

Most Asian bourses to drift downwards this week

HONG KONG, Jan 3: Hong Kong's stock market is set for quiet trade in the week ahead as investors grope for fresh incentives, dealers said, reports AFP.

The key Hang Seng Index lost 243.62 points over the holiday-shortened week to close the last day's trade in 1998 at 10,048 Thursday, on average daily turnover of 1,597 billion Hong Kong dollars (206 million US dollars).

For the whole year, the index shed 5.9 per cent from the first day's trade of 10,680.57 in 1998.

The market's total turnover for the year totalled some 1.68 trillion Hong Kong dollars (217 billion US), down 55 per cent from 1997, according to the Stock Exchange of Hong Kong (SEHK).

TOKYO: Japanese share prices are likely to fall in the coming week on growing concerns over the government bond market, analysts said.

During the three-day trading week, Tokyo shares gained 44.22 points, 0.3 per cent, to finish at 13,842.17. The topix index of all first-section issues was up just 4.03 point to 1,086.99.

Daily turnover was 181.6 million shares worth 130.8 billion yen.

KUALA LUMPUR: The Malaysian bourse is likely to drift downwards in the coming days after a 6.1 per cent rally in the holiday shortened week, analysts said.

The Kuala Lumpur Stock Exchange's composite index surged 33.81 points to end the week at 586.13 but the lesser second board index dipped 3.2 per cent or 5.28 points to 158.37.

BANGKOK: Thailand's Stock

Market will cautiously ease into 1999 as dealers wait for leads from major overseas markets and reform efforts to produce results at home, ana-

lysts said.

MANILA: Philippine share

prices are expected to continue rising next week after the index finished the year on a high note

analysts said.

The average daily volume during the four-day week fell to 209,722 million shares worth 533.11 million ringgit (140 million dollars), from 288.46 million units valued at 334.24 million ringgit the previous week.

SINGAPORE: Singapore share prices are expected to remain subdued in the first week of 1999 as hopes of a last-minute bullish run up before the year end fizzled out, dealers said.

The Straits Times Index ended the holiday-shortened week hardly changed at 1,392.73 from 1,392.75 the previous week, the broader all-Singapore index edged up 0.50 of a point to 382.51.

Average daily turnover fell to 114.24 million shares worth 128.21 million Singapore dollars (77.23 million US dollar) from 122.40 million shares worth 218.27 million dollars the previous week.

JAKARTA: Indonesian shares are expected to strengthen early in the new year as fresh buying incentives emerge, dealers said on Thursday.

Over the holiday-shortened week to Thursday the Taiwan Stock Exchange weighted price index fell 264.57 points, or four per cent, to settle at 6,418.43, after a 0.7-per cent decline in the previous week.

Average daily turnover was 1.50 billion shares worth 51.63 billion Taiwan dollars (1.60 billion US dollar), compared to 1,87 billion shares worth 67.55 billion Taiwan dollars in the previous week.

TAIPEI: Taiwan share prices face more losses in the first trading week of the new year amid concerns about more financial troubles at local companies, analysts said on Thursday.

The Korean Stock Exchange

index closed the year at 562.46, up 46 per cent from the year's start of 385.49, with programme and modest foreign buying supporting index-leading stocks.

The Philippine stock ex-

change composite index closed

the year out at 1,968.70 points

on Tuesday, up 1.9 per cent from the previous week to close at 355.81 points.

The Stock Exchange of Thailand (SET) composite index edged down 0.35 points from the previous week to close at 355.81 points.

Daily average trading value increased to 2.9 billion baht (79 million dollars) from last week's tally of 2.2 billion baht.

SEOUL: South Korea's stock market is forecast to turn in a robust performance next week, with sentiment boosted by expectations of an upgrade of Seoul's sovereign ratings, dealers said.

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SYDNEY: The Australian share market is expected to look toward domestic data for signs of an anticipated slowdown in the economy and a possible cut in rates by the RBA.

The Australian Stock Exchange's main indicator, the all ordinarie index, closed the year up 49.4 points, or 1.8 per cent, at 2,813.4.

The all industrials index closed the week up 88.1 points, or 1.8 per cent, at 5,060.1 while the all resources ended up 18 points, or 1.9 per cent at 974.7.

BOMBAY: Indian shares are likely to be torn between selling pressure from institutional investors and speculative buying by domestic traders, brokers said yesterday.

The 30-share Bombay Stock Exchange sensitive index was up 5.61 points or 0.2 per cent, to 3,060.34 points at close of trade on Friday, over the previous week's close.

The national index, tracking

1 — was up 5.31 points, or 0.4 per cent, to 1,362.23

points at close of trade on Friday, over the previous week's close.

The Sensex had witnessed a

build-up of long position over

the first half of the week.

The sensex had gained almost five per cent during the first half over the previous week. Speculative buying had begun from

the previous week.

The average daily turnover for the week was 184.4 million shares at an average value of 14.07 million dollars compared to the previous four-day week's volume of 157.4 million shares at 19.3 million dollars.

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COLOMBO: Maldivian President Maumoon Abdul Gayoom said the economy of the Maldives has enjoyed another good year with high growth, low inflation and macroeconomic stability, reports reaching here from Male said yesterday, says Xinhua.

Inflation has been brought down from 7.5 per cent in 1997 to a mere 3 per cent in 1998, said President Gayoom, who is also Minister of Finance of the republic, in his annual budget speech early this week.

In details presented to the Maldivian people's Majlis (parliament), he pointed out that the country's economy in 1998 grew faster than the previous year at 6.8 per cent.

High rate of growth were achieved by most sectors of the economy in the country, such as tourism, trade and construction, the president said.

As in previous year, tourism

remained strong, with arrivals

up 10 per cent in 1998.

COLOMBO: Standard Chartered Bank launched its Moneylink non-branch ATM at the Kushal Centre at Uttara in the city yesterday, says a press release.

The ATM, which is the latest addition to Standard Chartered's growing network of Moneylink ATMs in Bangladesh, was inaugurated by Geoff Williams, Chief Executive of Standard Chartered Bank Bangladesh.

The Moneylink Non-branch ATM at Uttara offers cash, withdrawal and deposit, cheque deposit, utility bill payments, mini-statements, balance enquiry and other account inquiry and instruction facilities.

FAO award goes to BAT

Star Business Report

The Food and Agriculture Organisation (FAO) has awarded British American Tobacco (BAT) Bangladesh for pioneering the development of vegetable seed industry in Bangladesh, says a press release issued yesterday.

The company started its vegetable seed multiplication programme in 1990 with the technical support of FAO with a view to provide quality vegetable saplings for free distribution among farmers in the tobacco-growing areas.

Later, the programme was expanded to supplement the government's efforts to meet the huge demand for vegetable seeds in the country. On an average, every year the company organises production of quality seeds on 35 to 40 acres of land producing 4 to 5 metric tons of quality vegetable seeds.

In 1998, 3.2 metric tons of vegetable seeds worth Tk 6.5 lakh were donated to the Ministry of Agriculture to assist the government's post-flood agricultural rehabilitation programme.

The FAO award, in the form of a crest, was handed over by Abdul Halim, Additional Secretary of Ministry of Agriculture to Raymond D Venn, Head of Finance of British American Tobacco Bangladesh, at the inaugural function of the National Seminar on Vegetable Seed Industry in Bangladesh at Bangladesh Agriculture Research Council (BARC) yesterday.

"But this situation has never occurred at all since the WTO agreement was signed. And we do certainly hope that the situation does not come to such a pass with India, which is known to keep its international commitments," FAO Representative, Krishna B Shrestha and other government officials were present.

"We are keeping a watch on the situation in India, but we certainly hope that India is able to keep its international commitments," Karl Friedrich Falkenberg, one of the top EC bureaucrats looking after World Trade Organisation (WTO)-related matters, told India Abroad News Service.

EC officials hope the reasons for the defeat of the BJP have more to do with domestic than economic issues.

At the centre of the EC's anxiety lies the mail box facility for patent protection that it would abide by.

EU doubts BJP's ability to keep economic commitments

By Ranvir Nayar

India had committed itself to Prime Minister Atal Behari Vajpeyi who announced in October that India would indeed establish the facility which would accord some form of protection to the patent rights of multinational companies operating in India.

Vajpeyi, officials here say, was literally cornered into making such a promise after India lost two cases at the dispute settlement panel of the WTO in Geneva.

The two cases also came up as a result of the failure of the Indian government to honour its commitments to the world body. Under WTO norms, India was under obligation to amend its patent laws to install the mailbox facility.

However, when the government's first bid to amend the patent act failed two years ago, the Americans filed the first case against India in 1997.

In early 1998, after several failed attempts at a negotiated settlement and at persuading India to keep its commitments, the EC moved the dispute settlement panel of the WTO. After India lost both cases, the government was forced to announce that it would abide by the decision of the panel.

But following the electoral losses suffered by the BJP, EC officials find themselves in a bind. There is specific time frame for governments to implement the panel's rulings and it is usually in a matter of weeks that governments fulfil their obligations. EC officials

here say, were taken aback by the decision of the panel.

They are now faced with the

possibility of being forced to

implement the panel's decision

without the go-ahead from the

EC. The EC is likely to be

forced to take a stand on the

issue in the next few days.

India Abroad News Service

Preparation for trading in new currency

Thousands work overtime

across Europe

PARIS, Jan 3: Tens of thousands of dealers and computer

programmers across Europe were hard at work over the weekend preparing for the euro single currency's trading debut yesterday, says AFP.

Some 10,000 operators, analysts, technicians and programmers worked overtime in Paris and another 30,000 in London, even though Britain is one of four of the 15 EU countries left out of the euro launch.

The city of London financial district, home to 500 foreign banks, was caught up in the fever of activity, ironing out the wrinkles after euro conversion rates were set Thursday and keyed into the national monies.

At the Paris Stock Exchange

houses were closed for the day.

The euro opened at its EU-set rate of 1.16675 dollars and strengthened to 1.1733 before closing at 1.1720.

Most European banks and stock markets said preparations for Monday were on track and did not foresee any major problems. But they stressed that they do not expect yesterday to be trouble-free.

In Belgium, only a tiny portion

of bank accounts will

be immediately converted from francs to euros. The Belgian association of Banks said requests to switch to euros represented only 0.16 per cent of the bank's accounts at the

country's trading debut.

The euro made a quiet trading debut in far-away Bombay on Friday, where the stock exchange was one of the only forex markets open on January 1. But no significant deals were

done because most corporate

Indian capital mkt ends '98 on despairing tune

MUMBAI, Jan 3: The last trading week of 1998 in the Indian capital market turned out to be a time for momentary joy and lasting despair.

The spirit in the share prices at the beginning of the week seemed promising, but the year passed away in the portals of time, leaving behind a lot of disappointment.

During 1998, the sensitive index (Sensex) of the Bombay Stock Exchange (BSE) dipped by 640 points while the index of the National Stock Exchange (NSE) lost about 196 points. Hit-and-run speculators made money while investors painfully witnessed the erosion in their capital.

The speculators' ability to distort reasonable expectations of investors was best demonstrated in the case of shares of Telco, Tata's vehicle-making arm. The share lost Rs 5.7 (13 cents) despite the sensational launch of its new small car, Indica, on December 30. Traders say the pricing of Indica was the most competitive in the small car market and for all rational purposes, Telco's share prices should have gone up. But share prices dipped due to heavy profit taking by those who had discounted Telco's gain in advance.

The markets showed an uncanary ability to hit the roof for no logical economic reason and then crash, again for no apparent reason. Traders say the market has been in the vice-like grip of speculators, who are calling the shots for their short-term gains. "They have been throwing surprises at investors right through", said an investor who lost a few thousand rupees on the last day of 1998.

On Friday the BSE's sensitive index opened at 3064.95 and was placed at 3042.25 at the end. The volume of trade remained extremely thin as most speculators had wound up their position by mid-week. From Monday to Wednesday the bulls made a killing and the bears then took over, capitalising on the speculative spur in the share prices, traders said.

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