cent, below the July 17 record that the Dow had set at 9,337.97.

Combined with Wednesday's 155-point loss, the drop meant the Dow had lost 386 points, or 5.12 per cent, closing at 13,916.98. It was the largest single-day point fall this year, and the close was just above the Nikkei's 12-year closing low of 13,915.63 set on Aug. 28.

Friday's fall in the main index, which had declined 89.51 points, or 0.61 per cent, on Thursday, was sparked by the overnight rout in New York which renewed concerns over the global economy, traders said.

In New York Thursday, the Dow Jones industrial average tumbled 249.48 points to 7,615.54, its sixth-worst point loss, amid earnings worries and fears that US President Bill Clinton may be forced to resign or be impeached.

Tokyo investors were also concerned by the plunge in stock prices across Latin America, traders said. The Brazilian market Thursday

signed to limit foreign influence on the local economy, while encouraging long-term investment.

"The problem they have to think about is they have pegged the currency to a specific rate," Aaron said, addressing the American Chamber of Commerce. "Is that a realistic rate? Can companies make money?"

Aaron will also visit the Philippines, Thailand and China.

International Trade David Aaron

As part of a 12-day trip to introduce a dozen high-tech US companies to long-term Asian customers and partners, Aaron had made Malaysian his first stop, where he met with Daim Zainuddin, the chief economic aide to Prime Minister Mahathir Mohamad.

"I think they know they are taking risks," Aaron said of the Malaysian imposition of currency and capital controls due

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Lexco Limited declared 10 per cent dividend for the year 1997 at its 18th annual general meeting in the city on Thursday. Abdul Mateen, chairman of the company, presided over the AGM. — Lexco photo

Asian stocks down on Dow fall

TOKYO, Sept 11: Ignoring the good news about Russia, Asia's top three stock markets fell sharply Friday, following the lead of US Latin American and European bourses instead, reports AP.

Growing concerns about the future of American President Bill Clinton also were blamed for the latest slump in the stock markets, and another weakening of the US dollar.

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Shipping Intelligence

Chittagong Port Berth Position and Performance of Vessels As On 10.9.98.

Table with columns: Berth No, Name of Vessels, Cargo, L Port, Local Agent, Date of Arrival, Leaving. Lists various vessels like J/1 Amethyst, J/2 Rainbow Light, etc.

Vessels Due At Outer Anchorage

Table with columns: Name of Vessels, Date of Arrival, L Port, Local Agent, Cargo, Loading Port. Lists vessels like Dh Alpha, Kota Naga, etc.

Tanker Due

Table with columns: Name of Vessels, Date of Arrival, L Port, Local Agent, Cargo. Lists Chembulk Clipper, Sun Jade.

Vessels At Kutubdia

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists Seabulk Command.

Vessels Registered

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists Tierra Azul.

Vessels At Outer Anchorage

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists Hermes, Good Faith, etc.

Ready on

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists Hermes, Good Faith, etc.

Vessels Awaiting Instruction

Table with columns: Name of Vessels, Cargo, Last Port, Local Agent, Date of Arrival. Lists Tempest, Tug De Ping, etc.

Movement of Vessels for 11, 12 & 13.9.98

Table with columns: Outgoing, Incoming, Shifting. Lists vessels like J/3 Safar, CCT/2 Manaslu, etc.