

## Concern mounts over US economic outlook

### Key barometer of future activity weakens

AFP, Washington

Concern over the US economic outlook mounted Monday as a key barometer of future activity weakened for the second month in a row in July.

The Conference Board's composite index of leading economic indicators slipped 0.4 per cent in July as the economy took a pounding from investors fleeing the scandal-tainted stock market.

The index had eased 0.2 per cent in June.

"The second consecutive decline in the leading economic indicators raises fears about the current recovery," said Ken Goldstein, economist with the Conference Board, a private economic research group.

"Volatile financial markets, corporate scandals and sagging con-

sumer expectations are trouble spots," he added.

"But latest evidence shows no significant weakening in the consumer markets, with home and car buying continuing to be strong."

The leading index -- collated from data pointing to economic activity in the months ahead -- was dragged down by stock prices, weekly manufacturing hours, consumer expectations, the interest rate spread, retail sales and building permits.

Those sectors were offset by improvements in money supply, new orders for civilian capital goods, a decline in the number of new weekly claims for unemployment benefits and a rise in new orders for consumer goods.

A relentless slide in the stock market and news of only sluggish

economic growth -- 1.1 per cent in the April-June quarter after a 5.0-per cent expansion the first quarter -- have darkened the outlook.

Federal Reserve policymakers decided against cutting interest rates from a 40-year low at their last meeting Tuesday, but they warned of the threat of a deterioration in the economy ahead.

They are scheduled to meet again September 24.

Salomon Smith Barney economist Steven Wieting said his group had lowered its near-term US economic outlook modestly.

He also now incorporated a more benign interest rate outlook, including a likely decision by the Federal Reserve to cut interest rates, cushioning healthy sectors of the economy.

The Salomon Smith Barney forecast for year-average growth rate in 2002 was cut to 2.4 per cent from 2.7 per cent, while 2003 was lowered to 3.4 per cent from 3.5 per cent.

"While our growth forecast for 2003 is healthy, and pent-up demand will ultimately build, the recent growth setback will likely leave utilization rates lower and hence profit recovery somewhat less advanced than we previously expected," Wieting said.

Stock market investors shrugged off the Conference Board index, however. Many people had expected a sharper drop, said Prudential Securities market analyst Bryan Piskrowski.

## Toyota tops Japan's list of profit makers

AFP, Tokyo

Japan's biggest automaker Toyota Motor Corp. topped Japan's list of profit makers in the year to March for the third straight year, a research firm said Tuesday.

On a parent company basis, Toyota reported declared taxable income of 937.2 billion yen (7.9 billion dollars) over the period, up 38.0 per cent from a year earlier.

"It posted higher income and profits as it launched new models aggressively and enjoyed robust exports and production in Europe and the United States," Teikoku Databank said in a report.

Top mobile phone operator NTT DoCoMo Inc. rose to second from third on the earnings chart as its taxable income jumped 45.3 per cent to 410.0 billion yen, helped by the popularity of its Internet-capable "i-mode" service.

Tokyo Electric Power Co. Inc. (TEPCO), which supplies electricity to the Tokyo metropolitan region, dropped one place to third. Its taxable income slipped 1.4 per cent

to 365.1 billion yen because of weak demand.

TEPCO was also hit by cuts in charges as well as a lower yen, which pushed up the costs of importing crude oil.

Nippon Life Insurance Co. fell to fourth from third, although its taxable income grew due to steady sales of insurance policies despite a tough business environment, said the research company.

Honda Motor Co. Ltd. rose to fifth from ninth after a rise in motorbike sales in North America and other overseas markets, and increased domestic automobile sales, the research firm said. The weak yen also boosted income from exports.

Electronic games maker Nintendo Co. Ltd. saw its position fall to 16th from 11th, while rival Sony Computer Entertainment rocketed from 4,017th to 58th due to strong sales of its PlayStation2 game console.

Japan's 13 major banks did not make the list of high-income earners because their results were hurt badly by the weight of bad loans.

## S & P raises Malaysia's sovereign ratings

AFP, Kuala Lumpur

Standard and Poor's said Tuesday it had raised Malaysia's sovereign credit ratings to reflect its progress in reducing its financial support for well-connected entrepreneurs.

The long-term foreign currency sovereign rating was raised one notch to BBB-plus from BBB and the outlook is stable, S and P said.

"The upgrade is to reflect the lower risk to the public purse from government support for ailing private-sector companies; a tendency that has eroded the government's financial position and created moral hazard for private business," S and P said in a statement.

S and P credit analyst Liew Chih Wai said the Mahathir administration had shown new-found commitment in the last year to

difficult debt restructuring and foreclosing assets.

It had replaced the management and owners of large and previously politically well-connected corporations, "while refraining from using public funds for more corporate bail-outs", Liew said.

The leadership succession plan for Deputy Prime Minister Abdullah Ahmad Badawi to succeed Prime Minister Mahathir Mohamad "has effectively reduced the near-term uncertainty in Malaysia's policy environment and prevents a disorderly transition".

The government's fiscal position is also expected to improve as the pace of economic recovery quickens.

"Reflecting improved economic prospects, net general government debt is projected to peak at

about 47 per cent of GDP (gross domestic product) in 2003, before easing gradually, thereby safeguarding the Malaysian government's fiscal flexibility in dealing with any future difficulties," Liew said.

S and P also raised the short-term foreign currency sovereign rating to A2 from A3 previously and upgraded the long-term local currency sovereign rating to A-plus from A.

The long-term local currency senior unsecured debt rating was raised to A-plus from A while the long-term foreign currency senior unsecured debt rating was upgraded to BBB-plus from BBB, it said.

The short-term local currency issuer credit rating was affirmed at A1.

## Japanese firm mulls closing unprofitable clothing shops

AFP, Tokyo

Ailing Japanese retailer Daiei Inc. said Tuesday it may close a number of low-priced, casual clothing shops as part of a fresh drive to bolster overall management amid a slump in demand.

"We are reviewing the operations of our casual outlets with a view to reducing the number of shops," said a Daiei spokeswoman.

The giant retailer launched its clothing arm, PAS, in May 2001 amid a casual clothes boom set by Uniqlo, Japan's once hugely-successful chain of low-priced garment stores.

There are 48 PAS shops nationwide selling T-shirts priced at 980 yen (8.2 dollars) and trousers at 2,900 yen.

But Japan's casual clothes fetish has subsided and customers are going for more expensive attire, the Daiei spokeswoman said.

## CURRENCY

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

TT/OD	Buy		OD Transfer		
	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
58.5500	58.5800	USD	57.8050	57.6352	57.5662
58.0992	58.1289	EUR	55.5968	55.4335	55.3672
90.3778	90.4241	GBP	87.4647	87.2078	87.1035
32.3079	32.3244	AUD	30.9430	30.8521	30.8152
0.4958	0.4960	JPY	0.4831	0.4817	0.4811
39.3840	39.3842	CHF	38.1149	38.0029	37.9574
6.2614	6.2646	SEK	6.0828	6.0649	6.0577
37.4361	37.4552	CAD	36.5623	36.4549	36.4113
7.5139	7.5178	HKD	7.4034	7.3817	7.3728
33.5722	33.5894	SGD	32.8624	32.7659	32.7267
16.0724	16.0806	AED	15.6120	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
48.56	60.15	96.26	42.125	7.5462	0.4675	0.54355

The local interbank foreign exchange market was active Tuesday. Demand for dollar was steady. BDT was unchanged against the USD in interbank trading and was quoted at 58.25/58.27.

Demand for BDT for overnight borrowing was steady. Market had slight liquidity crunch today, which increased the call money rate from yesterday. The rate was traded in a wide range between 4.25-7.00 per cent for the day.

The dollar gained by almost one per cent and rose to one-week high against the yen. Strong rally on Wall Street is attributed as the primary reason for the rise. Greenback was also steady against the euro as it failed to break the resistance in the 0.9750 level. Market is presently awaiting for the US trade data of June. GBP was trapped in a narrow range against the dollar and euro as the investors were believed to assess the state of UK economy.

At 1545 hours on Tuesday, euro traded at 0.9781/85 against dollar, pound sterling at 1.5264/67 yen trade at 118.94/99 against US dollar.

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## SHIPPING

Chittagong port

Berth position and performance of vessels as on 20.8.2002.

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/1	Asteriks	Gl(peas)	Vanc	Mutual	6/8	28/8	1317
J/2	Brisa Azul (48)	Gl(St.C)	Yang	Everett	18/8	20/8	2310
J/3	Amrtajaya-1	Rice(P)	Kaki	ASA	14/8	23/8	1013
J/4	Bi Ryu Gang	Rice(P)	Kaki	Lilmond	14/8	27/8	x
J/5	Kotanaga1	Cont	Sing	Pil(BD)	16/8	28/8	125/x
J/6	Banglar Doot	Sugar	Tuti	BSC	28/7	22/8	1075
J/7	Diamond star(liner)	Gl(STC)	Sing	Everbest	17/8	-	3844
J/8	Al Muztuba	Rice(P)	Kaki	Cla	8/8	28	867
J/9	Oriental Queen	C Clink	Sing	Unique	25/6	22/8	X
J/10	Gu Yuanhai	C Clink	Mund	SSA	8/8	25/8	2740
J/11	Kota Berjaya	Cont	Sing	Pil(BD)	12/8	20/8	288/54
J/12	BangaBorat	Cont	Sing	Bdship	16/8	20/8	1/x
J/13	Orient Free Dom	Cont	P Kel	PSSL	14/8	22/8	80/144
CCT/1	Jaami	Cont	Col	Everbest	18/8	21/8	118/x
CCT/2	Banglar Robi	Cont	Sing	BSC	13/8	21/8	201/20
RM/14	Pacific Emerald	Gl(Copra)	Sing	Alseas	24/7	-	-
RM/6	Daihung	Sko(JP-1	Anyek	Mstpl	17/8	31/8	-
DOJ	Banglar Jyoti	C Oil	K Dia	BSC	R/A	20/8	-
DDJ/1	Dea Captain	-	K Dia	Arafeen	R/A	-	-
RM/9	Banglar Kallol	Repair	Yang	BSC	13/6	22/8	-
SM/10	Dredger Gemini	-	Chand	Kama	-	-	-
BB	Pailai Jun No.2	Balast	Taiw	Transglobal	6/7	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Jasmine	20/8	Goa	Royal	GI (Coil)	-
Xpress Manaslau(Cont)10/8	21/8	Pkel	RSL	Cont	Sing
Banga Lanka (cont) 5/8	21/8	Hal	Baridhi	Cont	Col-
QC Lark (cont)10/8	21/8	P Kel	QCQL	Cont	P Kel
Kota Singa(Cont)10/8	21/8	Sing	Pil(BD)	Cont	Sing
Amalfi	21/8	Krabi	NFT	C.Clink	-
Pac Princes	22/8	Vanc	Litmond	GI(Y/Peas)	-
Golden Daisy	28/8	-	Rainbow	Wheat(P)	-
Walter	22/8	Sing	OTBL	-	-
Kuo Hing No.808	22/8	Sing	OTBL	-	-
Banglar Moni (cont) 6/8	23/8	sing	BSC	Cont	Sing
A.A. Venture	22/8	Yang	Cla	GI	-
Shun An (Liner)	23/8	P.Kel	RML	GI	-
Gangga Nagra	23/8	-	Rainbow	GI (St.Coil)	-
Dia-P	23/8	Krabi	Litmond	C.Clink	-
Paragon Pescadores(Liner)	23/8	Yang	H&S	GI(Hr.Coil)	-
Xpress Resolve(Cont)17/8	23/8	-	Everbest	Cont	Col
Jaya Mars (cont) 11/8	23/8	Sing	RSL	Cont	Sing
Mardis (cont) 14/8	24/8	Pkel	RSL	Cont	US/Sing
Banga Bijoy(Cont)10/8	23/8	-	Bdship	Cont	Sing
Bin Cheng(Liner)	24/8	S.Hai	Bdship	GI	-
Pacific Spirit(48)/108	18/8	Sing	ASA	Paper Rolls	-
Weddell sea	19/8	Krabi	OLM	C.Clink	-
Parnassos	19/8	Krab	ANCL	C.Clink	-
Banga Binik(Cont)17/8	24/8	-	Bdship	Cont	Sing
Qc Teal(Cont)11/8	24/8	P.Kel	QCQL	Cont	-
Tug Ocean North	24/8	Sing	NFT	Barge	Labroy-16C
Barge Labroy-160	24/8	Sing	NFT	Empty (W/7D)	-
Shun Cheng (Liner)	25/8	Yang	Everett	GI(St.C)	-
Banga Birol(Cont)11/8	27/8	-	Baridhi	Cont	Col
Consistence(Cont)17/8	26/8	-	PSSL	Cont	Sing
Asimont (Con) 18/8	27/8	-	Seaboms	Cont	Sing
Banglar Shikha (Cont) 19/8	27/8	Sing	PSC	Cont	Sing
Kuo Hsiung (ont)18/8	28/8	P Kel	QC Cont	Cont	Sing
Banga Barta (Cont) 18/8	30/8	-	Baridhi	Cont	Col
Sagaing (Liner)	31/8	-	Everett	GI(St C)	Sing
QC Pintail (Cont) 18/8	2/9	P Kel	QCQL	Cont	Sing
Jurong Bauhinia	3/9	-	NOL	Cont	Sing

Vessels at Kutubdia

Vessel	Crude Oil	Rast	Union	13/8
Argosea	C.Oil	-	BSC	R/A(18/8)

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

## STOCK