

IMF cuts growth forecasts for leading economies

AFP, Frankfurt

The International Monetary Fund has again cut its growth forecasts for the world's main economies, the financial daily Boersen-Zeitung reported in its Wednesday edition.

Quoting internal IMF forecasts, the newspaper said the Fund expected the US economy to expand by only 2.2 per cent this

year, slower than the 2.5 per cent it was previously expecting.

And next year, the United States would grow by just 2.6 per cent rather than the 3.25 per cent the IMF has been forecasting until now.

Boersen-Zeitung said the IMF had substantially scaled back projections for the world's powerhouse economy in the wake of a dramatic slide in share prices,

corporate accounting scandals and an uncertain earnings outlook for companies -- all of which were undermining industrial and consumer confidence.

The Fund was also cutting its German growth forecast to just 0.7 per cent this year, instead of 0.9 per cent, and to 2.1 per cent in 2003, instead of 2.7 per cent, the newspaper continued.

Similarly, French gross domestic product (GDP) was expected to expand by just 1.3 per cent this year and by 2.4 per cent next year, slower than the previous forecasts of 1.4 per cent and 3.0 per cent.

And the IMF expected Italian growth to reach only 1.0 per cent this year and 2.3 per cent next year, Boersen-Zeitung added.

Speculation on US rate cut mounts

AFP, Washington

Speculation mounted Tuesday that the Federal Reserve may cut interest rates, already at a 40-year low, to cushion the economy from plunging stock prices.

"I think if the equity market continues to fall this will increase the pressure on the Fed and we will see another cut in interest rates," said New York-based Deutsche Bank chief economist Peter Hooper.

Policymakers on the Federal Open Market Committee (FOMC) are scheduled to meet August 13 to discuss the outlook for the federal

funds rate target, now at 1.75 per cent.

"I have been saying, I thought that this cut would come by the end of the current quarter," said Hooper.

"But if we have enough of a decline in the equity market in the days ahead before the August 13 FOMC meeting there is a good chance we could even get a cut at the August meeting," he said.

Lehman Brothers said Tuesday it now expected a cut of 0.75 per cent by the end of the year, joining Goldman Sachs economists who made the same forecast late last week.

"While the Fed does not directly target either the stock market or the credit market, it cannot ignore the growing risk of major collateral damage to the economy," Lehman Brothers said.

The stock market's drop of more than 20 per cent since mid-May had eliminated about three trillion dollars in stock market wealth, it said in a report.

"As Americans read their mutual fund statements and absorb the negative commentary in the news, consumer confidence and spending are increasingly at risk."

Traders on the federal funds futures market were banking on a

cut of 0.25 per cent by September to the key rate, which lies at just 1.75 per cent after being slashed by five per cent points in the past year and a half.

But other economists, while acknowledging the pain of the stock market fall, said the Federal Reserve was unlikely to cut rates when they were already so low.

"Our sense is things will probably have to get a little worse before the Fed moves -- we have to see the stock market fall a bit further, some more weakish economic data," said Sal Guatieri, Chicago-based global economist at Bank of Montreal.

Wall Street, Asian stocks rebound

AFP, Hong Kong

Asian share markets sprang back to life Wednesday, taking their cue from a resurgent Wall Street and hopes a US interest rate cut could help lift demand in the world's largest economy.

Asian investors welcomed Tuesday's 2.9 per cent bounce in the Dow Jones industrials and an even more impressive 4.4 per cent jump in the technology-heavy Nasdaq but opinions were divided on the outlook for Wall Street and global markets.

In Tokyo, where the Nikkei 225 index leapt 3.5 per cent, Keiji Numata, general manager of the investment information at Toyo Securities, said there was an emerging view US equities were finally coming out of a vicious down-

ward spiral.

"The Nasdaq index has already fallen to a quarter of its peak, and past experience shows that no equity market, except for very rare cases, has ever suffered more than that," he said.

But a dealer with Credit Suisse First Boston in Sydney said Wall Street's gains looked like a bear market rally rather than the start of a bull run.

"Bull markets typically do not enjoy such large one-day moves, whereas bear markets often contain relief rallies of this size," he said.

The Nikkei-225 average of the Tokyo Stock Exchange rose 333.38 points to close at 9,834.40.

In Hong Kong, the key Hang Seng index rose 2.9 per cent to close at 9,977.74.

OCBC Securities associate

director Peter Lai said the Hong Kong market was likely to remain volatile until a clearer trend emerged overseas.

While there might be some enthusiasm over the likelihood of a US rate cut at a Federal Reserve meeting next week, the impact would likely be short-lived and purely psychological, he said.

Australia's SP/ASX 200 index gained 2.2 per cent to 3,051.0 points and South Korea's composite index closed up 0.8 per cent at 679.37.

"Many investors seem to have concluded that this is not the shopping season yet," LG Investment and Securities analyst Kang Hyun-Chul said in Seoul.

"Caution is still the buzzword in the market, with the overnight US market rally largely viewed as little

more than a simple technical rebound," he said.

Taiwan's weighted index rose 3.2 per cent to 4,720.73 and in Singapore, the Straits Times index closed up 1.9 per cent at 1,494.69 points.

On Tuesday, Wall Street's blue chip Dow Jones industrial average jumped 230.46 points to close at 8,274.09 and the technology-laden Nasdaq index surged 53.54 points to 1,259.55.

The Standard and Poor's 500 index climbed 24.97 points or 3.0 per cent to 859.57.

Speculation mounted that the Federal Reserve may cut interest rates, already at a 40-year low, to shield the US economy from the pain of plunging stock prices, analysts said.

First quarter Toyota profit doubles

AFP, Tokyo

Toyota Motor Corp. said Wednesday that first quarter net profit more than doubled from a year earlier due to a one-off pension fund gain and surging foreign sales.

"Despite an increasingly competitive global market, Toyota achieved significant growth in both sales and income, due largely to successful product introductions, cost reduction efforts and the effect of favourable exchange rates," executive vice president Ryuji Araki said in a statement.

Toyota posted a net profit of 352.4 billion yen (2.8 billion dollars) in the three months to June, up from 162.3 billion yen a year earlier.

A one-off gain of 187.7 billion yen from the transfer of some pension obligations to the government boosted the company's bottom line.

Its pre-tax profit rose 51.2 per cent to 449.9 billion yen on sales of 4,021.1 billion yen, a 20.1 per cent increase.

A weaker yen against the dollar boosted Toyota's operating profits

by 70 billion yen, with cost cuts generating another 70 billion yen.

The automaker said a 27.6 per cent jump in vehicle sales overseas helped to offset a drop of 8.2 per cent in domestic revenue.

"Much of the increase was due to growth in the North American market, fueled by the popularity of the all-new Matrix ... as well as a strong line-up of light trucks and SUVs (sports utility vehicles)."

Company director Takeshi Suzuki said Toyota has achieved total US sales of 10 million vehicles since starting production there in 1986.

Sales in Europe, where many Japanese automakers have been suffering heavy losses, rose 15 per cent to 210,000 vehicles, powered by strong demand for the new Corolla model.

Japan's largest carmaker also said it hoped this year to return to a full year profit in its European operations for the first time in over a decade, 12 months earlier than originally forecast.

CURRENCY

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

Sell	Buy			
	TT/Clean	OD Sight	OD Transfer	
58.5500	58.5800	USD 57.8050	57.6352	57.5662
57.5547	57.5841	EUR 55.0304	54.8687	54.8030
91.0511	91.0978	GBP 88.1122	87.8534	87.7482
31.4765	31.4926	AUD 30.1222	30.0337	29.9978
0.4873	0.4876	JPY 0.4750	0.4736	0.4731
39.2006	39.2207	CHF 37.9647	37.8532	37.8078
6.1072	6.1103	SEK 5.9368	5.9193	5.9122
37.1110	37.1300	CAD 36.2368	36.1304	36.0872
7.5136	7.5175	HKD 7.4038	7.3820	7.3732
33.1709	33.1879	SGD 32.4729	32.3775	32.3388
16.0724	16.0806	AED 15.6120	15.5661	15.5475
15.7354	15.7435	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
48.68	60.15	96.235	42.510	7.8112	0.4501	0.52935

The local interbank foreign exchange market was active Wednesday. 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 slowed its upsurge after its huge rally on Tuesday. Upsurge in the Wall Street, increasing expectations of an asset-boosting US rate cut was attributed as the primary reason. Sterling steadied against the dollar after having its biggest fall in one year on Tuesday of more than two cents. But the market is still skeptical about the future of the greenback.

At 1515 hours, euro traded at 0.9673/78 against dollar, pound sterling at 1.5370/76 and yen traded at 120.80/88 against US dollar.

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SHIPPING

Chittagong port

Berth position and performance of vessels as on 7.8.2002.

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	8170
J/2	Amalfi	Gyp/Lime	Krabi	OLM	19/7	8/8	1200
J/4	Elmwood	GL	Hong	RML	5/8	8/8	-
J/5	Pacific Emerald	GI(Copra)	Sing	Alseas	24/7	12/8	6569
J/6	Amalia	GI (ST.SC)	A Von	RSA	2/8	12/8	1864
J/7	Mergui	Rice(P)	Kaki	Mutual	30/7	12/8	1023
J/8	Yong Jiang (Liner)	GI	Push	Bdship	5/8	11/8	2509
J/9	Orient Queen	C Clink	Sing	Unique	25/6	9/8	1115
J/10	Feng	GI(Y.Pe)	Rouen	Mutual	26/7	18/8	780
J/11	Xpress Manaslu	Cont	P.Kel	RSL	5/8	8/8	771/164
J/12	Kota Singa	Cont	Sing	PIL(BD)	6/8	10/8	(649/7)
J/13	Qc Lark	Cont	P.Kel	QCSL	4/8	9/8	227/X
CCT/1	QC Teal	Cont	P Kel	QCSL	6/8	10/8	(319/5)
CCT/2	Banga Bijoy	Cont	Chen	Baridhi	5/8	10/8	(232/4)
CCT/3	Kota Cahaya	Cont	Sing	Pil (Bd)	3/8	7/8	294/55
CCJ	Handy jade	C clink	Sing	BSS	31/7	8/8	-
DOJ	Pranedia Dwitya	Foil	Sing	ECSL	5/8	9/8	-
DD/J/1	Banglar Kalol	Repair	Yang	BSC	13/6	10/8	-
RM/9	Banglar Shourabh	C Clink	Krabi	OW/S	R/A	10/8	-
RM/10	Banglar Jyoti	Repair	-	BSC	R/A	10/8	-
RM/10	Dredger Gemini	-	Chand	Kama	-	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Jaya Mars (cont) 25/7	7/8	Sing	RSL	Cont	Sing
Suisen	7/8	Krab	UML	C.Clink	-
Al Muztuba	7/8	Kak	Cla	Rice(P)	-
Walter	7/8	Sing	OTBL	-	-
Kuo Hung No. 808	7/8	Sing	OTBL	-	-
Orient patriot (Cont) 29/7	8/8	-	PSSL	Cont	Sing
GU Yuan Hai	8/8	Mund	SSA	C.Clink	-
Banga Birol (cont) 27/7	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)	-
Banglar Shikha (Cont) 31/7	9/8	Sing	BSC	Cont	Col
Jasmin	9/8	GOA	Royal	GI (Coil)	-
QC Pintail (Cont) 21/7	10/8	P. Kel	QCSL	Cont	Sing
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)	-
Shun Cheng (Liner)	12/8	Yang	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
Asimont (Cont) 5/8	12/8	-	Seabome	Cont	Sing
Orient Freedom (Cont) 3/8	13/8	-	PSSL	Cont	Sing
Banglar Robi (Cont) 6/8	13/8	Sing	BSC	Cont	Sing
Banga Borat (Cont) 3/8	14/8	-	BDSHIP	Cont	Sing

Tanker due

Eagle Aries	8/8	Mina	ECSL	HSD	-
Argosea	13/8	Rast	Unique	Crude Oil	-

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Vessels at Kutubdia	-	-	Arafeen	R/A (1/8)
Dea Captain	-	-	H&H	2/17
Sabine Eagle	CDSO	Darb	H&H	

Movement of vessels for 8.08.2002

Outgoing	Incoming	Shifting
J/12	Amalfi	
J/4	Elmwood	
CCJ	H JADE	

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

STOCK