

Lacklustre trade awaits Asian currencies in coming weeks

SINGAPORE, Dec 6: Lacklustre trade is expected in Asian currencies in the coming weeks as players wind down activity toward the end of the year and expectations of further US interest rate cuts dissipate, reports AFP.

The regional units' movements against the US dollar in the past week have been capped in a tight range, with the firming of the Japanese yen providing hardly any impetus for the units to rise, dealers and analysts said.

"This state of affairs will continue for the rest of the year. Market activity remains thin as players go away on vacation," said Andy Tan, General Manager of research house Standard and Poor's MMS in Singapore.

Asian stock markets are also unlikely to stage dramatic rallies in the remaining weeks as investors realize a recent surge was heavily dependent on liquidity flow rather than fundamentals, which remained weak, he added.

A surprise concerted interest rate cut by European central banks last Thursday in advance of Monetary Union on January 1 also did little to spur Asian currencies.

"The global responsibility has been taken up by the Europeans, so the US may well put off another rate cut until next year," added Tan.

Rate cuts have been sweeping the globe in a bid to help revive Asian economies trapped by a credit squeeze. There are fears that the crisis now confronting emerging markets, such as Brazil, may leave recovery efforts in the lurch and lead to a worldwide recession.

The US Federal Reserve lowered its benchmark federal funds rate by a quarter of a

point to 4.75 per cent in mid-November, but Asian currencies hardly reacted.

A rise in the yen here to 118.25 last Friday from 122.60 a week ago did little to inspire regional units.

The yen was expected to weaken and drag Asian currencies with it following Japan's announcement of a fourth consecutive quarter of economic contraction, but this did not occur, analysts noted.

"It's not that the yen is gaining, but that the dollar is weakening. The focus of attention is more on the dollar," said a dealer with Banque Nationale De Paris here after a slump in

US share prices hit the green-back.

Tan Kee Wee of United Overseas Bank here noted that strong third-quarter economic growth figures in Germany may have discouraged widespread selling of the mark, despite the European interest rate cuts which could have buoyed Asian units such as the Singapore dollar.

The Indonesian rupiah was among the most stable in trade, ending last week in Singapore at 7,520 to the US dollar from 7,500 a week ago.

The past volatility of the rupiah was suppressed on the back of renewed IMF loans and

rollover of private and public foreign-currency liabilities," ANZ Investment Bank said in a weekend report.

The Thai baht proved its resilience, moving in tandem with the rise of the yen despite negative sentiment on the Bangkok stock market, analysts said. The baht held firm at 36.00 to the US dollar.

Another appreciating currency, the Philippine peso, hit a six-month high last week of 38.80 before settling to close at 39.01. Dollars normally flood the country during Christmas from millions of overseas Filipino workers.



Palestinian passengers enter the Palestinian plane during their trip from Gaza International Airport in Rafah City to Amman Airport in Jordan, Saturday. The first Palestinian commercial flight to Amman took off, inaugurating an air route between Jordan and Palestinian Authority areas. —AP/UNB photo

Wall Street blue chips close week lower

NEW YORK, Dec 6: Blue-chip stocks on Wall Street fell this week, hammered by profit-taking and investor jitters over planned layoffs in the United States and stumbling blocks in Brazil's economic recovery plan, says AFP.

The Dow Jones Industrial average lost 316.94 points or 3.14 per cent, over the week to end at 9,016.14. However, the composite index of the Nasdaq Electronic Exchange was up just 0.7 per cent to 2,003.16 points.

The bond market played its traditional role of investor refuge. The average yield of benchmark, 30-year treasury bonds fell to 5.038 per cent Friday against 5.159 per cent a week earlier. The yield is inversely related to price.

Profit-taking centered on technology, finance and internet-related shares and reports of layoffs by large US companies cooled the Dow one week after it broke its record highest last July.

Boeing's announcement that it was to eliminate some 48,000 jobs in the next two-year period sounded alarms at the White House with US President Bill Clinton reportedly concerned about the loss of two of every 10 workers at the aerospace giant.

Johnson and Johnson said it would cut back its workforce by some 4,100 people and would close 36 of 158 plants around the world and Texaco announced it would layoff 2,000 workers.

US firms in the first 11 months of the year let go

574,629 workers, up 32 per cent over the same period last year, according to the research firm Challenger, Gray and Christman.

"The economy is slowing but it is still being held up by consumer spending running ahead of income," said Michael Calabrese, an analyst with the centre for national policy, a Washington think tank.

"But as manufacturing continues to slow and these layoffs kick in, you would expect that consumer spending would not be sustainable and so by the first quarter (next year) we should see a much worse picture both for employment and corporate earnings."

Gloom about the situation in Asia and Latin America outweighed any optimism generated by this week's announcement from Europe 11 banks in the "euro" zone had lowered their interest rates in concert.

In Japan, the gross domestic product continued to fall over the summer meaning the world's second largest economy has experienced negative growth for the fourth consecutive quarter.

Brazil edged close to crisis at the end of the week as political infighting threw the country's economic recovery plan into turmoil, threatening international financial aid packages and economic turnaround.

Congress' refusal to approve a government-backed increase in social security contributions, a key measure of its fiscal austerity plan, "could complicate" future international disbursements to the country.

Being ended the week at 32-15/16 dollars against 41-1/2 a week earlier, a plunge of 22.8 per cent.

Oil shares weakened with Exxon at 71-1/2 against 74-3/8 and Texaco at 56-5/16 against 60-13/16. Johnson and Johnson closed at 81-3/4.

Exchange Rates

Standard Chartered Bank foreign exchange rates (indicative) against the Taka to clients effective on Sunday, December 06, 1998									
Central Bank USD/BDT Rate: Buying-BDT 48.35/ Selling-BDT 48.65					Buying				
Selling		Currency		TT Clean		OD Sight Doc		OD Transfer	
TT/OD	BC	USD	48.350	48.350	48.154	48.154	48.154	48.154	48.154
81.331	81.331	GBP	79.951	79.951	79.730	79.730	79.730	79.730	79.730
29.199	29.199	DEM	28.682	28.682	28.570	28.570	28.570	28.570	28.570
0.4140	0.4140	JPY	0.4036	0.4036	0.4022	0.4022	0.4022	0.4022	0.4022
35.7820	35.7820	CHF	35.0795	35.0795	34.9633	34.9633	34.9633	34.9633	34.9633
25.8958	25.8958	NLG	25.4682	25.4682	25.3484	25.3484	25.3484	25.3484	25.3484
29.5123	29.5123	SGD	28.9745	28.9745	28.8785	28.8785	28.8785	28.8785	28.8785
8.6959	8.6959	FRF	8.5069	8.5069	8.4757	8.4757	8.4757	8.4757	8.4757
31.9724	31.9724	CAD	31.2820	31.2820	31.1783	31.1783	31.1783	31.1783	31.1783
6.0410	6.0410	SEK	5.9404	5.9404	5.9207	5.9207	5.9207	5.9207	5.9207
30.5559	30.5559	AUD	29.3610	29.3610	29.2637	29.2637	29.2637	29.2637	29.2637
58.0185	58.0185	ECU	55.6637	55.6637	55.4792	55.4792	55.4792	55.4792	55.4792
6.2969	6.2969	HKD	6.2290	6.2290	6.2063	6.2063	6.2063	6.2063	6.2063
13.0220	13.0220	SAR	12.8460	12.8460	12.8034	12.8034	12.8034	12.8034	12.8034

Usance Export Bills									
TT/DOC	30 days	60 days	90 days	120 days	180 days				
48.2154	47.9179	47.5208	47.0641	46.5677	45.4558				

Exchange rates of some Asian currencies against US dollar									
Indian Rupee	Pak Rupee	Thai Baht	Mal. Ringit	Indo. Rupiah	Sing. Dollar				
42.49/59	54.10/20	35.91/96	3.7997/03	7500/7600	1.6467/77				

US dollar									
Buying		Selling		1 Month		3 Months		6 Months	
Cash	48.15	48.75	USD	6.56031	5.21844	5.07813	4.96953		
T/C	48.1	48.7	GBP	6.80326	6.65703	6.37375	6.06156		

Indicative forward cover selling rates against Taka									
USD/BDT	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months			
GBP/BDT	49.95	49.19	49.43	49.19	49.19	49.19			
DEM/BDT	81.56	81.85	82.12	82.36	82.59	82.82			
CHF/BDT	29.41	29.61	29.81	30.06	30.21	30.40			
	36.10	36.41	36.71	37.02	37.33	37.64			

Market commentary									
On Sunday, demand for US dollar fell in the local interbank forex market due to weekend closure of most international markets. Taka gained ground as demand for the greenback fell. In the interbank market, the dollar traded between BDT 48.6500 and BDT 48.6515. The call money rate ranged between 7.5 and 8.0 per cent. The banks offered a unit of dollar to the importers at BDT 48.75 and purchased the same from exporters at BDT 48.1549. In the kerb market, cash dollar traded between BDT 48.75 and 48.90.									

Bangladesh Bank accepted treasury bill worth BDT 529.50 crore. Of these, BDT 509 crore bills at 8.16 per cent were for 28 days and BDT 20.50 crore at the rate of 8.95 per cent were for 91 days. Treasury bills worth BDT 511 crore will mature on Monday.									
The international market remained closed for the weekend. In New York closing on Friday, US dollar traded at 1.6760/70 against DEM, 118.67/72 against Yen and GBP at 1.6622/32 against US dollar.									

Shipping Intelligence									
Chittagong port									
Berth No	Name of Vessels	Cargo	L.P. Port	Local agent	Date of arrival	Leaving			

J/1	Sea World	Wheat(G)	K/Dia	Frank	R/A	13/12			
J/2	Karunia Pacific	G/T	Prior	Litmond	3/12	6/12			
J/4	Norbalk Pine	G	Miza	Prog	22/11	15/12			
J/5	Surabaya Express	G/Copral	Mura	BNSC	18/11	6/12			
J/6	Golden D	Wheat(F)	Durb	Rainbow	16/11	7/12			
J/7	Robin	Sugar(G)	P.Darb	Seacom	21/11	7/12			
J/8	Banglar Maya	Wheat(G)		BSC	R/A	8/12			
J/9	Darin Naree	Wheat(F)	Capt	Total	17/11	10/12			
J/12	Mariaspes	Wheat(G)	Sing	SSST	20/11	7/12			
CCT/1	Banglar Robi	Cont	Sing	BSC	2/12	6/12			
CCT/2	Manusha	Cont	Sing	RSL	2/12	8/12			
CCT/3	Banga Birol	Cont	Sing	Bdship	30/11	8/12			
RM/14	Sebal Deval	C Clink	Jaka	PSAL	R/A	9/12			
RM/15	Jiang Yang	Fsp	Sing	Tmtl	1/12	7/12			
CCJ	Corral	C Clink	Sing	Delmure	22/11	6/12			
GM/1	Global Jane	Wheat(G)	Mong	Andien	R/A	6/12			
RM/4	Al Swarnuz	C Clink	Clea	ASLL	30/11	12/12			
DD	Banglar Jyoti	C Oil		BSC	R/A	9/12			
DD/1	Tanary Star	idle	Para	PSAL		30/12			
RM/8	Penguin	Repair	Yang	SMSL	19/11	13/12			
RM/9	Banglar Shourab	Repair		BSC	R/A	5/12			
Kalco(U)	Sun Bright	Urea		MBL	R/A	8/12			

Vessels due at outer anchorage									
Name of vessels	Date of arrival	Last Port	Local agent	Cargo	Loading port				

Makmur Perkasa	6/12/98	Mong	Frank	SSJneau	G				
Yasmina	6/12/98	Yang	SMSL	G					
Al Muztuba	8/12/98	Kara	Cla	Rice(F)	G				
Xia Men	10/12/98	Sing	Bdship	Sing	G				
Bunga Mas Lapan (Cont) 29/11	6/12/98	P. Kel	EOSL	Cont	S/Sing P. Kel				
Banglar Shikha (Cont) 26/11	6/12/98	Sing	RSC	Cont	L/Sing				
Kimdong	8/12/98	Kaki	MSC	Rice(G)					
Diligence (Cont) 29/11	6/12/98	Sing	QCSL	Cont	L/Sing				
Irene	7/12/98	Darb	SSST	Wheat(G)					
Martina	8/12/98		USTC	Cement					
Banga Biraj (Cont) 22/11	10/12/98	Sing	Bdship	Cont	L/Sing				
Ocean-1	10/12/98	Yang	EMSL	G					
Yong Jiang	10/12/98	Col	Bdship	G					
Ken Pan	8/12/98	Norl	OWSL	Wheat(G)					
Eco Virgo	8/12/98	Sing	Prog	G					
Hai Nan No.1	9/12/98	Sing	MBL	C Clink (M. Jetty)					

Kota Naga (Cont) 30/11	9/12/98	Sing	PI (BD)	Cont	L/Sing				
Bunga Mas Enam (Cont) 29/11	9/12/98	P. Kel	EOSL	Cont	L/Sing P. Kel				
Abuja (Cont) 1/12	9/12/98	Col	Baridhi	Cont	L/Col				
Xpress Resolve (Cont) 1/12	9/12/98	Sing	RSL	Cont	L/Sing				
Merak S	10/12/98		USTC	CTG/500	Tsp				

Esco Virgo	8/12/98	Sing	Prog	G		
Hai Nan No.1	9/12/98	-	MBL	C.Clink (
				M.Jetty)		
Kota Naga (Cont)30/11	9/12/98	Sign	Pil (BD)	Cont		L/Sing
Bunga Mas Enam (Cont) 29/11	9/12/98	P.Kel	EOCL	Cont		L/Sing P.ke
Shiga (Cont) 1/12	9/12/98	Gel	OWSL	Cont		L/Sing