

Oil prices hit 22-month high on US refinery blast

LONDON, Aug 10: World oil prices stormed to 22-month highs yesterday after a blast at a US refinery gave fresh impetus to a market already strong on the back of tight producer compliance with output curbs, says Reuters.

Benchmark Brent crude for September delivery last traded at \$20.51 per barrel, up 45 cents and the highest level seen since October 9, 1997.

News of the explosion at Citgo Petroleum Corp's US Corpus Christi in Texas — in which one worker was killed and another injured — was enough to send prices soaring once more. However, refinery officials said production had not been affected at the 165,000 barrels per day plant.

"It ran up on the Corpus Christi problem ... (and) it doesn't look like giving up any of its gains," said one futures dealer in London.

The North Sea grade breached the psychological \$20 mark on Friday on fresh evidence of OPEC output restraint and a recovery in refinery profit margins that should

shore up crude demand.

The rise above \$20 was also driven by Russian product export curbs, a rally in US gasoline markets and reports of a fall in US oil inventories.

While traders believed the Organisation of the Petroleum Exporting Countries would keep its cuts until the end of the year its rate of compliance was not likely to improve, he said.

The US government's Energy Information Administration (EIA) said on Friday OPEC compliance would be relatively strong throughout the summer before declining much more gradually than it had expected.

The price has now doubled from historic sub-\$10 touched at the turn of the year, rising to the top of the \$18-820 range that OPEC sees as the informal target of its price rescue pact.

There is no sign as yet of a slackening in OPEC's adherence and some analysts say the cuts look likely to wipe out surplus global oil inventories by the end of the third quarter.

OPEC members stayed in strong compliance with output curbs in July although non-par-

ticipant Iraq pushed up the group's overall production, a Reuters survey found.

OPEC raised output in July by 270,000 barrels a day (bpd) to 26.24 million bpd from a revised 25.97 million in June, according to the survey of officials, analysts and consultants.

But the July estimates show compliance with limits among the 10 participating OPEC members at 87 per cent, unchanged from June.

The EIA said it was raising its forecasts for world oil prices for the remainder of 1999 and for 2000 due to OPEC's better-than-expected compliance with self-imposed supply limits.

World oil prices would average about \$18.39 per barrel in the third quarter of 1999, rising to \$18.67 in the final period of the year, the EIA said, compared to previous forecasts of \$15.60 per barrel and \$15.75, respectively.

An AP report from New York says: Crude oil rallied to its highest levels in 21 months on the New York Mercantile Exchange amid reports of an explosion at a Corpus Christi.

Texas refinery.

One worker was killed in the blast at the Citgo Petroleum Corp Refinery. There was no fire and the rest of the plant continued operating normally, company officials said.

The problem renewed concern about a recent string of refinery problems that have reduced production across the United States, particularly to the key California market. Still, analysts said processing would see little impact.

Natural gas futures also rose in thin trading despite expectations for cooler temperatures in key consuming regions. The cooler weather likely would lower demand from utilities that power turbines up during heat spells as more consumers turn on air conditioners and fans.

September crude oil rose 39 cents to \$21.27 a barrel; September heating oil rose 0.68 cent to 55.21 cents a gallon; September unleaded gasoline rose 0.21 cent to 66.04 cents a gallon; September natural gas rose 2.3 cents to \$2.721 for each 1,000 cubic feet.

Lankan tea industry facing disaster'

COLOMBO, Aug 10: Sri Lanka's main planters' union warned today that the island's main export commodity, tea, was facing disaster due to falling prices and demanded a series of concessions to remain viable, says AFP.

The Planters' Association of Ceylon said the industry was facing one of its worst crises with tea prices falling by about 30 per cent and record high costs compounding the problem.

"Some urgent measures will have to be taken if the country is to avert a full-blown crisis that will have serious adverse effects on the economy," Planters' Association Secretary SK Seneviratne said in a statement.

He urged the government to exempt the tea industry from the 12.5 per cent goods and services tax and to defer for three years the rentals payable by private companies which manage state-owned tea and rubber plantations.

The association also wants to link wages to productivity to cut salary bills which it says make Sri Lanka the most expensive place to grow tea.

Seneviratne noted that

while tea prices continued to tumble, the cost of production was going up.

The tea industry has lost 4.4 billion rupees (62 million dollars) in the first five months of this year, he said.

Earlier this year smaller private factory owners said they were facing bankruptcy as they were unable to buy tea leaves from small-time growers.

The owners said a promised loan package from the government failed to materialise.

Prices at the weekly Colombo tea auction, the world's largest tea sale, have dropped by 30 per cent within a year.

Creditors agree to take tough action against Samsung

SEOUL, Aug 10: Creditors agreed today to take punitive sanctions against South Korea's Samsung Group unless its chief contributes more towards the huge debts incurred by his ill-fated auto unit, bankers said, reports AFP.

Exchange Rates

American Express Bank Ltd					
Foreign exchange rates (indicative) against the Taka to major currencies					
Currency	Selling TT & OD	Selling PC	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 Sterling	80.1548	80.2193	78.9761	78.7151	78.5998
Deutsche Mark	27.6259	27.6482	26.6526	26.5285	26.4896
Swiss Franc	33.3758	33.4027	32.8647	32.7680	32.7081
Japanese Yen	0.4330	0.4333	0.4256	0.4242	0.4235
Dutch Guilder	24.5185	24.5382	23.6869	23.5445	23.5100
Danish Krone	7.2081	7.2138	7.0435	7.0202	7.0099
Australian \$	33.0108	33.0373	31.7276	31.6227	31.5764
Belgian Franc	1.3394	1.3405	1.2913	1.2862	1.2843
Canadians \$	33.4567	33.4836	32.5137	32.4062	32.3583
French Franc	8.2371	8.2437	7.9409	7.9098	7.8983
Hong Kong \$	6.4191	6.4243	6.3408	6.3106	6.3052
Italian Lira	0.0279	0.0279	0.0269	0.0268	0.0268
Norway Kroner	6.4672	6.4242	6.3576	6.3366	6.3273
Singapore \$	30.0756	30.0998	29.1059	29.0097	28.9672
Saudi Riyal	13.2982	13.3089	13.1153	13.0719	13.0528
UAE Dirham	13.5770	13.5880	13.3909	13.3466	13.3271
Swedish Krone	6.0560	6.0604	5.9784	5.9586	5.9499
Qatar Riyal	13.6978	13.7089	13.5068	13.4621	13.4424
Kuwaiti Dinar	16.0921	16.9228	15.6211	16.1035	15.8740
Thai Baht	1.8150	1.8104	1.8022	1.2979	1.2900
Euro	54.0316	54.0751	52.0889	51.8852	51.8092

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
49.0650	49.7300	USD	5.24375	5.42500	5.80000
78.5998	80.1548	GBP	5.23453	5.31156	5.64484
Cash/TC	Cash/TC	Euro	2.6063	2.67570	3.06125
43.4324/44.422	51.5405/51.590	37.7603/37.810	3.7995/3.8005	3.7103/340	3.15688/3.15688

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.4324/44.422	51.5405/51.590	37.7603/37.810	3.7995/3.8005	3.7103/340	119.8/119.9

Amex notes on Tuesday's market

The USD/BDT rates continued to hover in the 49.6350/49.65 level. It is expected to remain at this level for the remainder of this week as market is still liquid in USD.

The government had accepted T-bills worth BDT 657 million on August 08, 1999 as a result the call rates moved up but only marginally. The call rates have remained below six per cent and stayed in the 5.25-5.75 per cent level.

Dollar extended losses vs yen in late Tokyo due to vague rumours about fresh fiscal stimulus by Japan. Stop-loss sell orders triggered near 114.80 yen pushed dollar as low as 114.70 yen.

The dollar was back under pressure across the board in early European trading on Tuesday after a two-day rally quickly lost steam as lingering concerns over US asset market clouded the horizon. Dollar/ yen probed below the psychologically important 115 yen level, while euro/dollar rose above \$1.07 on the back of strong economic data from Japan and Germany and nervousness ahead of the US Treasury's quarterly refunding which kicks off in the later part of August 10. Data this week from Japan, like machinery orders today, have been better than expected which is the reason of renewed optimism over an economic recovery in Japan. Japanese Economic Planning Agency reported that the nation's core private-sector machinery orders rose a seasonally adjusted 6.3 per cent in June from the previous month, compared with an average forecast of a 1.5 per cent rise. Although Japanese officials have repeatedly expressed their concern that a premature year rally could choke off an economic recovery, market makers said it would be difficult to reign in the yen bulls for now.

The euro was last trading at \$1.0734/37, up from \$1.0704/04 late on Monday, drawing some strength from news Germany's trade surplus widened to 13.6 billion marks in June from 6.7 billion in May amid a pickup in exports. Although the single currency was still about a full cent below last week's \$1.0826 three-month high, it has so far only made limited pullbacks and kept its month-long uprend intact.

At around 0800 GMT, the major currencies closed against USD at 114.84/114.89 JPY, 1.4921/1.4931 CHF, euro at \$1.0728/1.0731 and GBP at \$1.6092/1.6099.

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 10.8.99

Berth	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival
J/1	Feng	Wheat(P)	Newo	Oswi	8/7 20/8
J/2	Laconikos-II	Gl	Mumb	UMTL	4/8 12/8
J/4	Seven Seas	Gl	Mad	Prog	8/8 17/8
J/5	Nopnora Naree	Seed	Lapa	Rainbow	13/7 13/8
J/6	Elephtheria	Sugar(G)	Sani	Fortune	19/7 14/8
J/7	777 Glazbrook	Rice(P)/Gl	Kaki	BSC	6/8 13/8
J/8	Minerva-P	Wheat	House	Rainbow	23/7 13/8
J/9	Osterriestland	Sugar(G)	Land	MLB	10/7 12/8
J/10	Silver Star	C Link(Cond)	Gross	MBL	2/8 16/8
J/11	Xpress Makalu	Cont	Sing	Baridhi</	