

Newly-minted currency shines on forex markets Euro surges above 90 US cents

AFP, London

The euro surged above 90 US cents on Wednesday, gaining a distinct psychological boost on its first trading day after notes and coins were issued in the 12 euro-zone nations.

Celebrating its long-awaited birth after a three-year incubation period, the newly-minted single European currency rode up to 0.9001 dollars from 0.8912 in New York on Monday, and 117.85 yen from 117.57.

The euro also powered ahead against sterling, as the market considered that the successful mint could persuade eurosceptic Britons of the merits of joining the 304 million Europeans who now count the euro as their currency. The pound bought 1.6151 euros, from 1.6328 overnight.

But analysts warned that it would be economic performance, not pocket change, that would ultimately determine the value of the euro, which has remained under pressure almost continuously since its "virtual" launch in January 1999.

"The smooth launch of the notes and coins has helped give a modest boost to the euro," said Nick Parsons, an economist at Commerzbank. But he added: "After the initial confusion

subsidies, the key to euro currency performance will not be its denomination or physical appearance but the economic performance which effectively underwrites it."

Although many Europeans were still getting used to the look and feel of the currency on the first proper trading day since Tuesday's launch, banks, dealers and investors have long since become accustomed to the euro -- and its frailties.

Since it was launched at a rate of 1.1668 dollars three years ago, the euro has struggled to match up to the powerful dollar. It crashed below parity within a year and fell as low as 0.8230 dollars late in 2000 before stabilising somewhat this year.

"It's been around now since the start of 1999 so the big players are well used to it and no one expected it to go away," said Jeremy Hawkins, an economist with Bank of America here.

He said that the physical birth of the currency "may be at the margins (of trading) but it will be much more psychological than any thing else."

"The dollar is starting to struggle against the yen, and with some profit taking going through that has provided a little boost for the euro as

well," Hawkins said, explaining the euro's rise.

Economists and British government ministers believe the spread of euro notes and coins will start to influence the British public in the debate over whether or not to join the euro-zone.

The new mint is likely to persuade Britons, millions of whom holiday in Europe every year, of the benefits of joining, increasing the likelihood of success in a yet-to-be-scheduled referendum.

But most agree that Britain would have to join the euro-zone with sterling at a far lower rate than its current value. The pound partly priced in these expectations on Wednesday, and fell sharply.

"With monetary union moving from an abstract concept to a practical reality, and many UK stores prepared to accept the euro, it becomes less difficult (though still far from easy) to persuade the British people of the benefits," said Parsons.

Added Hawkins: "Inevitably we have the big furure around E-day and people will be focusing on the next potential entrants and that has been responsible for the relative weakness of the pound this morning."

Euro changeover better than expected: ECB

AFP, Frankfurt

The introduction into general circulation of euro cash has gone better than expected, Eugenio Domingo Solans, the European Central Bank executive board member in charge of the transition to the euro, said on Wednesday.

"The euro cash changeover is going smoothly, even better than we had expected," Solans said in a statement.

Euro banknotes and coins became legal tender in all 12 countries that have decided to adopt the single currency on January 1. By the stroke of midnight on December 31, when the New Year was rung in, around 134 billion euros (120.6 billion dollars) had been "frontloaded", ie. distributed to banks, firms and retailers in preparation for the biggest monetary changeover in history, the ECB statement said.

That was equivalent to approximately 50 per cent of the total amount of banknotes in circulation

at the end of 2001.

The vast majority of automated teller machines (ATMs) started distributing euro banknotes "from the very first minutes of January 1," the ECB said.

"By the end of the day, more than 80 per cent of ATMs in the euro area were dispensing euro banknotes, and this even reached 100 per cent in some of the 12 countries, namely Austria, Germany, Luxembourg and the Netherlands."

In most countries, "a very high demand for euro banknotes was registered and withdrawals from the ATMs reached exceptional levels, in some countries up to four times the average figure for January 1."

With that part of the changeover now largely completed, retailers would begin start playing a key role as shops opened for business in the new year.

And Solans repeated his advice to Europe's 304 million citizens on how to help make the transition as smooth as possible.

Singapore recession bottoming out

AFP, Singapore

There are emerging signs the recession in Singapore is bottoming out following a 2.2 per cent economic contraction last year, the government said Wednesday.

The slump in gross domestic product (GDP) last year was largely due to a significant decline in manufacturing, the trade ministry said in a statement.

The export-oriented manufacturing sector is the engine-room of Singapore's trade-driven economy and was severely hurt by the global slump in demand for electronics.

But while the city-state is in its worst ever economic downturn, the 2.2 per cent fall -- following 9.9 per cent growth in 2000 -- was better than the government's most recent forecast of a 3.0 per cent decline.

There is a glimmer of hope for the coming year, said the quasi-central bank, the Monetary

Authority of Singapore.

"There are some signs the economy may be bottoming out," the MAS said in a statement.

In the fourth quarter, advance estimates show GDP shrank by 7.0 per cent from the same period in 2000, following falls of 5.5 per cent in the third quarter and 0.4 per cent in the second.

But GDP increased at an annualised rate of 4.3 per cent in the last three months on a quarter-on-quarter basis, after declining at a rate of 10 per cent for the previous three quarters, the MAS said.

"Given the openness of the Singapore economy, our recovery hinges critically on the strength of the turnaround in the electronics industry and... some tentative positive signs have emerged in recent weeks," MAS said.

"However, we remain cautious about whether this is the start of a sustainable improvement, or merely a year-end seasonal pick-up in demand."

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank.

Selling	Currency	Buying		
TT/OD	BC	TT Clean		
		OD Sight/Doc		
		OD Transfer		
57.6500	57.6800	56.5000	56.3314	56.2629
51.8331	51.8601	49.8500	49.7012	49.6408
84.2555	84.2993	81.6256	81.3819	81.2831
29.8454	29.8609	28.3178	28.2333	28.1990
0.4396	0.4398	0.4260	0.4247	0.4242
34.8591	34.8773	33.8526	33.7516	33.7106
5.5560	5.5589	5.3656	5.3496	5.3431
36.3952	36.4141	35.2904	35.1851	35.1424
7.4001	7.4040	7.2378	7.2162	7.2075
31.3009	31.3172	30.4287	30.3379	30.3010
15.8253	15.8335	15.2595	15.2140	15.1955
15.4936	15.5016	14.9471	14.9025	14.8844

Usance bills	TT Doc	30 days	60 days	90 days	120 days	180 days
USD	56.3835	56.0356	55.5712	55.0372	54.4567	53.1564
EUR	49.7472	49.4402	49.0305	48.5593	48.0472	46.8999
GBP	81.4573	80.9547	80.2838	79.5122	78.6736	76.7951

The local interbank foreign exchange market was active Wednesday. Demand for dollar was very high. Demand for BDT for overnight borrowing at call was substantially higher and the call rate ranged between 9 and 10 per cent. Yen recouped some of its losses against US dollar against the backdrop of talks related to options. However, most analysts believe that yen would fall against dollar in the long-term citing the rebound as mild and temporary. Recent crops of banking failures and the ailing financial sector intensified the negative view on the Japanese currency. Yen has shed almost 7 per cent against the dollar last month on anticipation that Japanese monetary authorities actively supported a weaker yen to boost export growth and help the economy find its way out of recession. At 1700 hrs on Wednesday, euro traded at 0.8994/01 against dollar, pound sterling at 1.4501/09 and yen traded at 131.54/60 against US dollar. This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable.

SHIPPING

Chittagong Port

Berth position and performance of vessels as on 2-01-2002

Berth No	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival	Lea-ving	Import Disch
J/1	Triumph Hong Kong	GI(STC)	Yang	RML	1/1	3/1	893
J/2	Ja Gang	GTSP (P)	Sing	PSAL	22/12	2/1	1008
J/3	Gangga Nagara	GI(SI P)	Sing	Multiport	28/12	6/1	696
J/4	Sun Dance	GI	Yang	Everett	31/12	3/1	2992
J/5	Rubin Hawk	GI	Sing	Everett	28/12	2/1	3817
J/6	Diana	C Clink	Kant	NWSL	17/12	2/1	1219
J/7	Rak Won	GTSP(P)	Sing	Uniship	25/12	4/1	2520
J/8	Sagaing	GI(SI C)	Yang	Everett	28/12	2/1	1928
J/9	Chang Ping	Urea(Baic)	Sing	PSAL	30/12	9/1	1847
J/10	Asean Energy	GI(ST CE)	Sing	Rainbow	27/12	2/1	1322
J/11	X-press resolve	Cont	Col	Everbest	30/12	2/1	85x
J/12	Banga Lanka (FLAG)	Cont	P KI	Bdship	27/12	3/1	189ix
J/13	Banga Bijoy (Flag)	Cont	Col	Baridhi	27/12	3x	117ix
CCT/1	Kota Singa	Cont	Sing	PI(BD)	31/12	4/1	210/984
CCT/2	Qc Teal (Dbb)	Cont	P Kel	QCSSL	30/12	3/1	141x
CCT/3	Qc Pintail	Cont	P Kel	QCSSL	27/12	3/1	201/113
CCJ	Togo Charm	C Clink	Lank	Seacom	15/12	2/1	-
GSJ	Banglar Robi	Wheat(G)	-	BSC	R/A	3/1	-
RM/6	Dailong	HSD	Sing	MSTPL	31/12	3/1	-
DD	Sonali	Repair	Yang	Angelic	31/10	4/1	-
RM/8	Banglar Mookh	Idle	-	BSC	R/A	8/1	-
RM/9	Banglar Jyoti	Repair	-	BSC	R/A	5/1	-
C/Jetty:	Tug SDM-1	Ballast	Sing	OTBL	9/12	-	-
	Towing Tug Jubilee Dia)	Ballast	Sing	OTBL	9/12	-	-

Vessels due at outer anchorage : Dated: 2/1/2002

Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Xpress Padma (Cont) 19/12	2/1	P Kel	RSL	Cont	L/Sing
QC Lark (Cont)23/12	2/1	P Kel	QCSSL	Cont	L/ Pkel
Sinhai(Cont)26/12	3/1	Sing	BSC	Cont	L/Sing
K. Naga (Cont)24/12	5/1	Sing	PI(BD)	Cont	L/Sing
Wilhelmine Otdendorff(72)27/12	3/1	-	Oil	G(H.H.R. Coll)	-
Ocean Sampauita(72)29/12	5/1	Yang	Everett	GI(SI C)	-
Uni Wealth	4/1	P Kel	RSL	Cont	L/Sing
B. Bonik (Cont)26/12	6/1	Col	Baridhi	Cont	L/Col
Jing Cheng	10/1	Busan	BdShip	GI	-
QC Dignity (Cont)26/12	5/1	P Kel	QCSSL	Cont	L/Sing
Artemis (Cont)27/12	5/1	Sing	PSSL	Cont	L/Sing
Cosmic Challenger(72)12	5/1	-	Everett	GI(SI C)	-
An Lu Jiang	5/1	Bont	Uniship	Urea(BCIC)	M Jetty
Pearl of Bahrain	6/1	Kosh	Uniship	C Clink	-
J Mars (Cont) 22/12	6/1	-	RSL	Cont	L/Sing
B. Biro(Cont)26/12	6/1	PKL	BdShip	Cont	L/Sing
Xing Jiang	7/1	Busan	Bdship	GI	-
Da Tian	6/1	Yang	Litmond	Urea(BCIC)	BAG
B. Biraj(Cont)29/12	7/1	-	BdShip	Cont	L/Sing
Amazon	7/1	Bont	Uniship	Urea(BCIC)	M Jetty
QC Honour(Cont)30/12	8/1	Sing	QCSSL	Cont	L/Sing
B. Moni(Cont)29/12	8/1	-	BSC	Cont	L/Sing
Kuo Hsiung (Cont)31/12	9/1	-	QCSSL	Cont	L/Sing
J Balsam (Cont)1/1	9/1	-	NOL	Cont	L/Sing
Ginock (Cont) 31/12	10/1	-	RSL	Cont	L/Sing
K. Berjaya (Cont)31/12	10/1	Sing	PI(BD)	Cont	L/Sing
Joy Worid(72) 28/12	10/1	-	SSL	GI(SI C)	-
San Pablo (Rotor/24)23/12	12/1	-	JF	Vehi	-
San Matec (Rotor/24)23/12	12/1	-	JF	Vehi	-

Tanker due

Chembulk Trader	15/1	-	BSShip	CDSO (RM/4)
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Vessels at Kutubdia

Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
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Vessels at outer anchorage

Vessels ready:				
Boxer Capt Cook(Cont)	Cont	P. Kel	PSSL	31/12
Kota Agung(Cont)	Cont	Sing	PI(BD)	1/1
Eltanin	GI (MA)Log	Yang	Royal	1/1

Vessels not ready

Pacific Emerall	GI(S Ash)	Kara	Litmond	27/12
Banga Barta(Cont)	Cont	Sing	BdShip	31/12

Vessels awaiting instruction

Banglar Shourabh	-	-	BSC	R/A (21/12)
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Vessels not entering

Matrix	GTSP(P)	Tuni	SSST	21/11
Weddell Sea	C Clink	Tanj	Uniship	22/12
Marblue	C.Clink	Cila	Jaycee	22/12
Agni	Gypsum	Kara	SSA	27/12
TRC	C.Clink	Kosh	Jaycee	28/12

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