

Wall Street, Asian shares slump on 'double-dip' US recession fear

AFP, Hong Kong

Asian share markets came under renewed attack Tuesday after sharp falls on Wall Street and the release of more evidence the US economic recovery is faltering.

Wall Street made a faltering start to the week Monday, tumbling as sluggish economic data fed fears that the United States may be headed into a "double-dip" recession.

The key Nikkei-225 index on the Tokyo Stock Exchange came within a whisker of plunging 18-year closing lows. The mood was also grim elsewhere in Asia after another slide in US stocks and data showing slowing growth in US service industries.

"Many begin to wonder when this will all end," a dealer with Credit Suisse First Boston in Sydney said.

"Even the staunchest bulls in our dealing room have stopped calling the bottom, rather they now fear waking each morning".

The Nikkei-225 average of the Tokyo Stock Exchange lost 203.91 points or 2.1 per cent to 9,501.02, sinking to within 80 points of levels not seen since late 1983.

"Given the deepening anxiety over the trend of the US economy, which severely affects the business performance of Japanese hi-techs, as well as automakers, investors do not dare invest their money in these stocks, even if the underlying earnings fundamentals are improving," said Kunihiro Mita, senior managing director at Mita Securities.

In Hong Kong, the key Hang Seng index lost 161.64 points or 1.6 per cent to close at 9,700.69.

"The local stock market will hardly fare any better if overseas markets continue to weaken," said Kenny Tang, associate director at Tung Tai Securities.

However, the Australian market showed a hint of resistance to the bleak mood, with the SP/ASX 200 index declining 0.8 per cent to

2,985.6 points. Bargain hunting by institutions erased some heavy early losses.

"Our market is full of fund managers looking to buy," Terrain Securities client adviser Ric Klusman said.

"There is some serious buying in the wings and they are picking up bargains."

South Korea's composite index closed down 0.3 per cent at 673.78, also coming off early lows due to bargain-hunting.

Taiwan's weighted index fell 1.4 per cent to 4,572.35 and Singapore's Straits Times index declined 1.1 per cent to 1,466.75.

On Wall Street Monday, the Dow Jones industrials average slumped 269.50 points or 3.2 per cent to close at 8,043.63.

The wider Standard and Poor's 500 tumbled 29.64 points or 3.4 per cent to 834.60 and the technology-laden Nasdaq dropped 41.91 points or 3.4 per cent to 1,206.01 after

fresh data showed the US services sector growing sluggishly in July.

The Institute for Supply Management's index of non-manufacturing activity slid further than expected to 53.1 points in July from 57.2 in June. It was the second monthly slowdown in services sector growth.

The US economy is likely to avoid a "double-dip recession" after last year's three quarters of contraction, most economists said, but sliding US stocks are the main threat.

"The chances of a double dip are real if the stock market continues to go down 200 to 300 points a day for a few more weeks," Naroff Economic Advisors president and chief economist Joel Naroff said.

"We have still got about another 1,000 points on the Dow and a couple of hundred points on the Nasdaq as a cushion," he said. "But we are running out of cushion."

European stocks slide

Another report from London says:

European share prices recoiled again on Monday as US losses, grim economic data and a downbeat outlook from British-based banking giant HSBC dampened investors' spirits.

Across the 12-nation euro zone, the Euro Stoxx 50 index lost 3.89 per cent to 2,448.16 points.

The British FTSE 100 index dropped 1.94 per cent to 3,996.4 points, the German DAX 30 index plunged 5.66 per cent to 3,332.65 points and the French CAC 40 index gave up 4.01 per cent to 3,115.38 points.

Elsewhere in Europe, the SMI index of leading Swiss shares fell 3.73 per cent to 4,849 points, the Amsterdam AEX index shed 3.88 per cent to 324.1 points, the Brussels Bel-20 dropped 3.29 per cent to 2,047.06 points, the Madrid Ibex-35 dipped 2.47 per cent to 5,963.2 and the Milan Mib 30 eased back 1.81 per cent to 23,914.

World MARKETS

5 August closings

LONDON



1.94%

FTSE
3,996.40
(- 79.1)

NEW YORK



3.24%

Dow Jones
8,043.63
(- 269.5)

FRANKFURT



5.66%

DAX
3,332.65
(- 199.84)

060802

AFP



SHIPPING

Chittagong port

Berth position and performance of vessels as on 6.8.2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Ocean Pride	GI/Maize	Yang	PSAL	31/7	12/8	535
J/2	Amalfi	Gyp/Lime	Krabi	OLM	19/7	8/8	1050
J/4	Triumph Hongkong	GI (R.Log)	Yanga	RML	4/8	6/8	1098
J/5	Pacific Emerald	GI(Copra)	Sing	Alleeas	24/7	12/8	X
J/6	Amalia	GI (ST.SC)	A Von	RSA	2/8	12/8	1815
J/7	Mergui	Rice(P)	Kaki	Mutual	30/7	12/8	929
J/8	Yong Jiang (Liner)	GI	Push	Bdship	5/8	11/8	1141
J/9	Orient Queen	C Clink	Sing	Unique	25/6	9/8	840
J/10	Feng	GI(Y.Pe)	Rouen	Mutual	26/7	18/8	-
J/11	Xpress Manaslu	Cont	P.Kel	RSL	5/8	8/8	223/24
J/12	Jaami	Cont	Col	Everbest	3/8	7/8	34/X
J/13	Qc Lark	Cont	P.Kel	QCSL	4/8	8/8	296/22
CCT/1	Banga Biraj (Flag)	Cont	P.Kel	BD Ship	1/8	6/8	153/70
CCT/2	QC Dignity	Cont	PKel	QCSL	2/8	6/8	309/42
CT/3	Kota Cahaya	Cont	Sing	Pil (Bd)	3/8	7/8	92/X
RM/15	Elmwood	GL	Mong	RML	5/8	8/8	-
CCJ	Handy jade	C clink	Sing	BSL	31/7	8/8	-
RM/4	Pranedya	F.Oil	Sing	CTPL	5/8	7/8	-
DDJ/1	Banglar Kallol	Repair	Yang	BSC	13/6	10/8	-
RM/9	Banglar Shourabh	C Clink	Krabi	OWSL	R/A	10/8	-
RM/10	Banglar Jyoti	Repair	-	BSC	R/A	10/8	-
RM/10	Dredger Gemini	-	Chand	Karna	-	-	--
BB	Pailhai Jun No.2	Ballast	Taiw	Transglobal	6/7	-	-
BB	Deep Sea-03	Ballast	Bank	SRL	24/7	-	-
BB	Hartford-10	Ballast	Bank	SRL	24/7	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Kota Singa (Cont) 20/7	6/8	Sing	Pil (BD)	Cont	Sing
QC Teal (Cont) 21/7	7/8	P.Kel	QCSL	Cont	-
Suisen	6/8	Krab	UML	C.Clink	-
Asteriks	6/8	Van	Mutual	GI(peas)	-
Al Muztuba	7/8	Kak	CLA	Rice(P)	-
Jaya Mars (cont) 25/7	7/8	Sing	RSL	Cont	Sing
Walter	7/8	Sing	OTBI	-	-
Kuo Hung No. 808	7/8	Sing	OTBL	-	-
Shun Cheng (Liner)	12/8	Yang	Everett	GI (ST.C)	-
Orient patriot (Cont) 29/7	8/8	-	PSSL	Cont	Sing
QC Pintail (Cont) 21/7	10/8	P. Kel	QCSL	Cont	Sing
Banga Birol (cont) 21/7	9/8	-	Bdship	Cont	Sing
Mardios (Cont) 31/7	9/8	P Kel	RSL	Cont	Sing
Consistence (Cont) 28/7	9/8	-	PSSL	Cont	Sing
Banglar Mookh	9/8	Pipa	BSC	GI (HR.Coil)	-
Anglar Shikha(Cont) 31/7	9/8	Sing	BSC	Cont	Col
Xpress Resolve (Cont) 3/8	10/8	-	Everbest	Cont	Col
Virginia (Liner)	10/8	-	Prog	GI(St.& Paper)	-
Banga Baria (Cont) 31/7	11/8	-	Baridhi	Cont	Col
Banga Bonik (Cont) 31/7	11/8	-	BD Ship	cont	Sing
Eagle Strength-213 (Cont) 1/8	11/8	-	NOL	Cont	Sing
Brisa Azul (48) 4/8	11/8	-	Everett	GI(ST.C)	-
Kota Berjaya (Cont) 31/7	12/8	Sing	Pil (BD)	Cont	Sing
QC Honour (Cont) 31/7	12/8	P.Kel	QCSL	Cont	Sing
Kuo Hsiung (Cont) 3/8	12/8	P.Kel	QCSL	Cont	Sing
Orient Freedom (Cont) 3/8	13/8	-	PSSL	Cont	Sing
Banga Borat (Cont)3/8	14/8	-	Bdship	Cont	Sing

Vessels at Kutubdia

Dea Captain	-	-	Arafeen	R/A (1/8)
Sabine Eagle	CDSO	Darb	H&H	27/7

Vessels at outer anchorage

Ready on				
Banga Bijoy (Cont)	Cont	Chen	Baridhi	5/8

Movement of vessels for 7.08.2002

utgoing	Incoming	Shifting
J/12 Jaami	CCT/2 B. Bijoy	J/9 O.Queen to CUFJ
CCT/2 Qc Dignity	CCT/1 K.Singa	RM/1 Elmwood to J/4
CCT/3 K. Cahaya	J/12 QC Teal	RM/4 P. Dwitya to DOJ
	CCT/3 J. Mars	

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

IMF sees gloomier US outlook

REUTERS, Washington

The slump in equity markets, a host of accounting scandals and an uncertain outlook for business profits have increased the chances the US economic recovery will be weaker than expected, the International Monetary Fund said Monday.

In its annual review of the world's richest economy, the Washington-based lender gave a fairly gloomy assessment, noting shaken confidence, a much bleaker budget picture, overly optimistic Bush administration economic forecasts and trade decisions that were counterproductive.

In preparing the report, the IMF said it had envisaged the US economy would expand by 2.5 per cent this year and by 3.25 per cent in 2003 after a tepid 1.2 per cent advance in 2001, when the economy tipped into mild recession.

"However, recent data releases and other developments, including the sharp decline in equity prices in recent weeks, have exacerbated the downside risks to the outlook for both personal consumption and business investment," the IMF said.

"The likelihood, therefore, is that downward revisions to the growth projections would be made in the ... forthcoming World Economic Outlook," the lender said, referring to its next round of global forecasts, to be published in late September.

The IMF endorsed the US Federal Reserve's stance of leaving interest rates unchanged for now. But a number of IMF directors saw, "room for further easing if consumer and business confidence falters or if liquidity strains arise in financial markets."

If the economy picks up, the lender said the Fed should carefully weigh the need to keep interest rates low to aid the recovery against

the possibility that not raising rates soon enough could result in needing bigger hikes later.

The IMF said the recent slump of US stock prices to five-year lows, "has significantly increased the uncertainties surrounding the outlook."

"Growth has already moderated from the rapid pace set in early 2002, but the recovery, although now likely to be weaker, is expected to be sustained as business investment rebounds, consumer spending continues at a solid pace, and productivity growth remains robust," the report said.

Despite that hope for an improving economy, the IMF conceded weak stock prices, exacerbated by accounting scandals and an uncertain corporate profit outlook, could yet undermine consumer and business confidence.

"Against this background, while the outlook is still broadly favorable,

the downside risks have intensified."

The lender voiced concern about the large US current account deficit and said the imbalance should be gradually addressed through efforts to boost US savings.

The IMF urged the Bush administration to focus economic policies on budget discipline, reforming corporate governance and improving trade and agriculture policies.

The report was critical of the Bush administration's handling of fiscal policy -- something it was happier with during the Clinton years when the budget was balanced.

The IMF "expressed concern about the considerable deterioration in the medium term fiscal outlook," which has eroded the budget surplus of 2.5 per cent of gross domestic product in 2000 into a deficit of about 1.5 per cent of GDP this year.

CURRENCY

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

Sell		Buy			
TT/OD	BC	Currency	TT.Clean	OD.Sight.Doc	OD.Transfer
58.5500	58.5800	USD	57.8050	57.6352	57.5662
58.1402	58.1699	EUR	56.6489	55.4854	55.4190
92.0582	92.1053	GBP	89.1064	89.8447	88.7383
31.4296	31.4457	AUD	30.0759	29.9876	29.9517
0.4924	0.4927	JPY	0.4799	0.4785	0.4780
39.7947	39.8151	CHF	38.5161	38.4030	38.3570
6.1053	6.1084	SEK	5.9348	5.9174	5.9103
37.9144	36.9334	CAD	36.0583	35.9523	35.9093
7.5140	7.5179	HKD	7.4051	7.3834	7.3745
33.3295	33.3466	SGD	32.6269	32.5310	32.4921
16.0724	16.0806	AED	15.8120	15.5661	15.5475
15.7371	15.7452	SAR	15.2919	15.2470	15.2288

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.62	5915	96.25	42.360	7.6685	0.4546	0.52855

The local interbank foreign exchange market was active Tuesday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call money rate ranged between 3.25 and 3.50 per cent for the day.

In the international market, dollar had an excellent day in the market despite huge fall in Wall Street. It achieved significant rise against most of the currencies. The greenback rose to its one month high against the yen, euro and swiss franc. It rose by three-quarter of a per cent against the yen and reached 120.60 level. Dollar gained by more than a per cent against both euro and Swiss franc.

STOCK