The Daily Star BUSINESS

DHAKA FRIDAY, JULY 23, 1999

Y2K bug likely to disrupt global trade: US official

WASHINGTON, July 22: The 2000 computer glitch is likely to disrupt the worldwide flow of goods and services, perhaps sparking havoc and unrest in some countries, a top US State Department official said in remarks prepared for Congress and obtained yesterday, says Reuters.

With less than six months left before the technology challenging date change, "the global picture that is slowly emerging in cause for concern," said Jecquelyn Williams-Bridgers, the State Department's inspector general.

"Our assessments suggest that the global community is likely to experience varying degrees of Y2K-related failures in every sector, in every region and at every economic level," she said.

Y2K is short for the glitch that may cause computers to mistake 2000 for 1900, the result of an old programming shortcut that used only a two-digit date field. Simulations have shown that some systems may crash or cause errors starting on Jan. 1.

In some unnamed countries "there is a clear risk that electricity, telecommunications and other key systems will fail, perhaps creating economic havoc and social unrest," Williams Bridgers said.

She made her comments in written testimony prepared for a hearing on global corporate readiness on Thursday before a special Senate Panel looking into the problem. An advance copy was obtained by Reuters.

"Y2K-related disruptions in the international flow of goods and services are likely," she said, adding that "a breakdown in any part of the supply chain would have a serious impact on the US and world economies."

The international economy is "vulnerable" because Y2K-related failures in the supply chains of one country or region could disrupt others' ability to keep factories working, transportation systems running, food supplied and people employed, the State Department's inspector general added.

Calling for contingency planning on a global scale, Williams-Bridgers said authorities should apply "lessons learned from recent disasters" such as the 1996 earthquake in Kobe, Japan, to cope with potential disruptions.

Williams-Bridgers, whose office has been assessing international Y2K readiness, did not name the countries said to be most at risk of encountering social upheavals.

But she said key sectors in the republics of the former Soviet Union and other former Eastern bloc nations have "a relatively high probability of Y2K-related failures."

Industrialised countries, on the other hand, were generally found to be at low risk of having Y2K-related infrastructure failures, particularly in the finance sector.

Still, 11 of 39 of these countries were reported to be at "medium risk" of encountering transportation failures. And nine of 39 were reported to be at a medium or high risk of failure in telecommunications energy or water services.

From 52 to 68 developing countries out of the 98 rated were said to have a medium or high risk of Y2K-related failure in the telecommunications, transportation and or energy sectors.

But "the relatively low level of computerization in key sectors of the developing world may reduce the risk of prolonged infrastructure failures," Williams-Bridgers said.

Overall about half of the 161 countries assessed by US officials were reported to be at medium to high risk of Y2K-related failures in their telecommunications, energy and/or transportation sectors.

IMF still mulling over gold sales

WASHINGTON, July 22: Gold sales, rather than market-friendly transfers to central banks, were still high on the agenda of the International Monetary Fund yesterday, despite speculation it might scrap its plans to sell gold, reports Reuter.

An IMF spokesman said the IMF was reviewing different ways to sell some 10 million troy ounces from its 103-million-ounce gold stockpile, saying its position had not changed since its board last discussed the issue earlier this month.

"There has been no change since the board's July 9 review of options," he said, responding to market rumours that the fund might abandon the plan.

The IMF wants to use money from the gold sales to finance programmes of debt relief and low-interest loans for reform-oriented poor countries. The sale of gold would raise some $2.6 billion and this money would be used to create a trust fund to pay for the lending and the debt relief.

But the plan faces fierce opposition from the US Congress, which must approve the idea of selling gold before the IMF can go ahead.

US Republican lawmaker Spencer Bachus, in a search for a compromise, on Tuesday floated an idea to transfer gold back to the US Federal Reserve, one of the central banks that donated it to the IMF.

The transfer — known as restitution — would take place at the old fixed gold price of some $42 an ounce, and the Fed would revalue the gold to the market price and allow the IMF to use this money for a debt relief trust fund.

"There are good alternatives to open market sales to pay for debt relief for the poorest nations," Bachus said.

But it was not clear if this proposal would be in line with IMF rules which say gold sales must take place at market prices and that restitution must go to all the countries that contributed the gold to the fund.

Central banks — some of which have been selling gold on open markets — might not even want to take IMF gold at a time when prices are under pressure.

Chairman of Wata Chemicals Ltd Md Fazlul Hoque (middle) presides over the 17th annual general meeting (AGM) of the company at a city hotel Wednesday. Deputy Managing Director Khodeza Hoque is also seen. — Wata photo

Colgate earnings beat expectation

NEW YORK, July 22: Colgate-Palmolive's second quarter profits rose a better than expected 12 per cent, as a result of rebounding sales for its consumer products in Asia and Latin America, says AP.

Colgate made a profit of $228.1 million or 36 cents per share in the second quarter, compared to $203.5 million, or 31 cents per share in the same period last year. Results beat Wall Street expectations by two cents.

Sales rose 4 per cent to $ 2.29 billion from $ 2.26 billion a year ago.

Colgate's North American sales rose 3.5 per cent and its Latin American operations saw sale rise 1 per cent. Sales in the company's Asian and African unit rose 7 per cent, led by strong gains in China and India.

Those include new Colgate Double Cool Stripe and Colgate sensation whitening toothpastes, as well as new herbal toothpastes under the Sorriso and Kolynos brand names. New Palmolive dishwashing liquids have also boosted sales.

Asian Stocks Roundup

Most markets end down

SINGAPORE, July 22: Tokyo shares lost nearly three per cent today, reacting to worries over strength in the yen and wariness about Wall Street's direction, and most other Asian markets also lost ground, says Reuters.

Singapore fell 1.4 per cent and Australian shares gave up just under one per cent.

Tokyo's benchmark Nikkei 225 average .N225 fell 2.89 per cent to 17,730.34, as recent strength in the yen and concern over volatile US stocks sparked corrective sales in export-driven high-technology shares, traders said.

Tokyo's fall and China-Taiwan tensions took a toll of Hong Kong shares, which lost 0.38 per cent as investors cut positions.

Taiwan stocks lost 1.39 per cent, but Korean shares gained 1.2 per cent to stand out amid the region's dejected markets.

Traders said there were fears in Tokyo New York stocks could be weakened by US Federal Reserve chairman Alan Greenspan's remarks during his Humphrey-Hawkins testimony to Congress scheduled for later on Thursday.

Hong Kong's *Hang Seng Index* closed down 0.38 per cent at 13,369.06 points in a thin and skittish market, traders said.

"The market is very cautious. Not a lot of investors are participating," said BNP Prime Peregrine Securities' research head Adrian Ngan.

Singapore's *Straits Times Index* ended down 1.4 per cent at 2,067.89, led by falls in index heavyweight Singapore Press Holdings SPRM. SI, and with sentiment dampened by Tokyo.

Brokers said punters were hard-hit as the market continued to slide, eroding much of their gains built up from recent rallies.

Australia's benchmark *All Ordinaries Index* lost 0.8 per cent to 3,086.3 as weakness in resource issues and widespread profit-taking dragged shares down ahead of Greenspan's testimony.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies

Currency	Selling TT & OD	Selling BC	Buying T.T Clean	Buying OD. Sight Export Bill	Buying OD Transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Stg	78.7375	78.8008	77.5705	77.3141	77.2009
Deutsche Mark	27.1174	27.1392	26.1406	26.0384	26.0002
Swiss Franc	32.6677	32.6939	32.1617	32.0554	32.0085
Japanese Yen	0.4226	0.4229	0.4154	0.4140	0.4134
Dutch Guilder	24.0672	24.0865	23.2002	23.1095	23.0757
Danish Krona	7.0760	7.0817	6.9163	6.8934	6.8833
Australian $	32.7721	32.7984	31.4908	31.3867	31.3408
Belgian Franc	1.3148	1.3158	1.2674	1.2624	1.2606
Canadian $	33.5334	33.5604	32.5824	32.4747	32.4272
French Franc	8.0854	8.0919	7.7942	7.7637	7.7523
Hong Kong $	6.4209	6.4261	6.3426	6.3216	6.3124
Italian Lira	0.0274	0.0274	0.0264	0.0263	0.0263
Norway Kron	6.3480	6.3531	6.2446	6.2240	6.2149
Singapore $	29.6677	29.6815	28.7111	28.6163	28.5743
Saudi Rial	13.2954	13.3061	13.1149	13.0716	13.0524
UAE Dirham	13.5774	13.5883	13.3909	13.3466	13.3271
Swedish Krona	5.9678	5.9726	5.8938	5.8743	5.8657
Qatari Riyal	13.6997	13.7107	13.5094	13.4647	13.4450
Kuwaiti Dinar	168.0635	168.1987	155.9772	155.4617	155.2340
Thai Baht	1.3363	1.3374	1.3231	1.3188	1.3168
Euro	53.0370	53.0797	51.1266	50.9267	50.8521

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
49.2112	48.9090	48.4980	48.0870	47.6760	46.8540

US dollar London Interbank Offered Rate (LIBOR)

Buying($)	Selling($)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
49.0850	49.7300	USD	5.16750	5.29125	5.58000	5.60750	5.68625
77.2009	78.7375	GBP	5.15313	5.18125	5.34813	5.42078	5.54422
Cash/TC	Cash/TC	Euro	2.65656	2.69688	2.93813	2.98688	3.07688

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.252/ 43.257	51.350/ 51.450	37.340/ 37.380	3.7998/ 3.8002	6750/ 6780	1207.3/ 1208.0

Amex notes on Thursday's market

The interbank USD/BDT market was dull on Thursday. USD liquidity has kept the market rates of USD/BDT 49.62-49.66 range. It is unlikely that the market rates are going to change in the coming week.

The call money market was highly liquid and call rates ranged between 5.50-6.00 per cent.

The dollar firmed against the yen on Thursday on Tokyo market, helped by buybacks spurred by a sharp fall in Tokyo stocks. News that China's Foreign Ministry had called reporters to a special briefing at 0615 GMT also boosted the dollar. The ministry gave no clue as to what the briefing would be about. The Chinese briefing puzzled market makers but they did not expect any significant policy announcement. The focus shifted on the first leg of US Federal Reserve Chairman Alan Greenspan's "Humphrey-Hawkins" congressional testimony. The foreign exchange market would be watching the reaction of US stock and bond markets to Greenspan's remarks. Coming three weeks after the Fed raised a key short-term interest rate. Greenspan's testimony is not expected by the market to suggest any additional rate rises in the near term. The slide in Tokyo stocks saved the dollar from a sharp fall. If stop-loss orders near 117.50 yen had been triggered, the next support would have been at 116.90 yen. The root cause of recent yen strength had been capital inflows to Japan on the back of the strength of Tokyo stocks. The fall in stocks, which was due to substantial profit-taking interest among foreign investors raised doubts about the sustainability of the scenario and caused speculators who had been short on the dollar against the yen to buy back. There were also vague rumours that strategists at US think tanks and investment banks have been recently recommending to investors to sell Tokyo stocks. Japan's top financial diplomat Harubiko Kuroda reiterated that Japan was ready to intervene in the currency market to block any premature rise in the yen. But market makers assumed that there might have been some signs of change, at least in the way interventions have been conducted. They said the aim of interventions might have shifted from pushing up the dollar to slowing its declines against the yen. Finance Minister Miyazawa's latest comments seemed to confirm this view.

At around 0614 GMT the exchange rates of major currencies against USD were GBP/USD 1.5777/82, USD/SFR 1.5279/91, USD/JPY 118.59/64, EUR/USD 1.0506/09.

Euro run up against dollar rekindles rallying hopes

LONDON, July 22: The euro strengthened against the dollar for a third straight day Wednesday, rising above $1.05 for the first time in more than five weeks and extending its gains to 4 per cent since Monday, reports AP.

The rebound raised hopes in Europe that the anemic regional currency has finally reversed its plunge toward parity with the dollar. Still, economists cautioned that the euro's impressive performance since flirting with a record low on Monday is not sufficient proof of a permanent recovery.

The euro rose to $1.0530 in late trading Wednesday in New York from $1.0413 late Tuesday. During trading Monday, the euro slid as low as $1.0108, matching an all-time low reached last week.

The dollar also fell against the yen in markets that have become skittish over repeated intervention by the Bank of Japan. Japan's central bank has frequently bought dollars in an attempt to keep the yen from growing so strong that it will derail an economic recovery from a deep recession. The dollar finished at 118.10 yen Wednesday in New York compared with 118.95 late Tuesday.

The euro has bounced back following signs of better-than-expected economic growth in Germany and hints that the European Central Bank might raise interest rates.

"I do think that it's probably bottomed out," said David Kern, chief economist at National Westminster Bank Group.

Several analysts were not ready to declare a recovery for the euro.

"I think it's too early to say that just yet. Confidence in the euro is still not fully repaired," said Lee Ferridge, chief currency strategist for Rabobank of the Netherlands.

Although it serves as little more than an accounting unit, 11 European countries launched the euro with great fanfare on Jan. 4, when it rose as high as $1.1886 during its first day of trading, a level it has since been unable to match.

The euro was promoted as a symbol of regional cooperation and ultimate political unity. Participating countries plan to introduce actual euro-based notes and coins for everyday use in 2002.

But the euro began lurching downward almost as soon as it debuted on world financial markets, plummeting almost 15 per cent. Many traders predicted its imminent slide to parity with the dollar a psychological barrier that analysts said could trigger a further selloff by frightened investors.

Neil Parker, chief economist for The Royal Bank of Scotland, said the euro began to reverse course late Monday after an unidentified corporation placed a large order for euros. Other traders, who had been betting on even bigger declines, felt the need to buy the currency to limit losses or lock in profits.

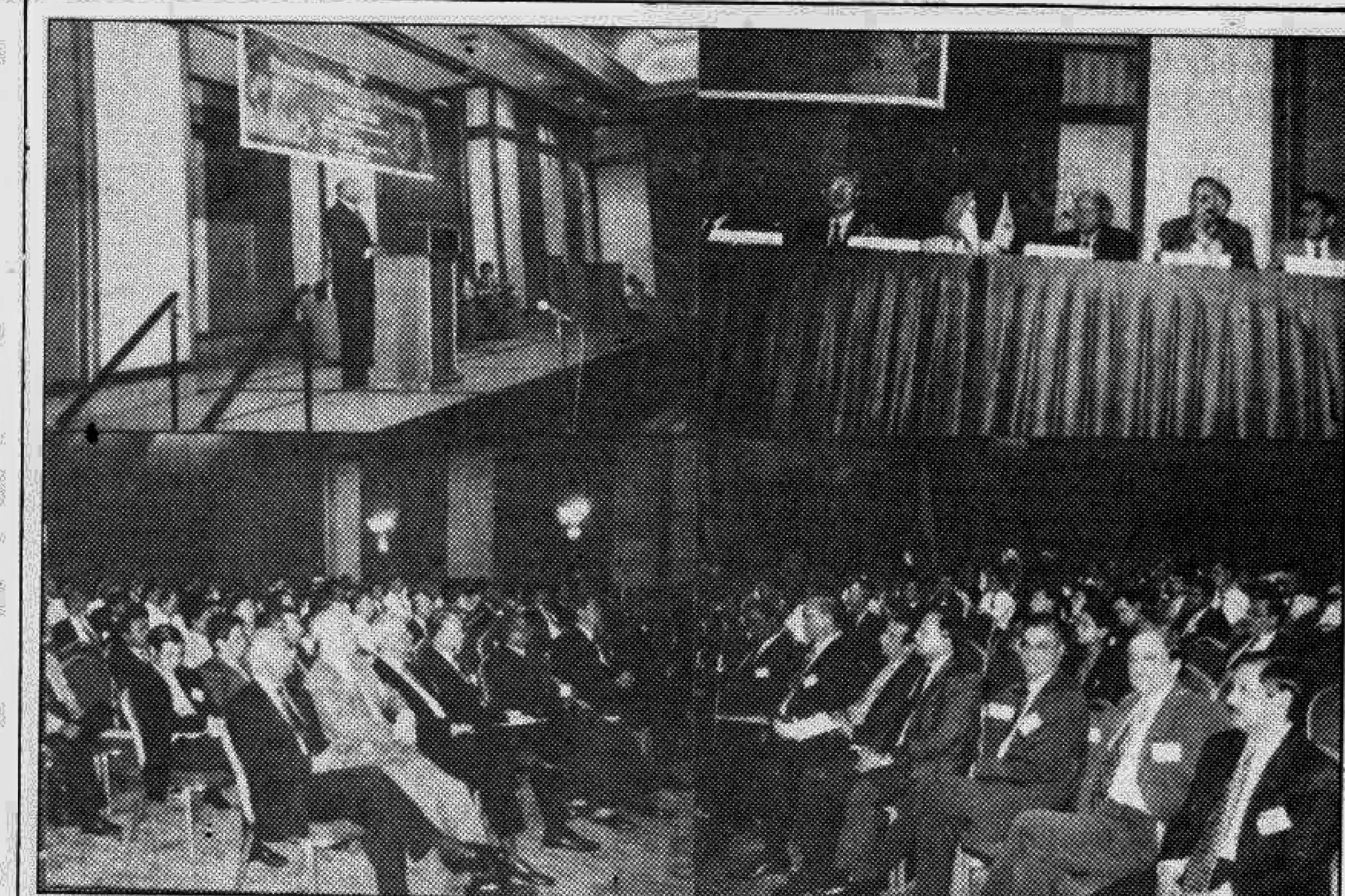
On Tuesday, the euro's rise gained steam after Germany's Ifo institute released data indicating that the business climate in Europe's biggest economy was better than expected. Other encouraging signs of German growth, together with last week's suggestions from the European Central Bank that it might tighten lending rates, also bolstered the euro.

Higher rates in Europe would make returns more attractive on investments denominated in euros.

"With the improving economic outlook we see for the second half of the year, the euro should remain stronger against the dollar," Parker said. "I personally believe it could be touching $1.10 by the end of the year."

Ferridge agreed that he euro's recent surge reflected underlying economic trends and wasn't just a short-term aberration. The announcement Tuesday that the US trade deficit swelled in May to a new record of $21.3 billion helped weaken the dollar and buoy the euro further.

Kern of National Westminster said there still are obstacles that could stymie growth in Europe and hold down the euro, such as Europe's rigid labour markets.



Tofail Ahmed, Minister for Commerce and Industries, inaugurates a seminar on "Business Opportunities in Bangladesh" organised by the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) in collaboration with Singapore Trade Development Board (STDB), Singapore Confederation of Industries and Bangladesh High Commission in Singapore. Seated on the dais–Robin Lau, president, Singapore Confederation of Industries, Goh Tong of Singapore Trade Development Board, Ridwan Zaffar, the High Commissioner of Singapore in Bangladesh, Ashfaqur Rahman, Bangladesh High Commissioner in Singapore, Mahbub Jamil, president of MCCI. Also seen amongst the 220 Singaporean businessmen, who attended the meeting, are Latifur Rahman, former president, MCCI, Samson H Chowdhury, former president, MCCI, C K Hyder, secretary general, MCCI, Sirajuddin Ahmed, Chairman, Board of Investment, M A Awal, Managing Director, Prime Textile Mills Ltd., A Rouf Chowdhury, Managing Director, Rangs Limited, C M Alam, Managing Director, IPDC, Enayetullah Khan, Managing Director, Cosmos Shipping Lines, Ramzul Seraj, Managing Director, Elite International Ltd., Waliur Rahman Bhuiyan, Managing Director, BOC Bangladesh Ltd., K Z Islam, Managing Director, Nirman International Ltd. and Zafar Ahmed, Managing Director, Apex Foods Ltd.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 22.07.99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Xiang Cheng	GI	Tanj	Bdship	20/6	23/7
J/2	Dewan-1	Rice(P)	Kara	AML	9/7	30/7
J/3	Sun Ocean	GI (Log)	Yang	SMSL	4/7	30/7
J/4	Rainbow Joy (48)	GI	Sing	ASA	18/7	23/7
J/5	Phaethon	Sugar(G)	Durb	OWSL	10/6	26/7
J/6	Cemerlang	C.Clink	Jaka	OLM	14/7	26/7
J/7	Ovruch	Wheat(G)	Swich	LSC	25/6	27/7
J/8	Pericles	Sugar(G)	Sant	Litmond	10/7	30/7
J/9	Min Jiang	GI	Sing	Bdship	28/6	26/7
J/10	Jaya Venus	Cont	Sing	RSL	16/7	24/7
J/11	Sheing Mu	Wheat(P)/GI	Sing	MSA	4/7	2/8
J/12	Achiever	Cont	Sing	RSL	16/7	23/7
J/13	Al Swamruz	Wheat(G)	-	AnCL	R/A	24/7
CCT/1	Kota Cahaya	Cont	Sing	Pil(BD)	17/7	25/7
CCT/2	Jurong Balsam	Cont	Sing	Nol	16/7	24/7
CCT/3	Banga Biraj	Cont	Sing	Bdship	19/7	24/7
RM/14	BUTI	Cement	-	Able	R/A	28/7
RM/15	Sarah-1	Rice(P)	-	SMSL	R/A	26/7
CCJ	Alert	C Clink	Taiw	RML	8/7	25/7
GSJ	Al Bauraq	C Clink	Puke	PSAL	10/6	27/7
TSP	Chopol-1	R.Phos	Indo	Seacom	14/7	28/7
RM/3	Mando	CDSO	Mala	Rainbow	18/7	28/7
RM/4	Asean Prestige	F.Oil	Sing	CTPL	21/7	24/7
RM/5	Atlantic	MS/JetA-1	Sing	ECSL	19/7	24/7
RM/6	Banglar Asha	Bunker	-	BSC	R/A	24/7
DOJ	Kemilau	C.Clink	Tanj	PSAL	13/7	30/7
DDJ/1	Tanary Star	Idle	Para	PSAL	-	-
DDJ/2	A A Venture	Repair	Mong	CLA	16/6	25/7
RM/8	Sea World	Repair	-	CCNL	R/A	5/8
RM/9	Banglar Jyoti	Repair	-	BSC	R/A	27/7
SM-10	Tug Le Mecareux	Empty	Chand	Karna	R/A	-
CUFLJ	Flag Investors	Cement	Aden	BSL	9/7	23/7
KAFCO(U)	Leona	Urea	Busa	Prog	17/6	24/7

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Banglar Moni(Cont)6/7	22/7	Sing	BSC	Cont	Sing
QC Teal(Cont)11/7	22/7	Sing	QCSL	Cont	Sing
Tug Hua Xiang	24/7	-	Karna	-	-
Banga Birol(Cont)11/7	23/7	Sing	Bdship	Cont	Sing
Banglar Robi(Cont)13/7	23/7	Sing	BSC	Cont	Sing
Roro Siam(Roro/24/1/7	23/7	Jaka	JF	Vehi	-
Menerva	23/7	-	Rainbow	Wheat(P)	-
Eliza(Cont)14/7	24/7	Col	Baridhi	Cont	Col
Yang Lin	25/7	Xian	Bdship	GI	-
Jaami	25/7	Yang	Royal	GI(Log)	-
Nordkap (Cont) 18/7	25/7	Sing	RSL	Cont	Sing
Assimina	25/7	A.Suk	JF	Scraping	-
Kota Berjaya(Cont)15/7	26/7	Sing	Pil(BD)	Cont	Sing
Esco Argo	25/7	-	Prog	GI	-
Star Glory	31/7	-	PSAL	Cement	-
Vishva Prafulla(Cont)20/7	25/7	-	SSLL	Cont	-
Ocean-1	26/7	Yang	SMSL	GI	-
Revenge	26/7	-	Sunshine	Salt(G)	-
Sin Hai(Cont)18/7	26/7	Sing	RSL	Cont	Sing
Banglar Gourab	30/7	Kara	BSC	GI/Rice	-
Alice(48)15/7	27/7	-	Everett	GI	-
Tiger River(Cont)18/7	27/7	Sing	NOL	Cont	Sing
QC Pintail(Cont)18/7	27/7	Sing	QCSL	Cont	Sing
Banglar Doot	28/7	Mong	BSC	-	-
Bunga Mas Enam(Cont)19/7	28/7	P.Kel	EOSL	Cont	Sing
Kota Singa(Cont)19/7	29/7	Sing	Pil(BD)	Cont	Sing
Joy World(48)5/7	29/7	-	SSLL	GI (St.Coil)	-
Brisa Azul(48)15/7	30/7	-	Everett	GI	-
Ultima(Cont)18/7	30/7	Sing	QCSL	Cont	Sing
Jaya Mars (Cont) 21/7	30/7	Col	Baridhi	Cont	Col
Duden	31/7	Texa	Litmond	Wheat(P)	-
Bunga Mas Lapan (Cont) 21/7	31/7	P.Kel	Eosl	Cont	Sing
Banglar Shikah (Cont) 21/7	31/7	Sing	Bsc	Cont	Sing
Kota Naga (Cont) 21/7	31/7	Sing	Pil(BD)	Cont	Sing
Xpress Makalu(Cont)11/7	1/8	Sing	RSL	Cont	Sing
Xpress Resolve(Cont)4/7	7/8	Sing	RSL	Cont	Sing

Tankder due

Lipetsk	23/7	-	Rainbow	CDSO	-

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Vessels at Kutubdia				
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:				
Ostfriesland	Sugar(G)	Sant	Litmond	10/7
Youngly	C.Clink	-	PSAL	R/A(21/6)
Lokpratima	Fert	P.Said	Litmond	7/7
Great Cheer	D.Peas	Sing	Rainbow	7/7
Everise Glory	Cement	Sing	USTC	19/5
Eleftherotria	Sugar(G)	Sant	Fortune	19/7
Borobudur	Cement	Zaka	USTC	11/7
Bunga Mas Lima(Cont)	Cont	P.Kel	EOSL	19/7
Michelle	GI(D.P)	-	MSA	R/A(18/7)

The above were the Thursday's (22.07.99) shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by **HRC Group**, Dhaka.

Philippine manufacturing still showing slugging growth

MANILA, July 22: Philippine manufacturing is still showing sluggish growth that might prevent the country from attaining its 1999 economic growth targets, economists said, reports Reuters.

Today, the National Statistics Office reported May manufacturing production was up on a year earlier but sales were lower.

"What the numbers tell us is consistent with the fairly slow momentum in the second quarter," Omar Cr[illegible] Citicorp Securities International (RP) Inc.

The value-of-production index rose 4.7 per cent during the 12 months to May, while volume of production was up 2.4 per cent. The value of net sales in May was down 1.3 per cent from last year's level and volume of sales in May was down 4.4 per cent.

May's annual growth results were poorer than April's which had all been positive.

The manufacturing sector, which comprises a fifth of total domestic output, was down one per cent in the first quarter from last year's level.

Socio-economic Planning Secretary Felipe Medalla previously said the manufacturing sector was showing signs of growth through a build-up in inventory.

Some economists said the lower sales in the sector were disappointing.

"It's distressing news. Hopefully, it's just a one-off thing," said Joey Cuyegkeng, economist at ING Barings Securities. "It may derail the kind of growth the government is looking at."

[illegible] and the pump-priming efforts of government, we would have expected net sales in positive territory," he said.

Earlier this week, Medalla said second quarter gross domestic product was seen up 2.0 per cent on a year earlier while gross national product was seen 2.5 per cent higher, largely due to a rebound in the agriculture sector.

He said the economy was on track to achieve this year's targets for full-year GDP up 2.6 to 3.2 per cent on last year and for GNP up 3.0 to 3.7 per cent.

To revive the economy, the central bank has dropped key overnight rates 20 times for a total of 437.5 basis points this year and reduced reserve requirements by a total of five percentage points.

The 91-day Treasury bill rate, a benchmark in pricing loans, is now at a 12-year low of 8.378 per cent.

Some economists said they still have high hopes for an economic recovery despite the mixed results in the manufacturing sector's production and sales.

"It's still very positive because I look [illegible] production volume because it's the sum total of the sales volume plus inventory," said Jun Trinidad, economist at Jardome Fleming Securities.

"So when sales volume could dip or jump up at any month, and inventories are rising then it's an indication that producers are expecting increasing sales ahead," he added.

Citicorp's Cruz said: "It also just tells you that on the part of the manufacturers there seems to be more feel, or a sense of confidence... to start building up or replenishing inventories."

AOL reports 4th quarter profit nearly triple

DULLES, Virginia, July 22: America's largest Internet service provider, America Online Inc, reported Wednesday that its quarterly profits nearly tripled, edging Wall Street expectations on stronger revenues from Internet subscribers and advertising, says AP.

The company's profit, excluding one-time charges, came to $156 million, or 13 cents a share in AOL's fiscal fourth quarter, which ended June 30. That was up from AOL's profit of $58 million or 5 cents per share, in the same period a year ago.

Analysts surveyed by First [illegible] had predicted per-share earnings of 11 cents for the quarter. AOL's results were released at the close of trading Wednesday, when its stock rose $1.87 1/2 a share to $ 115.06 1/4 on the New York Stock Exchange.

Revenues for the quarter reached dlrs 1.38 billion, up 46 per cent from revenues of dlrs 943 million in the same quarter in 1998.

New subscriptions accounted for much of the revenue growth, with AOL's total membership growing to 17.6 million in the quarter.

Oil prices slightly up in London

LONDON, July 22: Oil prices recovered lost ground to end slightly firmer yesterday after mostly negative trading on Venezuela's hint that exporters should think about raising output, says Reuters.

Benchmark Brent futures last traded one cent firmer at $18.56 a barrel after a steamy climb to $18.70 on the back of fresh Nigerian disruptions failed to hold.

Traders said that a report about disruptions to Nigeria's Forcados and Bonny Light terminals beyond the middle of August had sparked the buying.

A bearish sentiment had tugged prices off a recent 20 month high after the head of Venezuela's state oil company said exporting countries should raise output if prices went much higher.

Oil's rally started to cool late last week as concerns rose that speculators, holding large numbers of futures contracts in London and New York, would start selling to take profits.

Dealers said concerns that OPEC might consider relaxing output restrictions when it next meets in September had helped accelerate a bout of profit-taking.

Roberto Mandini, president of OPEC member Venezuela's PDVSA sate oil company, told a congressional hearing in Caracas on Tuesday that he believed oil producers should not let crude prices rise above $22 per barrel for US benchmark West Texas Intermediate (WTI) — the equivalent of about $20.50 for Brent.

"When it approaches that point OPEC should meet again ... and agree on an opening up of additional volumes," Mandini said.

OPEC countries have established an informal $18-20 per barrel target range for Brent which has risen sharply from an historic low of less than $10 in February.

OPEC output curbs established in March are due to run for 12 months and most other OPEC producers have said they want to retain the restrictions for the full term.

Kuwait said on Tuesday oil exporters were not considering cutting the size or duration of agreed output cuts even if prices rose further.