

US jobless claims rise

AFP, Washington

The queue of people filing new claims for US unemployment benefits grew by 6,000 to a seasonally adjusted 388,000 last week, the government said Thursday.

Wall Street economists had expected an increase of 4,000 for the week ended August 10.

A four-week moving average of initial jobless claims rose 1,250 to a seasonally adjusted 381,750, the Labor Department said.

In raw figures, new claims rose 3,574 to 329,724 last week, the government said. There were 333,042 claims in the comparable week of 2001.

The number of people in the existing jobless pool -- those claiming benefits for two weeks or more -- leapt 73,000 to a seasonally adjusted 3.58 million in the week to August 3, the latest date for which those figures are available.

Initial jobless claims for the week ended August 3 amounted to 322,000, revised data showed, up from the first estimate of 376,000.

Singapore key exports up by 16.8pc

AFP, Singapore

Singapore's key exports rose by a better than expected 16.8 per cent in July from a year earlier, reinforcing the city-state's rebound from its worst ever recession, official data showed Friday.

The expansion in the non-oil domestic exports (NODX) to 8.7 billion Singapore dollars (5.0 billion US) followed a 0.6 per cent contraction in June.

The figure exceeded economists' growth estimates ranging from 4.8-15.0 per cent in a poll by AFX-Asia, a financial news subsidiary of AFP.

Strong performances by pharmaceuticals, petrochemicals and specialty chemicals powered the increase, which was also helped by improvements in key electronics exports, the government said.

Exports to China and Asian markets such as the Philippines and Thailand saw a healthy expansion, the government said in a statement, making up for sluggish demand in the European Union and Japan.

New US recession fears recede on fresh data

AFP, Washington

Fears of a return to recession in the United States receded Thursday as fresh data showed US factories, mines and power plants boosted output 0.2 per cent in July.

Economists took heart from news that manufacturers edged up production 0.1 per cent as factories rolled out cars for a rush of buyers, lured by low prices and no-interest payment plans.

The upbeat atmosphere was reflected on the stock market, where share prices climbed in mixed trading, in part buoyed by hundreds of corporate bosses

swearing that their company accounts are true.

The Dow Jones industrial average climbed 0.86 per cent to 8,818.14, while the tech-heavy Nasdaq index rising 0.80 per cent to 1,345.01. The wider Standard and Poor's 500 index, more representative of the market as a whole, was up 10.62 points, or 1.15 per cent, to 930.24.

Many experts had feared factories would cut production in July after a slew of grim figures for the month, including a weak jobs report showing unemployment at 5.9 per cent.

Business activity however

slumped in the mid-Atlantic region in August, the first negative reading this year, the Philadelphia Federal Reserve Bank announced.

The index fell to -3.1 in August from 6.6 in July, the bank said. A reading below zero signals economic contraction.

The decline was much larger than anticipated, as Wall Street analysts had expected the index to fall slightly to 5.6.

The business activity survey covers manufacturers in most of Pennsylvania and southern New Jersey.

But the production figures, which followed news of a 1.2-per cent gain

in retail sales for the same month, helped to lift hopes for a brighter economic outlook.

Much of the boost in overall production was caused by a 2.3-per cent leap in output by utilities, which had to cope with people switching on air conditioners in a sweltering July.

Mines cut production by 1.2 per cent.

Joel Naroff, chief economist and president of Naroff Economic Advisors, said he was encouraged by the figures, after bracing himself for a slight dip in manufacturing output.

European stocks surge on hopes of end to accounting scandals

AFP, London

European stocks soared Thursday after hundreds of US bosses swore to the accuracy of their company accounts in a bid to turn the page on a spate of corporate accounting scandals.

A strong performance by US stocks Wednesday underpinned positive market sentiment.

Across the 12-nation euro zone, the Euro Stoxx 50 index rallied 3.36 per cent to 2,677.74 points, though dealers noted that the gains had been inflated by light trading volumes owing to the Assumption Day holiday.

The British FTSE 100 index of leading shares won 3.75 per cent to 4,327.5 points and the German DAX 30 index rose 2.11 per cent to 3,665.74 points.

The French CAC 40 index spiked up 4.14 per cent to 3,375.01 points despite another double-digit plunge by media giant Vivendi Universal.

The euro traded for 0.9841 dollars.

European investors danced to

the tune of Wall Street, where the Dow Jones Industrial Average added another 0.8 per cent in early trading, extending gains seen the previous session. The technology-laden Nasdaq had firmed 0.9 per cent when European markets closed, although both US indexes later fell back.

In Asia, Tokyo shares gained 1.6 per cent and Hong Kong stocks rose 2.6 per cent.

Shares were bolstered by a rush of US chief executives meeting a deadline set by the Securities and Exchange Commission to swear to the accuracy of their company accounts.

"There are some bulls on Wall Street who believe that the passing of the deadline without any major problems means that the accounting concerns can be consigned to history," remarked Jeremy Batstone, head of research at NatWest Stockbrokers.

"The bulls would argue that the double-dip (recession) can be avoided and therefore the weakness that we've seen over the past few weeks represents an opportu-

nity," he told AFP.

But he warned: "This rather ignores the fact that economic data is weakening."

"We're not out of the woods."

One company left out of the party was French media giant Vivendi Universal, whose share price plunged another 10.85 per cent to close at 10.60 euros after earlier hitting a record low of 8.94 euros.

The stock had already lost a quarter of its value Wednesday after the group reported a net loss of 12.3 billion euros (12.2 billion dollars) for the first six months of 2002 and ratings agencies slashed its debt rating.

Vivendi's utilities unit Vivendi Environnement lost 6.52 per cent to 20.80 euros on fears the parent company might sell off its shares to raise cash.

Aviation stocks were in focus after United Airlines said after the close of US trade Wednesday it was preparing for a possible Chapter 11 bankruptcy filing later this year.

Shares in Britain's BAE Systems, which owns 20 per cent of airplane maker Airbus, fell 2.83 per

cent to 291.5 pence.

European Aeronautic Defence and Space Company (EADS), which owns the remaining 80 per cent of Airbus, was up 1.86 per cent at 14.8 euros in Paris.

In Frankfurt, re-insurer Munich Re was up 4.36 per cent at 193.35 euros, while Allianz gained 0.49 per cent at 126.5 euros.

AXA leapt 8.61 per cent to 13.25 euros in Paris, and Prudential surged 8.62 per cent to 560.5 pence in London.

Among the banks, German HypoVereinsbank was up 3.40 per cent at 20.66 euros, and Deutsche Bank advanced 1.28 per cent to 60.26 euros.

Lloyds TSB was up 4.52 per cent at 567 pence in London, and Standard Chartered gained 4.31 per cent to 751 pence.

In Amsterdam, the AEX index jumped 4.9 per cent to 364.22 points, in Zurich the SMI was up 2.99 per cent at 5,424.1 points, and in Brussels the Bel 20 rose 3.84 per cent to 2,217.58 points.

Nasdaq to pull out of Japan to stem losses

AFP, Tokyo

Nasdaq Stock Market Inc. said Friday that it would abandon its troubled Japanese joint venture after just two years to stem losses amid weak trading and economic activity.

"Nasdaq deeply regrets having to take this step in Japan," Rick Ketchum, president of the New York-based electronic exchange, said in a statement.

"However a review of our strategic options going forward led us to the conclusion that due to economic and market conditions this was the only option remaining," he said.

Nasdaq Japan, a joint venture

between Nasdaq and Japanese Internet investor Softbank Corp., will end its relationship with the Osaka Stock Exchange (OSE) on October 15.

Its 98 listed firms -- Nasdaq Japan had aimed for 200 by now -- will still be able to trade on a tentatively renamed Japan New Market, said the OSE, based in western Japan.

But some companies were unsure whether they would remain on the start-up market after the loss of the Nasdaq brand.

"We have not yet discussed what we are going to do," said Kenichi Ogiwara, a spokesman for Japanese beauty products com-

pany La Parler Co. Ltd.

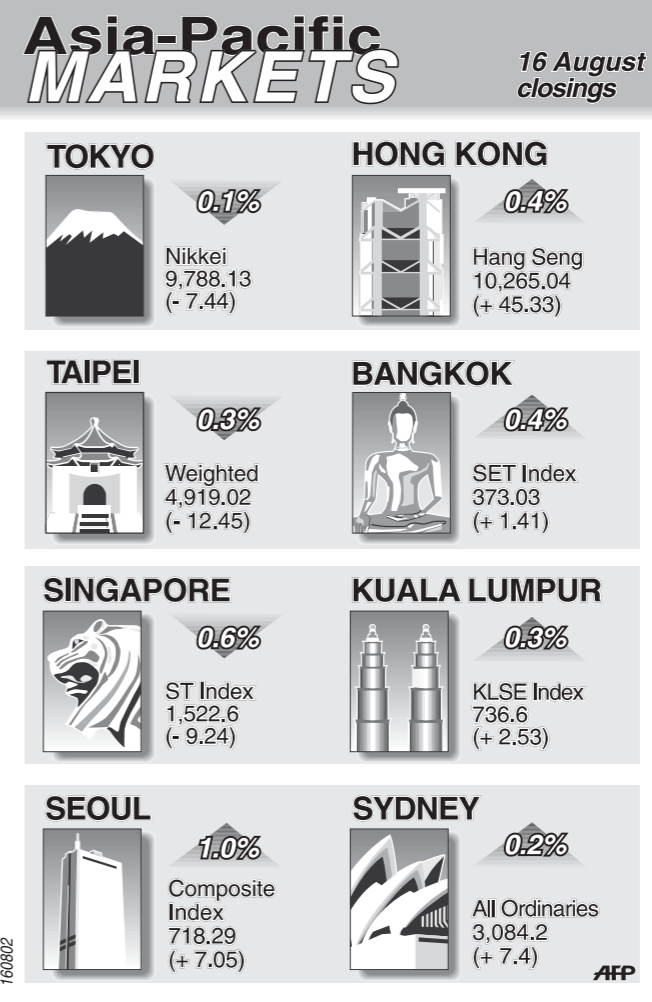
"We will wait to see what advice we are given," he said.

"The brand name on the market will change so we will have to wait to see what impact this has."

La Parler went public on Nasdaq Japan on May 1. Since then its share price has almost halved from a listing price of 270,000 yen to 160,000 yen.

Softbank said its losses from the venture would be limited to no more than the 1.2 billion yen (10.2 million dollars) it initially invested.

"The case will not affect our company's financial activities including procurement of funds," it said in a statement.



SIA pilots reject compensation in in-flight rest row

AFP, Singapore

Singapore Airlines (SIA) has offered to compensate pilots taking in-flight breaks and meals in economy class seats, but the pilots' association rejected the offer, the Straits Times reported Friday.

In a letter to the Air Line Pilots Association of Singapore (Alpa-S), SIA senior vice president Raymond Ng said a new arrangement in which the cockpit crew will take in-flight rests in economy instead of business class was not a violation of a collective agreement.

Ng said SIA even offered to compensate pilots who would have to take their breaks in economy class if no business class seats are available, but the pilots' association rejected the offer.

SIA, one of Asia's most prestigious carriers, has introduced new seats that could be converted into beds, resulting in fewer business class seats.

But the pilots said requiring them to take their breaks in economy class is a violation of the collective agreement, and threatened to mount industrial action, a move that could disrupt flights.

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