

OPEC to pump 500,000 bpd if price stays over \$28 a barrel

IMF foresees more rate hikes in coming months

LONDON, Sept 18: OPEC will raise oil output by 500,000 barrels a day if prices remain above the top end of its target range of \$22 to \$28 a barrel, the cartel's secretary-general said on Sunday, reports Reuters.

"If during the month of October, prices remain at that high level, higher than what we want, then we would be in a position to put in an extra 500,000 barrels," Rihwanu Lukman told the BBC.

Lukman said there would be no need to wait for the next meeting of OPEC ministers, due to take place on November 12, to raise production.

"We expect prices to fall but if they don't then we stand ready to put additional supplies into the market," he said.

OPEC has already agreed to hike official output by 800,000 barrels a day from October to tame runaway prices that have sparked protests across Europe and fears of a slowdown in global economic growth.

But energy analysts have pointed out that the cartel's output, at 29 million barrels daily, is higher than at any time in the past 20 years and that only Saudi Arabia has any spare capacity.

Oil prices closed in excess of \$33 a barrel on Friday after tensions heightened in the Middle East.

Lukman's comments come after German Chancellor Gerhard Schroeder said during a visit to Spain at the weekend that the Group of Seven industrial nations would tackle oil prices at its summit in Prague next weekend.

Government across Europe are desperate to end the trucker blockades that cut off petrol supplies and jammed roads last week. Politicians have been shocked by the depth of public anger over petrol prices and the level of support for the protesters.

The German edition of the Financial Times, citing German government sources, reported that G7 finance ministers would urge OPEC to act to cut prices by boosting output.

It said the initiative, launched by Britain, had already been discussed by the other six members of the G7—the United States, Japan, Germany, France, Italy and Canada and Russia. All were interested in a joint position, the paper said.

But the International Monetary Fund's latest World Economic Outlook, due for release next week, expects oil prices to keep rising in coming months, the German FT also reported.

Rising oil to push up Asian inflation

Reuters quarterly economic survey on region shows

SINGAPORE, Sept 18: Rising oil prices will push up inflation in Asia in the coming months but countering the cost-push effect will be restrained domestic demand, Reuters' latest regional quarterly economic survey shows, said Reuters.

The survey of 132 economists across the region showed forecasts tending to be raised, mainly for next year, as oil prices hit their

highest levels since the Gulf War 10 years ago.

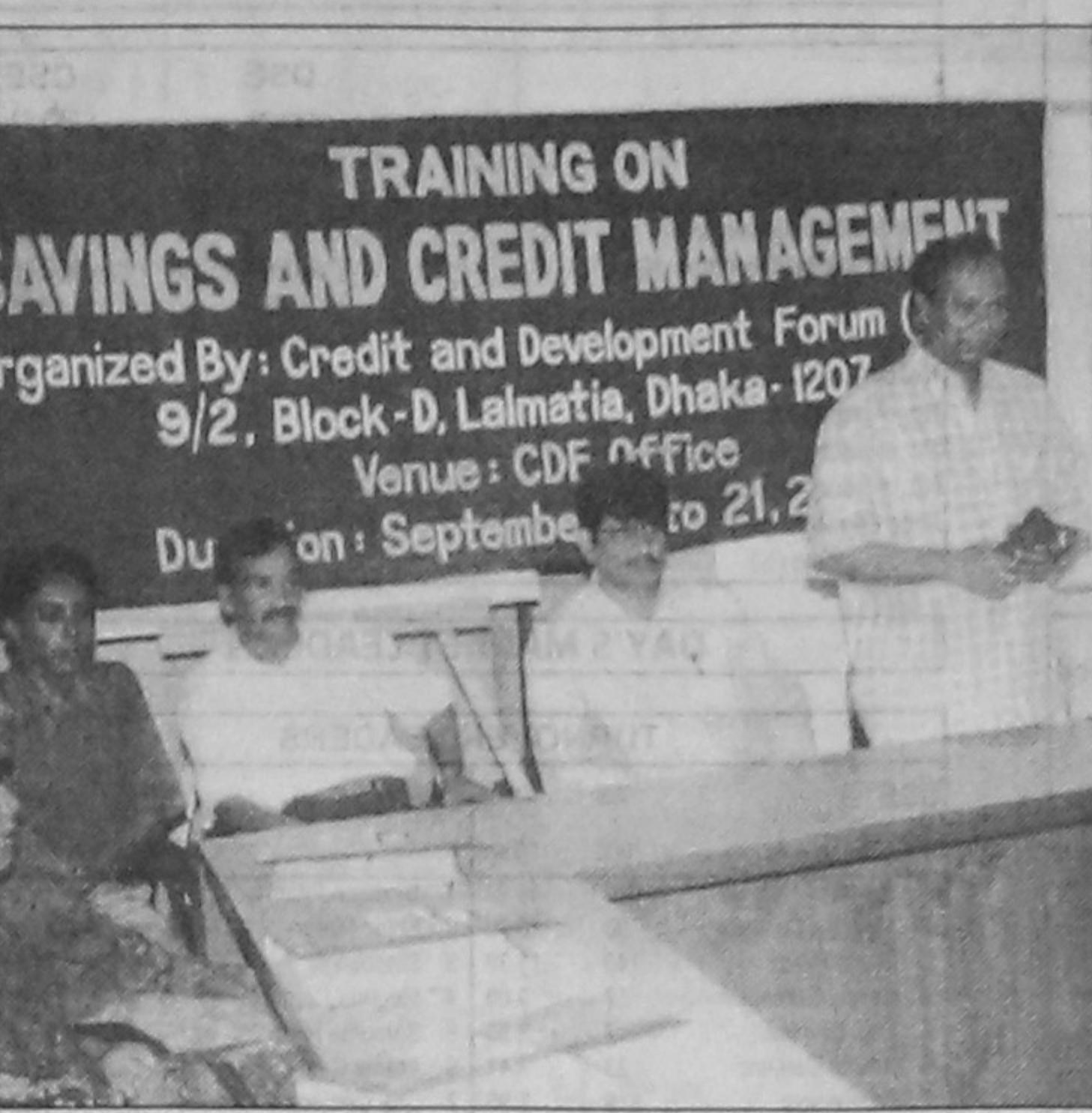
Weak exchange rates due to the continued firmness of the United States dollar was also cited as a reason for the slightly more bearish outlook for inflation this time.

Forecasts for the Philippines, South Korea, Indonesia and India were pushed up compared with a similar survey in June.

Pardede, an economist at state owned Danareksa Securities.

Indonesia has managed to wrestle inflation down from the 80 per cent year-on-year levels seen in 1998, although higher prices will not be good news in a country where millions have been pushed back into poverty since the crisis hit.

"Inflation will rise due to the fuel price hikes, increased transportation fares and on domestic demand which is expected to go up in December," said Raden



Picture shows the inaugural function of a 5-day training course on "Savings and Credit Management" organised by Credit and Development Forum (CDF) on Sunday. --CDF photo

Exchange Rates

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

Currency	Selling TT & O.D.	Currency BC Clean	Buying TT Sight Export Bill	Buying O.D. Sight Transfer
US DOLLAR	54.2900	54.2800	53.8150	53.6970
POUND STG	76.0965	76.1366	74.9105	74.7462
DEUTSCHE MARK	24.0901	24.1034	23.0577	23.0072
SWISS FRANC	30.5307	30.5476	29.9321	29.8665
JAPANESE YEN	0.5088	0.5095	0.4998	0.4980
DUTCH GULDEN	21.3922	20.4641	20.4192	20.3919
DANISH KRONA	6.2320	6.2354	6.1100	6.0964
AUSTRALIAN \$	30.0274	30.0440	28.6834	28.5821
BELGIAN FRANC	1.1680	1.1688	1.1179	1.1155
CANADIAN \$	36.9349	36.9553	35.8815	35.8028
FRENCH FRANC	7.1828	7.1868	6.8750	6.8599
HONG KONG \$	6.9708	6.9746	6.8879	6.8636
ITALIAN LIRA	0.0243	0.0243	0.0233	0.0232
SINGAPORE \$	31.4236	31.4411	30.4487	30.3819
EURO	47.1161	47.1422	45.0970	44.9981
SAUDI RIAL	14.5030	14.5110	14.3995	14.2781

Bill buying rates

TT Doo	30 Days	60 Days	90 Days	120 Days	180 Days
53.7512	52.3665	52.9181	52.4896	52.0212	51.1243

US Dollar London Interbank Offered Rate (LIBOR)

Buying (\$)	Selling (\$)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
53.6250	54.2500	USD	6.6276	6.66	6.76053	6.78	6.81625
74.6460	76.0965	GBP	6.09344	6.20058	6.3025	6.37875	6.44125
CashTC	CashTC	EURO	4.86653	4.81436	5.0125	5.11313	5.20250

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
45.85/45.95	55.35/55.45	42.17/42.27	3.7995/3.8005	8645/8665	1130/1133

Amex notes on Monday's market

There was little activity in the USD/BDT market today. The rates ranged between 53.93 and 53.95. The call rates moved between 5 and 6.5 per cent. The government has purchased 1455 crore in T-bills yesterday.

The euro fell to record lows against the dollar on Monday amid concern that a meeting of the Group of Seven industrial powers this weekend will not act in concert to stem the single currency's decline. Dealers said investors were looking to sell the euro on any rallies. The euro fell to record lows just above 80.85 in Asian trading before paring those losses to around 80.8574. The US Treasury's reluctance to veer away from its "strong dollar" policy, particularly ahead of the November presidential election, was seen to be a major hurdle for policymakers. The strength of the dollar continued against a range of currencies on Monday.

The Australian dollar fell to record lows against the US unit, with traders blaming the euro weakness, and the New Zealand dollar dropped towards record lows it had set earlier this month. Dollar/yen had traded as low as 106.71, down around one per cent from three-week peaks it had set on Friday around 107.73. Analysts said the yen was also buoyed by seasonal factors such as Japanese corporations' profit repatriation ahead of their semi-annual bookclosing at the end of the month.

Sterling was struggling within a third of a pence of last week's 14-year lows against the dollar on Monday, kept under pressure by the single currency's slide to yet another record low against the dollar earlier in the day. The pound was likely to retain a soft tone amid the euro's weakness and ongoing speculation British interest rates, already below US rates, are at or near their peak, dealers said.

Euro is dangerously undervalued: ECB

PARIS, Sept 18: The euro is "dangerously undervalued" and its reversal when it comes may be abrupt, the vice president of the European Central Bank (ECB) warned yesterday, reports Reuters.

In an interview with Les Echos daily released ahead of publication on Monday, ECB vice president Christian Noyer said the level of the euro would likely come up in discussions at the G7 meeting of leading industrial nations next Saturday.

The European position is clear: the euro is dangerously undervalued. That should be confirmed at the G7, I'm convinced of it," Noyer said. "A reversal is going to take place. Given recent developments, it even risks being abrupt.

He said the relationship between the major currencies was always discussed in the G7 framework especially when their parity was not considered satisfactory. The G7 is comprised of the United States, Japan, Germany, France, Britain, Italy and Canada. Its finance ministers and central bankers meet in Canada this coming weekend.

The euro zone encompasses Germany, France, Italy and eight other Western European countries.

But did the ECB fear it was hurting growth after six rate increases that have driven its benchmark interest rate to 4.5 per cent.

CDF course on savings, credit management begins

A 5-day training course on "Savings and Credit Management" organised by Credit and Development Forum (CDF) has begun at its training room on Sunday, says a press release.

Officials of mid-level and below mid-level microfinance organisations of the country are participating in the course.

CDF is working for the promotion and development of microfinance sector and involved in creating an enabling environment so that microfinance NGOs can carry out their operations effectively. It also facilitates free flow of information and serves as a conduit of channelling information to the NGOs.

Khandir Zakir Hossain, Executive Director of CDF, inaugurated the course. Among others, Kazi Nazrul Alam, Coordinator of CPU, was present on the occasion.

The training is being conducted by S M Rahman, Director of CDF, and coordinated by A K M Nurul Islam. Abdul Hye Mridha is the facilitator of the training.

Dresdner Bank to buy American investment bank

FRANKFURT, Sept 18: Dresdner Bank will buy US investment bank Wasserstein Perella Group Inc. for about \$1.37 billion, the German bank said Monday, reports AP.

Wasserstein Perella will be merged with Dresdner Bank's investment banking unit Dresdner Kleinwort Benson under the new brand of Dresdner Kleinwort Wasserstein, Dresdner Bank's executive board said.

The move, subject to approval by Dresdner's supervisory board, will strengthen the bank's investment banking activities particularly in the area of merger-and-acquisition advisory services.

Shareholders of Wasserstein Perella will receive 30.5 million new Dresdner Bank ordinary shares from authorised capital, subject to adjustment depending on Wasserstein's closing balance sheet. Based on a 10-day price average, this corresponds to a purchase price of approximately \$1.369 billion, Dresdner said.

Dresdner said the supervisory board is expected to approve the deal at its Sept. 20 meeting. After the necessary authorisations from the regulatory authorities have been obtained, the transaction is expected to close within the fourth quarter of 2000, the German bank added.

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 18.9.2000

Berth	Name of vessels	Cargo	L port	Local agent	Date of arrival	Leaving
J/1	Fua Kavanga	G/Copra	Sant	Mutual	11/9	23/9
J/2	Mana	C/Clink	Jaka	NWSL	14/9	25/9
J/3	Pinya	Rice(P)	Yang	Mta	6/9	20/9
J/4	Bago	Rice(P)	Yang	Cla	27/8	21/9
J/5	Pacific Hero	Wheat(P)	Vanc	Cla	27/8	19/9
J/6	Insan Kamil	G/Sl(C)	Sing	Everett	19/9	19/9
J/7	Allegro	C/Clink/Gyr	Krabi	RML	15/9	23/9
J/8	Jin Cheng	Gf	Jan	Bdship	16/9	22/9
J/9	Maritime Friendship	Wheat(P)	Kuta	Mutual	31/8	22/9
J/10	Osg Alpha	Cont	P.Kel	RSL	12/9	18/9
J/12	Xpress Makalu	Cont	Sing	RSL	17/9	20/9
J/13	Kota Singa	Cont	Sing	Pil(BD)	12/9	18/9
CCT/1	Tiger River	Cont	Sing	N		