

Large merger deal news buoys dollar

LONDON, July 12: The dollar rose against other major currencies today, benefiting from news of several large merger deals and fears a Standard & Poor's seminar may result in some negative comments on Japan's sovereign ratings, says Reuters.

The rating agency was holding a media seminar today called to discuss the credit quality of Japan's local government debt. The market was fretting that S&P might say something negative about Japan's sovereign rating, even though the agency had stated this matter would not be addressed.

Traders said the market was particularly wary as the seminar was taking place in the wake of rumours that Moody's Investors Services, which began its review of Japan in February, could downgrade Japan's rating. Fitch has already cut Japan's local currency rating recently.

Meanwhile, the dollar gained against the Swiss franc on news UBS AG UBSZn. S was buying Swiss PaineWebber Group Inc PWJ. N. This led the dollar higher against the euro.

There is more merger and acquisition news and it's dollar supportive. The Swiss franc has been an advance indicator for euro/dollar and the franc (weakness) is having a knock on effect on the euro, said Neil

MacKinnon, Sennio Currency Strategist at Merrill Lynch in London.

"As far as dollar/yen is concerned, credit ratings will continue to be in the background, which means its going to put pressure on the yen, and the dollar could go to 108 today."

The dollar JPY peaked at 107.56 yen, up more than half a yen from Tuesday's low around 106.55.

The dollar was buoyed to highs around 1.6380 against the Swiss franc CHF. It hits level since July 4. Meanwhile, the euro EUR

Talk of possible BOJ hike remains

Meanwhile, the yen won little support from latest hints, suggesting the market had largely forgotten a tightening of 25 basis points by the Bank of Japan at next week's policy meeting.

Traders said they have already taken on board comments from two more Policy Board members, perceived as part of a campaign to prepare the market for a hike on July 17.

The latest comment came on Wednesday from BOJ board member Susumu Taketomi who told the Sankai Shinbun that conditions for ending the 17-month-old zero interest rate policy are gradually falling into place.

Normalcy returns to ROK banks after one-day strike

SEOUL, July 12: All banks resumed normal operations Wednesday after a one-day strike by employees demanding job security and more government funds for their heavily indebted banks, says AP.

None of the 6,200 bank offices in South Korea was closed during the strike but many had to curtail their complex lending and foreign exchange businesses. Some banks temporarily hired retired workers to fill the gap.

"It's significant that the dispute was resolved through dialogue, setting a precedence that even the opinions of labour unions can be reflected in government policies," said Lee Yong-keun, head of the Financial Supervisory Commission.

The Korea Financial Industry Union, an umbrella for the nation's 65,000 bank workers, also expressed satisfaction with the terms that ended the strike.

"We've won all we wanted to get but we have secured certain amounts of victory," union leader Lee Yong-duk said.

Most of the 22 banks in South Korea are government-controlled.

Both sides officially announced the end of the strike Tuesday night but details of the terms were withheld until mid-Wednesday, pending formal approval by an arbitration committee comprising the government, management and labour union.

But information leaked from both sides indicated that the government promised to provide additional funds to indebted banks while winning support for its plan to introduce financial holding companies that will allow managers to control two or more banks.

Experts say such an arrangement would make it easier to merge or consolidate the banks. Bank workers fear the new system would lead to mass layoffs.

To dispel the workers' fear of outright mass layoffs, the government promised that even if the new system is introduced, it

will not push forceful mergers of banks.

Instead, the government will enforce a new system beginning next year that will limit to 20 million won (dls 17,300) the amount of deposits to be redeemed in case financially insolvent banks are folded.

Up to now, there have been no limits on the amount of redemption — a factor that officials believe has contributed to the insolvency of some banks.

The government hopes that the new system will influence people to shun financially weak banks, thereby forcing them to merge or consolidate with other banks to survive.

The new system means that the government will depend on the market force to reform and restructure the banking sector," said Lee, the chief government financial regulator.

The government also promised to provide more funds to help ease the financial burden of several debt-ridden banks. The burden includes dls 1 billion extended in loans

to the old Soviet Union.

In a deal linked with opening diplomatic relations with Moscow in 1990, South Korea extended \$ 3 billion in loans to the old Soviet Union.

After providing \$ 1.47 billion, South Korea suspended further reimbursements after Moscow failed to pay back interest on the loan already extended. Most of the money came from commercial banks.

Unions claim that their banks have become weak, because they were forced to make unprofitable loans or investments under government pressure.

Reform of South Korea's inefficient banking sector was a key demand of the International Monetary Fund in exchange for a dls 58 billion bailout in late 1997.

In the first round of restructuring that followed the IMF bailout, more than 40,000 bank workers lost their jobs. Officials said a second round of restructuring is necessary.

Eastern Insurance declares 15pc dividend

Eastern Insurance Company Limited has declared a 15 per cent dividend for its shareholders for the year 1999, says a press release.

This was announced at the company's 14th Annual General Meeting held at a city hotel yesterday.

Chairman of the company M Haider Chowdhury presided over the meeting. A large number of shareholders attended the meeting.

Directors Khaled S Ahmed, Unum Kulsum Mannan, S D Alam, Rokeya Ferdous and Durand Mehduddar Rahman, re-elected and re-elected from the sponsor group.

A K M Mohiuddin and S A Humayun Ahmed were elected uncontested in the two vacant positions of directors from the public shareholder group.

Directors, M/S S D Alam, Matu Rahman, Raisuddin, Golam Rabbani, Khaled S Ahmed, Mujibur Rahman, Azmal Hossain and Managing Director A K M Iftekhar Ahmad attended the meeting.

Blair seizing on healthy economy in pre-polls campaign

LONDON, July 12: Prime Minister Tony Blair today hailed record jobs data and a slump in unemployment to a new 20-year low, seizing on the healthy state of the British economy as vindication of his three years in power, reports AFP.

"This is a big milestone for us today, a million extra jobs in the economy," said Blair. In an unusual move, the premier called a news conference to deliver the jobs data and to pass judgement on his government's performance to date.

"There are reasons why this has happened. It is part of an overall vision for the country and here are the next steps of it. This is a long term vision for the country and here are the steps of it. This is a long term vision for the country," the prime minister said.

The initiative as the beginning of Blair's election campaign ahead of parliamentary polls that must be held by mid-2002.

Blair dismissed rumours that he may call a snap election this autumn.

Blair's comments followed publication of official figures showing that British unemployment fell by 11,900 last month to a new 20-year low of 1,098 million people, taking the jobless rate down to 3.8 per cent of the active population.

Germany raises growth forecast for 2000

BERLIN, July 12: The German Institute for Economic Research (DIW) today increased its growth forecast for Germany for 2000 to 2.7 per cent, slipping back slightly to 2.6 per cent in 2001, reports Reuters.

"With a lift coming from booming foreign demand, total economic production will increase by 2.7 per cent this year, the strongest increase in ten years," the DIW think-tank said in its summer economic forecast.

In January, the DIW forecast GDP growth of 2.4 per cent for 2000.

The DIW, one of Germany's six leading economic institutes, said the influence of the upswing in export markets would boost domestic demand noticeably, while more employment would boost private consumption.

The institute also said that moderate wage deals this year would offset any possible inflationary dangers arising from a weaker euro and higher oil prices.

It forecast inflation of 1.5 per cent for this year and 1.2 per cent in 2001.

Exchange Rates

The following is yesterday's forex trading statement by Standard Chartered Bank, Dhaka

Central bank USD/BDT rate: Buying - BDT 50.85/ Selling - BDT 51.15					
Selling		Currency		Buying	
TT/OD	BC	TT Clean	OD Sight	OD Transfer	
51.2500	51.2800	USD	50.8650	50.8950	50.6279
0.4843	0.4846	JPY	0.4672	0.4666	0.4650
31.6299	31.6485	CHF	30.9153	30.8129	30.7712
29.8260	29.8434	SGD	28.7487	28.6534	28.6146
34.9233	34.9438	CAD	34.0804	33.9675	33.9215
5.8001	5.8035	SEK	5.7004	5.6815	5.6739
31.1498	31.1680	AUD	28.3471	28.2531	28.2149
13.6310	13.6390	MYR	13.2454	13.2015	13.1837
6.6680	6.6718	HKD	6.4999	6.4694	6.4607
13.7750	13.7813	SAR	13.4535	13.4089	13.3908
14.0692	14.0775	AED	13.7362	13.6906	13.6721
0.0462	0.0462	KRM	0.0454	0.0452	0.0452
78.2024	78.2482	GBP	76.9520	76.3083	76.2051
49.2308	49.2586	EUR	47.3095	47.1528	47.0890

Usance Export Bills					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.7601	50.4469	50.0289	49.5481	49.0255	47.8549

Exchange rates of some Asian currencies against US dollar					
Indian Rupee	Pak Rupee	Thai Baht	Mal. Ringit	Indo. Rupiah	NZ Dollar
44.60/44.70	52.25/52.35	40.10/40.15	3.7998/02	9414/9424	0.4592/0.4599

US Dollar					
	Buying	Selling		1 Month	3 Months
Cash notes	50.6650	51.2800	USD	6.63	6.73/25
T/C	50.6150	51.2600	GBP	6.0698	6.1856

LIBOR					
	1 Month	3 Months	6 Months	12 Months	
6.63	6.73/25	6.91	7.06		

Market Commentary
On Wednesday, activity of the interbank foreign exchange market was steady and the demand for dollar was range bound. Call money market was insipid and the demand for call money was low. The call rate was in a downward trend and the call rate ranged between 4.75 and 5.25 per cent.

In the international markets, dollar rose against all the major currencies benefiting from several merger deals and fears that a Standard & Poor's seminar may result in some negative comments on Japan's sovereign rating. The rating agency was holding a media seminar on Wednesday called to discuss the credit quality of Japan's local government debt. The market worried that S&P might say something negative about Japan's sovereign rating, even though the agency had stated that the matter would not be addressed. Meanwhile, the dollar gained against Swiss Franc on news that UBS AG was buying Swiss PaineWebber Group. This led the dollar higher against euro.

Shipping Intelligence

Chittagong port					
Berth position and performance of vessels as on 12.7.2000					
Berth No	Name of vessels	Cargo	L Port	Local agent	Date of arrival
J/1	Jun Cheng	GI	S.Hai	BDShip	28/6
J/2	Triumph Kaosung(48)	GI(STC)	Hald	RML	9/7
J/3	Clover Trust	C.Clink	pada	MBL	21/6
J/4	Shun Cheng	GI	Bayu	Prog	30/6
J/5	Asian Premier	Rice(P)	Hochi	Mutual	6/7
J/7	Joany-L	Wheat(P)	JEDD	OWSL	18/5
J/8	Pu Cheng	GI(Mate)	Chun	Prog	10/6
J/9	Negol Lombok	GI(DP)	Hako	Lmrod	4/6
J/10	Chong Gen	Rice(P)	Sing	SBS	29/6
J/11	Banga Birol	Cont	P.Kel	BDShip	6/7
J/12	Kota Berjaya	Cont	Sing	Pil(BD)	3/7
J/13	Ort Independence	Cont	Sing	BSC	4/7
CCT/1	Banglar Shikha	Cont	Sing	BSC	10/7
CCT/2	Boxer Capt Cook	Cont	P.Kel	BDShip	5/7
CCT/3	Arabella	Cont	Sing	QCSL	1/7
RM/14	AL Bauraq	Cement	Mala	Seacom	23/6
RM/15	Lestari Utama	Cement	Indo	ANCL	21/6
CGJ	Ban ann	C.Clink	Krabi	BML	10/7
GSJ	North Star-II	Cement	Pada	SBS	28/6
TSP	Apex	Idle	Saig	Cindy	10/6
AMT/4	Aramon	C.DSO	Kaka	Seacom	8/7
DD	Banglar Joyti	Repair	Jedd	BSC	R/A
RM/8	Banglar Doot	Repair	Jedd	BSC	R/A
RM/9	Bnglar May	Repair	Jedd	BSC	25/6

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L port	Local agent	Cargo	Loading port
Gulf Blader	13/7	Sing	Arafen	-	-
Monte Oliveto	12/7	Sing	OTBL	-	-
Probitas	12/7	Sing	OTBL	-	-
OSG Argosy (Cont) 6/6	12/7	Col	Everest	Cont	Col
Banglar Urmil	14/7	Mong	BSC	Cont	Sing
QC Pintail (Cont) 27/137	14/7	QCSL	Cont	Sing	Sing
Xpress Makalu (Cont) 6/7	14/7	CBO	Everest	Cont	Cont
Oriental Queen	13/7	Sing	Seacom	C.Clink	-
Banglar Robi (Cont) 3/7	14/7	Sing	BSC	Cont	Sing
Ever Cheer (48/9/7)	14/7	Mong	RML	GI (CR Clk)	-
AL Muztuba	16/7	Okha	CLA	Rice(P)	-
Sunflower	17/7	-	Everett	GI	-
Rainbow Jyoti (48/9/7)	15/7	-	Asa	GI (Steel Pipes)	-
Selestar Hope	18/7	-	Everett	GI	-
Eagle Sky (Cont) 13/7	16/7	Sing	Nol	Cont	Sing
Banga Bray (Cont) 6/7	17/7	-	BDShip	Cont	Sing
Dawel	17/7	-	MTA	Rice(P)	Sing
San Mateo (Roro) 24/47	17/7	-	JF	Vehi	-
Bago	24/7	-	Fberett	GI	-
Kota Singa (Cont) 9/7	17/7	Sing	Pil (BD)	Cont	Sing
Jaami (Cont) 9/7	17/7	Sing	Cross	Cont	Sing
QC Teal (Cont) 16/7	18/7	P.Kel	QCSL	Cont	Sing
Joy World	18/7	-	SSLL	GI (ST Prod)	-
Freedom	19/7	-	Atlantic	GI (Prod)	-
Xpress Resolve (Cont)	19/7	Sing	RSL	Cont	Sing
DAFA (Cont) 9/7	20/7	Sing	RSL	Cont	Sing
Dragon Kaimantan (Cont) 9/7	20/7	Sing	Nol	Cont	Sing
M Regina (Cont) 9/7	22/7	Sing	Pil (BD)	Cont	Conty
San Pablo (Roro) 24/47	22/7	-	JF	Vehi	-

Sun Fabio (Horo)24/4/77		22/7	JF	Vehi
Tanker due				
Spiros	12/7	Rast	BSL	Crude Oil
Nural Jubal	14/7	Juba	OWSL	Caustic Soda
Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Vessels at Kutubdia				
Energy Explorer-IV	-	-	BBAL	5/4
Ismiya	-	-	BBAL	17/8
Dea Champlain	-	Sing	Arafacen	R/A 10/7
Renley Tide	-	Sing	Arafacen	10/7
Sandfly Command	-	-	REB	R/A 10/7

Sandvik Command	Vessels at outer anchorage			IBS	R/A (27/6)
Ready on:					
Kapitan Petko Valovda	GI (STC)	Col	BBA		1/7
Niang Jlang	GI	Busu	BDSHP		3/7
An da	GI(Stralls)	LANJ	Luiful		3/7
Grand Mariner	GI(Teas)	Sing	Rainbow		3/7
Hui Yang	GI	Sing	BDSHP		9/7
Kota Cahaya (Cont)	Cont	Xing	Pili(BD)		9/7
Jutha Parichart(Cont)	Cont	Sing	RS		9/7
Acturia	Cont	P.KEL	QCSL		9/7
Ocean-1	GI	XING	MSML		10/7
Banglar Mon(Cont)	Cont	Sing	BSC		10/7
Ventura	CDSO	Dara	Rainbow		11/7
Dango Bue (Cont)	Cont	PKIL	BDSHP		11/7
Chuang-4-ton	Wigout	Sing	SBS		11/7

Registered Country	Wharf	Ship	SRS	10/7
Vessels awaiting instruction				
Xing Ye	Rice(G)	-	MBGSL	R/A (20/6)
Professor Pavlenko	-	-	SMSL	R/A (10/5)
Banglar Gourab	-	-	BSC	R/A (12/6)
Banglar Shourab	-	-	BSC	R/A (9/7)

Vessels not entering				
Bright Sea	MOP(P)	Niko	Litmond	2/7
Leopard-1	Cement	Tuba	UML	7/7
Mega Bay	C. Clink	Kosh	ANCL	8/7
Accord	Scraping	Sing	Simni	11/7
Norbulk Oak	Cement	Sing	Viking	5/4
Revenge			NWSL	R/A (3/7)
Karya Sentosa			Sunshine	R/A (9/10)
	Rice(G)		USTC	R/A (18/9)

Movement of vessels for 13.7.2000					
Outgoing	Incoming	Shifting			
J/2	Triumph Kaosung	CCT/3	B Moni	RM/4	Armour 1 to RM/3
J/3	C Trust	J/3	Allegro		
J/3	Ort Independence	J/13	J Parichart		
CCT/3	Arabella	NB	K Caluya		
GSJ	North Star-II	DOJ	B Shourab		
DD	B Jyoti	GSJ	Xinang Jiang		
		RM/6	S Oak		
			Ventura		

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

Biman Bangladesh Airlines

HEAD OFFICE, BALAKA, KURMITOLA, DHAKA-1229, BANGLADESH

Tender Notice

Tenders in sealed cover are hereby invited in two envelope system from bonafide cleaning contractors for cleaning of Biman Cargo Village at ZIA. Tender schedule alongwith detail terms and conditions may be purchased from Cash and Banking Section, Biman Head Office, Balaka, Kurmitola, Dhaka on cash payment of Taka 500.00 (Five hundred) only per set in all working days up to 23-07-2000 during office hours.

Tenderers shall have to deposit earnest money @ 2.5% of the yearly quoted amount in the form of Bank Draft/Pay Order from any scheduled Bank in favour of Bangladesh Biman with financial offer. Tender will be received in the office of General Manager, Project & Works at Kurmitola, Dhaka up to 1400 hours on 24-07-2000 and only the technical offers will be opened on the same day at 1430 hours in presence of the tenderer, if any.

Biman Management reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever.