

US growth slows to 1.1pc

AFP, Washington

The US economy grew at a tepid 1.1 per cent pace in the second quarter, the government said Wednesday in a report that was much lower than economists had forecast.

Wall Street was expecting stronger growth, figuring at around 2.2 per cent for the government's first estimate of gross domestic product growth.

The report shows a significant cooling of US economic growth, but not a so-called "double dip" recession that some had feared.

The Commerce Department report also revised downward the GDP growth estimate for the first quarter -- to 5.0 per cent, from its earlier figure of 6.1 per cent.

The slowdown was led by the trade sector and consumer spending.

The Commerce Department also released annual revisions to GDP data going back to 1999. The revisions show that the recession started sooner, was deeper and lasted longer than previously believed.

Final sales, watched closely by economists as an indicator of growth minus inventory activity, declined at a 0.1-per cent rate in the second quarter, down from a revised 2.4 per cent rise in the first quarter. It marks the first negative quarter of final sales since third quarter 2001.

The GDP chain-weighted price index, a measure of inflation, rose 1.2 per cent, down slightly from a

revised 1.3 per cent for the first quarter.

Excluding food and energy prices, the index rose 1.4 per cent, compared to a 1.6 per cent increase in the first quarter.

Another inflation gauge, the consumption price index, rose 2.5 per cent in the second quarter, compared to a 1.1 per cent rise in the first quarter.

Consumer spending slowed in the second quarter, down to 1.9 per cent from the previous quarter's 3.1 per cent.

Somewhat offsetting the decline, spending on durable goods rose 2.4 per cent, following a 6.3 per cent decline in the first quarter.

The sizable US trade deficit cut into GDP growth. Trade bled 1.77

per cent points from second-quarter GDP, after pulling 0.75 per cent points from growth in the first quarter.

Exports rose 11.7 per cent, compared with a 3.5 per cent rise in the first quarter. But imports rose 23.5 per cent, compared with an 8.5 per cent rise in the first quarter.

The report makes assumptions about June economic data not yet released. The report assumes the trade deficit will narrow slightly in June and inventories of nondurable manufacturing goods will increase.

The government will revise the GDP data twice before it becomes final. The first revision will be released August 29, and the final revision will be released September 27.

Bush still upbeat on economy

AFP, Washington

US President George W. Bush maintained his upbeat position on the strength of the US economy Wednesday, despite new data showing a decline in GDP growth, the White House said.

"The president does still believe that the strength and the underlying indicators of the economy do support additional growth, continuing and growing later in the year and into the future," White House spokesman Ari Fleischer said.

The US economy grew at a tepid 1.1 per cent rate in the second quarter of fiscal 2002 according to data from the Commerce Department. Analysts had expected a second quarter growth rate of 2.2 per cent.

Despite revisions to first quarter gross domestic product growth, from its initial level of 6.1 per cent to 5.0 per cent, Fleischer insisted

that the US economy "enjoyed strong growth" in early 2002.

The US stock markets trended downward in early morning trade, with the blue chip Dow industrials opening off 44.09 points at 8,635.94 and the tech-heavy Nasdaq shedding 15.82 to 1,328.37.

Making the president's 1.3 trillion-dollar tax cut is one way to stimulate the economy, the Bush administration has repeated throughout the economic uncertainty that began with soft markets and continued through a string of accounting scandals at some of the nation's top companies.

"The president hopes that Congress will work with him to take action to pass legislation that will give a boost to the economy," Fleischer said Wednesday, alluding to the tax cut.

Supermarket looted

Uruguay bank closure extended

AFP, Montevideo

Uruguayan banks will remain closed for the rest of the week in a government bid to curb capital flight, as the deepening economic crisis takes a social toll with a looting incident in a Montevideo supermarket.

Under the government decree, banks will reopen at 1:00 pm (1600 GMT) Monday and the Central Bank is to come up with a plan to allow the disbursement of pensions and paychecks through automatic teller machines on Thursday and Friday.

In a possible first sign of crisis-related unrest, a group of 30 to 50 people, including some children, looted a supermarket in the capital Wednesday, shouting "we're hungry." Police said they arrested eight people and dispersed the rest.

Economy Minister Alejandro Atchugarry, speaking to reporters outside the office of President Jorge Batlle, stressed government's "total commitment" to insuring bank savings once the crisis has passed.

Uruguay "has always defended account holders" and will continue

to do so, Atchugarry said. "We back savers because they are a national asset."

The minister also totally rejected any suggestion that bank withdrawals would be limited, as in neighboring Argentina whose four-year recession has buffeted its neighbors and key trading partners, with Uruguay among the most serious casualties.

After burning 80 per cent of its currency reserves to prop up its currency since January, reserves have shrunk from 3.1 billion dollars

on December 31, 2001 to 655 million dollars Monday, official data show.

Account holders have been rushing banks for fear of losing their access to their savings -- as have millions in Argentina.

Atchugarry chalked up the massive withdrawals of assets from local banks "in large measure ... to regional difficulties."

On Tuesday, the government made the surprise announcement that banks would be closed for 24 hours to prevent a run on banks.

On Wednesday there was more discouraging news as Moody's ratings service downgraded Uruguay's foreign currency bond ceiling, to B3 from B1, due to the increasingly severe fallout from the crisis in Argentina.

And Uruguay's country risk rating fell Wednesday to 2,744 base points, down 11.46 from Tuesday, according to RepublicaAFAP.

Atchugarry, who took over as Uruguay's economic chief last week replacing Alberto Bension, said Montevideo was negotiating with Washington and with multilateral lending organizations a cash injection of some 1.5 billion dollars, but did not want to address data in detail because the numbers, "are in the works."

Uruguay and Brazil, where the national currency, the real, has depreciated by more than 30 per cent since the start of the year.

Duhalde's chief of staff Alfredo Atanasof added that Buenos Aires was paying close attention to the repercussions of Argentina's flailing economy on its neighbors -- all of whom are members of Mercosur, the South American trading bloc.

AFP, Buenos Aires

Argentine President Eduardo Duhalde said Wednesday that the current economic crisis in Latin America shows that the market economy model "has collapsed."

The beleaguered Duhalde, presiding a country entering its fourth-straight year in recession, acknowledged that Uruguay is suffering from "contagion" from the

crumbling economy of neighboring Argentina, whose currency reserves have plummeted by 79 per cent.

"It is clear that we have to change and that the economic model we launched several years ago has collapsed," he told radio Rivadavia.

He admitted that the Argentine crisis, which has left half of its 36 million citizens in poverty and 21.5 per cent of them without work, has had "a lot of influence" on both

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Sell	Buy				
	TT/OD	BC	Currency	TT Clean	OD Sight Doc
58.5500	58.5800	USD	57.8050	57.6352	57.5662
58.2104	58.2402	EUR	55.7182	55.5546	55.4881
92.4622	92.5095	GBP	89.5226	89.2597	89.1528
32.1908	32.2073	AUD	30.8274	30.7369	30.7001
0.4926	0.4928	JPY	0.4800	0.4786	0.4780
39.8923	39.9128	CHF	38.6165	38.5030	38.4570
6.2294	6.2326	SEK	6.0522	6.0345	6.0272
37.1959	37.2149	CAD	36.3302	36.2235	36.1801
7.5139	7.5178	HKD	7.4034	7.3817	7.3728
33.5088	33.5260	SGD	32.8009	32.7045	32.6654
16.0724	16.0806	AED	15.6120	15.5661	15.5475
15.7376	15.7455	SAR	15.2923	15.2474	15.2292

Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.64	60.15	96.08	41.830	7.6270	0.4633	0.54155

The local interbank foreign exchange market was active on Thursday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call steady and the call money rate ranged between 3.5 and 4.00 per cent for the day.

Dollar moved in a tight range against the yen on Thursday. Greenback withstood the poor 2nd Quarter US GDP growth data of 1.1 per cent. Dealers were in a dilemma as the market is viewed to be lacking a clear direction. Euro fell against the dollar despite increase in British house prices. Sterling followed the single European currency in the slide. Market is presently awaiting the meeting of BoE's interest rate-setting meeting due Thursday.

At 1430 hours on Thursday, euro traded at 0.9726/31 against dollar, pound sterling at 1.5511/19 and yen traded at 119.92/96 against US dollar.

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SHIPPING

Chittagong port
Berth position and performance of vessels as on 1.8.2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/2	Amalfi	GYP/Lime	Krabi	OLM	19/7	4/8	770
J/5	AA Venture	GI	Ind	CLA	24/7	1/8	408
J/9	Orient Queen	C Clink	Sing	Unique	25/6	9/8	X
J/10	Orient Freedom	Cont	P Kel	PSSL	20/7	3/8	179/96
J/11	Banglar Robi	Cont	Sing	BSC	14/7	1/8	176/21
J/12	Banga Borat	Cont	Sing	BDSHIP	28/7	3/8	361/91
J/13	Kuo Hsiung	Cont	P Kel	QCSL	27/7	2/8	265/48
CCT/2	Asimont	Cont	P Kel	Seaborne	25/7	2/8	87/108
CCT/3	Banglar Moni	Cont	Sing	Bsc	28/7	2/8	91/163
CCJ	Handy Jade	C Clink	Sing	BSL	31/7	5/8	-
RM/6	Dai Long	SKO/JP-1	Sing	MSTPL	29/7	1/8	-
DD	Banglar Kallol	Repair	Yang	BSC	13/6	5/8	-
DDJ/1	Dea Captain	Ballast	Sing	Arafeen	29/7	-	-
RM/9	Banglar Gourab	C Clink	Krabi	Owsl	22/5	2/8	-
RM/10	Banglar Jyoti	Repair	-	BSC	R/A	5/8	-
SM/10	Dredger Gemini	-	Chand	Karna	-	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Banga Lanka (Cont) 8/7	1/8	Sing	Baridhi	Cont	Col
Banga Biraj (Cont) 21/7	1/8	P Kel	BDSHIP	Cont	Sing
QC Dignity (Cont) 21/7	2/8	P Kel	QCSL	Cont	Sing
Jaami (Cont) 25/7	2/8	CBO	Everbest	Cont	Col
Amalia	2/8	Avon	Rsa	GI/(St Scrap)	-
Star-2000	2/8	Kohsi	BSL	C Clink(Scan)	-
QC Lark (Cont) 23/7	2/8	P Kel	QCSL	Cont	P Kel
Kota Cahaya (Cont) 21/7	3/8	Sing	Pil (Bd)	Cont	Sing
Xpress Manaslu (Cont) 25/7	4/8	P Kel	RSL	Cont	Sing
Yong Jiang (Liner)	5/8	-	BDSHIP	GI	-
Elmwood	3/8	Mong	Rainbow	W/LDJ Goods	-
Triumph Hongkong	3/8	Yang	Rainbow	GI(HR Coil)	-
Alice(48)23/7	3/8	Yang	H&SL	GI(HR Coil)	-
Kota Singa (Cont) 20/7	5/8	Sing	Pil (Bd)	Cont	Sing
Banga Bijoy (Cont) 25/7	5/8	Col	Baridhi	Cont	Col
QC Teal (Cont) 21/7	5/8	P Kel	QCSL	Cont	-
Jaya Mars (Cont) 25/7	5/8	Sing	RSL	Cont	Sing
Banga Birol (Cont) 27/7	6/8	-	BDSHIP	Cont	Sing
Walter	7/8	Sing	OTBL	-	-
Kuo Hung No 808	7/8	Sing	OTBL	-	-
QC Pintail (Cont) 21/7	7/8	P Kel	QCSL	Cont	Sing
Shun Cheng (Liner)	8/8	Yang	Everett	GI (St C)	-
Orient Patriot (Cont) 29/7	8/8	-	PSSL	Cont	Sing
Mardios (Cont) 31/7	8/8	P Kel	RSL	Cont	Sing
Consistence (Cont) 28/7	9/8	-	PSSL	Cont	Sing
Bangla Mookh	9/8	Pipa	BSC	GI(HR Coil)	-
Banglar Shikha (Cont) 31/7	9/8	Sing	BSC	Cont	Col
Banga Barta (Cont) 31/7	9/8	-	Baridhi	Cont	Col
Bangla Bonik (Cont) 31/7	10/8	-	BDSHIP	Cont	Sing
Kota Berjaya (Cont)	10/8	Sing	PIL(BD)	Cont	Sing
QC Honor (Cont)	10/8	P Kel	QCSL	Cont	Sing
Kota Naga (Cont)	12/8	Sing	Pil(BD)	Cont	Sing

Vessels at outer anchorage

Ready On	GI/Maize	Yang	Psal	
Ocean Pride	Cont	P Kel	PSSL	31/7
Phumy (Cont)	Cont	P Kel	PSSL	31/7

Movement of vessels for 2 & 3.08.2002

Outgoing	Incoming	Shifting		
2/8				
J/13	Kuo Hsiung	CCT/1	B Lanka	
CCT/2	Asimont	J/6	Amalia	
CCT/3	B Moni			
RM/9	B Gourabh			
3/8				
J/10	O Freedom	CCT/2	QC Dignity	
J/12	B Borat	J/13	B Biraj	

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

STOCK