

Exchange rate, bank restructuring, reform bug bankers

Worst may be over for Asia, but there's plenty to mull over

SHANGHAI, July 11: The worst of the Asian financial crisis which rocked global markets two years ago may be over, but international central bankers gathering here this week still have plenty to mull over, reports AFP.

Exchange rates, international monetary cooperation, bank restructuring and financial reform are among some of the broad topics up for discussion at Monday's Shanghai meeting of the Bank for International Settlements, a BIS official told the agency.

International central bank chiefs attending the gathering are also expected to look at banking supervision and Year 2000 computer bug compliance, the official said.

Signs of an Asian economic rebound have prompted some analysts to question if governments still have the will to pursue financial reform and bank restructuring.

The issue of restructuring is not diminished by the fact that there has been some recovery in

evidence," said the official, who spoke on condition of anonymity.

Attempts so far to increase capital levels, make balance sheets more transparent and improve the regulatory and supervision functions of central banks have been viewed positively, he added.

The restructuring of China's banks — which have a huge burden of bad debt as a result of years of government-directed lending to loss-making state enterprises — is being closely watched by the BIS, analysts note.

"China is an anchor of stability in the region and the Europeans are also the largest creditor group to China," said Chi Li, China economist at HSBC in Hong Kong.

"About 42 per cent of the total foreign loans extended to China last year came from Europe," he said, citing international banking estimates.

Regional central banks are also struggling to keep their currencies weak to support the

export-led recovery, even as the euro falls to new lows against the dollar.

Asian countries are keen that China — whose exports slumped 5.3 per cent from January to May — does not devalue the yuan and spark a new round of devaluations across Asia following the mid-1997 crisis.

With the euro almost down to parity with the dollar, European nations would like Asian central banks to pile some of their huge foreign exchange reserves into the fledgling currency.

"Central banks from Europe want to talk about the future of the euro," said Arthur Lau, deputy head of financial institutions at ratings agency Fitch IBCA.

"Some Asian central banks have talked about whether they want to put some of their reserves in the euro, but the currency is really weak right now," he said.

Japan and China have the two largest foreign exchange reserves in the world. Japan had

223.7 billion dollars at the end of May while China had 146.6 billion dollars as of end March.

The BIS, dubbed "the central banks' central bank," currently manages about 120 billion dollars worth of reserves, a large portion of which is from Asia.

Pending board approval, it is also planning to open a "trading room" to handle investments for Asian central banks, said the BIS official.

The Shanghai meeting is only the second time that the Swiss-based BIS has moved beyond its Basel headquarters for its monthly meeting. The first time was a year ago in Tokyo.

The BIS also had an informal meeting in Hong Kong in January which agreed that Asia was "on the mend" but that efforts to shore up shaky banking systems needed to continue.

Central bank governors from leading industrialised nations are expected to meet informally on Sunday afternoon, and will be joined by their Asian counterparts in Monday's formal sessions.



Dai Xianglong (L), governor of the central People's Bank of China, walks with a colleague to a meeting Sunday in Shanghai. Central bankers from the Group of 10 (G-10) industrialised countries and China gathered in Shanghai on the day for preliminary talks ahead of a larger Bank for International Settlements meeting to tackle the world's financial issues.

— AFP photo

Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against the US dollar.

Central Bank USD/BDT Rate: Buying - BDT 48.35/Selling - BDT 48.65

TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
48.7300	48.7700	USD	48.3200	48.1599	48.058
0.4083	31.0696	JPY	0.3852	0.3839	0.3832
31.0441	31.0696	CHF	30.4531	30.3522	30.2420
29.3731	29.3972	SGD	27.7701	27.6781	27.6297
34.0460	34.0793	CAD	31.9513	31.8454	31.7269
5.6944	5.6991	SEK	5.6271	5.6085	5.5967
34.4083	34.4365	AUD	30.2290	31.1288	29.9320
12.9611	12.9718	MYR	12.5824	12.5407	12.5000
6.3300	6.3352	HKD	6.1796	6.1591	6.1460
13.0998	13.1106	SAR	12.7804	12.7380	12.7057
13.3771	13.3881	AED	13.0461	13.0028	12.9696
0.0418	0.0418	KRW	0.0410	0.0409	0.0408
75.9457	75.0080	GBP	74.4853	74.2384	73.9645
49.8752	49.9161	EUR	48.9385	48.7763	48.6911

Usance Export Bills

TT DOC	30 days	60 days	90 days	120 days	100 days
48.2204	47.9228	47.5257	47.0690	46.5725	45.4605

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	THAI BAHT	Maq. Ringit	Indo. Rupiah	Sing. Dollar
43.0443/34	51.71/51.75	36.92/36.95	3.7999/3.8001	7250/7300	1.7065/1.7075

US dollar			Libor				
	Buying	Selling		1 Month	3 Months	6 Months	12 Months
Cash notes	48.15	48.75	USD	4.8375	5.165	5.3425	5.6275
T.C	48.1	48.7	GBP	4.72	5.1275	5.12438	5.34391

Market Commentary
On Sunday, the local market remained quiet due to weekend in the international market. The demand for dollar was sluggish and the greenback traded in a narrow range.
In the interbank market, dollar traded in a range of BDT 48.6500 to 48.6550. The call money market was dull as there was ample liquidity in the market. The demand for call money was flat and call rate fluctuated between 5.75 to 6.5 per cent.
At New York closing on Friday, US dollar traded at 1.0178/85 euro, 122.35/122.45 yen and GBP at 1.54995/05 USD.

Shipping Intelligence

Chittagong Port
Berth position and performance of vessels as on 6.7.99

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Xiang Cheng	GI	Tanj	BDShip	20/6	18/7
J/2	Michelle	GI (D/P)	Sing	MSA	12/6	17/7
J/3	Banglar Kallol	Wheat(G)	—	BSC	R/A	13/7
J/4	Handy Esperance	S Pease (GI)	Sing	Litmond	30/5	11/7
J/5	Fractation	Sugar(G)	Durb	OWSL	10/6	12/7
J/6	Leona	GI	Ikum	Prog	17/6	16/7
J/7	Visiva Prafulla	Rice(G)	Mong	Oil	24/6	14/7
J/8	Zeynep Kaptanoglu	Wheat(P)	PSaid	OWSL	3/6	15/7
J/9	Encouragement	Sugar	Maza	Litmond	20/6	14/7
J/10	Kanaris Lestari-II	Rice(P)	Kochi	PSAL	22/5	15/7
J/11	Pokoj (48)	GI	Frans	Seaglor	2/7	11/7
J/12	Banglar Robi	Cont	Sing	BSC	6/7	11/7
CCT/1	Nordkap	Cont	Sing	RSL	4/7	13/7
CCT/2	Sin Hai	Cont	Sing	RSL	5/7	13/7
CCT/3	Eliza	Cont	Col	Baridhi	3/7	12/7
RM/14	Shannon	Repair	—	Litmond	R/A	12/7
RM/15	Sarah-1	Rice(P)	—	SMSL	R/A	15/7
CCJ	Corali	C Clink	Thal	RML	18/6	12/7
GSJ	Al Bauraq	C Clink	Puke	PSAL	10/6	25/7
TSP	Tarpon Santiago	R Phos	Sing	USTC	29/6	12/7
RM/3	Shannon	CDSO	—	Seacom	30/6	14/7
IM/4	BUTL	Cement	—	Abie	R/A	19/7
RM/6	Banglar Doot	Bunker	—	BSC	R/A	13/7
IM/1	Banglar Jyoti	C Oil	—	BSC	R/A	13/7
DDJ/1	Tanary Star	IDLE	Para	PSAL	—	—
DDJ/2	Unity	IDLE	Mong	SSST	17/5	—
RM/8	Sea World	Repair	—	CCNL	R/A	25/7
RM/9	Banglar Maya	Repair	—	BSC	R/A	11/7
CUFLJ	Flag Investors	Cement	Alen	BSL	9/7	19/7

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Teresa Prestige (48) 28/6	11/7	Yang	Everett	GI(Veh)	—
EDMO	11/7	Sing	OTBL	—	—
Borobudur	11/7	—	USTC	Cement	—
Star Glory	25/7	—	PSAL	Cement	—
Kota Naga (Cont) 1/7	11/7	Sing	Pil(BD)	Salt	Sing
Revenge	11/7	—	Sunshine	Salt	—
Jaya Venus (Cont)	15/7	Sing	RSL	Cont	Sing
Kuanyin	11/7	—	Everett	—	—
Banglar Shikha (Cont) 1/7	13/7	Sing	BSC	Cont	Sing
Banglar Cat (13) 23/6	12/7	—	Everett	GI(Veh)	—
Bumayon (Cont) 5/7	13/7	Sing	QCSL	Cont	Sing
Bunga Mas Lapan (Cont) 5/7	14/7	P Kel	EOSL	Cont	Sing
QC Mallard (Cont) 5/7	14/7	Sing	QCSL	Cont	Sing
Banglar Gourab	14/7	Kara	BSC	GI/Rice	—
Joy World (48) 5/7	15/7	—	SSLL	GI (St. Coll)	—
Jurong Balsam (Cont) 1/7	16/7	Sing	NOL	Cont	Sing
Bunga Biraj (Cont) 4/7	16/7	Sing	BDShip	Cont	Sing
Kota Cahaya (Cont) 6/7	17/7	Sing	Pil (BD)	Cont	Sing
Xpress Resolve (Cont) 4/7	29/7	Sing	RSL	Cont	Sing
Roro Siam (Roro/24) 1/7	21/7	Hochi	JF	Vehi	—
Achiever (Cont)	15/7	Sing	RSL	—	—

Tanker due

Name of vessels	Cargo	L Port call	Local agent	Date of arrival
Mekhanik Vrsakov	11/7	Juba	ECSL	HSD
Timur Grace	12/7	—	TSLS	CPO

Vessels at Kutubdia

Name of vessels	Cargo	L Port call	Local agent	Date of arrival
Energy Explorer-IV	—	—	BBAL	5/4
Seabulk Command	—	—	IBS	R/A (5/7)
Seabulk Eagle	—	—	—	R/A (9/7)

Vessels at outer anchorage Ready on

Name of vessels	Cargo	L Port call	Local agent	Date of arrival
Ocean Prity	Cement	Tanj	USTC	12/6
Erkan Mete	Mop	Ucrane	Litmond	11/6
Youngly	C Clink	—	PSal	R/A (21/6)
Min Jiang	GI	Sing	BDShip	28/6
Ever Brisk	GI	Sing	RML	30/6
Tasmia	GI	—	Nishan	R/A (3/7)
Sun Ocean	GI (Log)	Yang	SMSL	4/7
Al Swamruz (48)	Wheat (G)	Mong	ANCL	1/7
Sheng Mu	Wheat (P/GI)	Sing	MSA	4/7
Bharatendu (48)	GI	Kous	SSLL	7/7
Kota Berjaya (Cont)	Cont	Sing	Pil (BD)	7/7
Tiger River (Cont)	Cont	Sing	NOL	7/7
Alert	C Clink	Sing	RML	8/7
Bunga Mas Enam (Cont)	P Kel	EOSL	—	8/7
Kota Singa (Cont)	Cont	Sing	Pil(BD)	9/7
Ever Cheer (48)	GI	Sing	RML	9/7
Ultima (Cont)	Cont	Sing	QCSL	9/7
Jaya Mars (Cont)	Cont	Mong	Baridhi	10/7
Pericles	Sugar (G)	Sant	Litmond	10/7
QC Pintail (Cont)	Cont	Sing	QCSL	10/7
Ostriesland	Sugar (G)	Sant	Litmond	10/7

Vessels awaiting instruction

Karya Sentosa	Rice (G)	-	USTC	R/A (18/9)
Ritz	Rice (P)	Kaki	Cross	R/A (24/9)
Delta Star	-	-	-	R/A (7/7)
Palau Mawar	-	Bank	OLM	8/2
Xing Ye	Rice (G)	-	MHCSL	R/A (20/6)
Trojanu	-	-	CLA	R/A (24/6)
Banglar Asha	Idle	-	BSC	R/A (3/5)
AA Venture	Repair	Mong	CLA	16/6
Banglar Doot	-	-	BSC	R/A (6/7)
Humber	-	-	ABLE	R/A (10/7)
Banglar Shourabh	-	-	BSC	R/A (5/7)
Tug Seabulk Princess	-	COL	SSLL	4/7
Diglipur	-	COL	SSLL	4/7

Vessels not entering

Name of vessels	Cargo	L Port call	Local agent	Date of arrival
Bin Looah	Cement	Sing	OTBL	10/6
Tug Ocean East	—	Sing	OTBL	R/A (16/6)
Northern Lion	Scraping	Sing	OTBL	5/7
Nike	Scraping	Hald	OTBL	9/7

Movement of vessels for 12.7.99

Outgoing	Incoming	Shifting
J/5 Pathoon	CCT/3 Tiger River	RM/4 BUTI To DOJ
J/3 Eliza	RM/5 Youngly	—
CCJ Corali	KAFCO(U) Kuanyin	—
TSP T Santiago	CUPCO(U) Don Au	—
RM/5 B Rumi	RM/4 Timur Grace	—
	J/5 Pericles	—
	DDJ/2 AA Venture	—

The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.



Captain of the inaugural flight of Uzbekistan Airways along with country manager Allayar Hasanov and officials of GSA, Airspan Ltd., cut the cake to herald the inauguration of the second frequency to Dhaka.

Uzbek Airways starts second direct flight to Dhaka

Uzbekistan Airways, the national flag carrier of Uzbekistan, started operating its second frequency to Dhaka last Friday, says a press release.

The second direct flight, HY147, landed at Zia International Airport at 12:20 am and Flight HY148 left Dhaka at 1:35 am.

The passengers of the debut flight were received by Country Manager of Uzbekistan Airways Allayar Hasanov and officials of GSA, Airspan Ltd.

In a brief ceremony at the Balaka Lounge of the airport, the captain and the cabin crew along with the country manager, officials of GSA, Airspan Ltd., Civil Aviation and Biman staff formally cut the inaugural cake.

The departing passengers were presented with bouquets and special munajat was offered.

The first direct flight arrives at ZIA at 9:45 am every Sunday and leaves Dhaka at 11 am.

Operated with state-of-the-art aircraft Boeing B767, both flights of the airlines offer convenient connections to New York, London, Jeddah, Riyadh and other destinations in Europe and CIS countries.

Weak gold prices shave India's forex reserves

BOMBAY, July 11: India's foreign exchange reserves fell by \$167 million in the week to July 2 led by a steep fall in the value of its gold holdings, reflecting weak world prices, says Reuters.

The Reserve Bank of India (RBI) on Saturday said India's foreign exchange reserves were \$33,009 billion on July 2, down from \$33,176 billion in the previous week.

The central bank's foreign currency assets fell \$13 million in the week to July 2 to \$30,303 billion, while gold was down \$154 million during the same period.

Analysts said the drop in gold holdings was on account of losses following the drop in international gold prices.

The central bank does not indicate reasons for the drop in reserves.

"It is purely valuation. They (RBI) carry out periodic valuation of their portfolio and the drop in gold holdings may be to account for falling global gold prices," the head of currency trading at an American bank said.

Gold prices in London were fixed at \$261.20 a troy ounce on June 30 as against \$266.85 on June 1.

Traders said the relatively small drop in the foreign currency assets indicated lower intervention by the central bank during the week.

Annual confce in Las Vegas Hackers to release new computer bug

SAN FRANCISCO, July 11: Hackers at the annual Defcon conference in Las Vegas are set to release a new programme to the Internet that can intrude on computers.

Handy programme to intrude on computers automatically take over Microsoft-powered computers, industry experts and hackers warned on Friday, says Reuters.