

Asia's investment divide set to widen post blasts

REUTERS, Hong Kong

The Bali bombings could deepen and investment divide that already favours North Asian markets, forcing their wobbly Southeast Asian peers to pay a higher risk premium to lure capital, fund managers said Wednesday.

This in turn could hurt Southeast Asia's fledgling economic recovery and impede fund flows into the region, which has been steadily losing out to China in the race for attracting foreign direct investment

(FDI).

"I think there be will further or increased differentiation. There's been a lot of uncertainty about the perceived social and structural instability in Southeast Asia for some time," said Julian Mayo, managing director at Regent Financial Services.

Analysts say the Bali bomb blasts have brought home the message of rising political instability and security concerns in Southeast Asia, where authorities are struggling to contain the spread of

Muslim militancy.

"People recognise that places like South Korea, Taiwan, Japan and China don't have social instability," said Mayo, whose company manages US\$120 million in the region.

Relative political stability and strong economic performance has led North and East Asia, spearheaded by China and South Korea, to receive a massive US\$ 120.3 billion of FDI in 2000 - nearly nine times more than Southeast Asia's US\$13.8 billion, data from the Asian

Development Bank (ADB) showed.

The trend, analysts say, is similar for portfolio investment.

Equity investors' preferences were reflected in the out performance of the North Asian markets over their counterparts in Southeast Asia in the immediate wake of the blasts.

Taiwan's benchmark TAIEX .TWII has gained 9.7 per cent so far this week, Korea's KOSPI .KS11 has jumped 8.3 per cent and Hong Kong's Hang Seng .HSI has added 5.5 per cent.

Japan financial reform drive hits snag

AFP, Tokyo

A reform drive by the Japanese government hit a hurdle Thursday when a panel of lawmakers rejected plans for a public fund injection into certain small financial firms.

The Financial Services Agency (FSA) proposed pumping money into institutions such as regional banks, Shinkin banks -- that fund small- to medium-sized businesses -- or credit associations and cooperatives, if they agree to merge.

The suggestion was made at a key financial and fiscal affairs committee meeting earlier but was initially rejected due to the conditions that would be imposed on institutions before they could receive taxpayers' funds.

"Under the FSA scheme, a public-fund injection is possible when smaller financial institutions move to merge, but most of our

committee members complained over that point," said head of the ruling Liberal Democratic Party's tax panel Hideyuki Aizawa.

"The government should inject public funds into them, if necessary, without these conditions," he told reporters, though suggesting the panel would not rule out the proposals altogether if changes were made.

"We may continue discussions about that tomorrow or next week," he added.

The FSA's proposals -- to be submitted to an extra session of parliament beginning October 18 -- will not win passage without the approval of the party.

Under the plan, Tokyo would inject funds directly into merged regional banks, in exchange for issues of preferred stock, if the capital adequacy of the merged entity is too low.

Feuding sides in US ports trade blame over sluggish operations

AFP, San Francisco

Feuding US shipping lines and dockworkers on Wednesday traded barbs over who was to blame for the slow pace at which a cargo glut is being cleared from 29 recently reopened Pacific ports.

Shipping line bosses warned they may go back to court to force longshoremen to pick up their pace in clearing the massive backlog of freight that accumulated during an economically-devastating 10-day

ports shutdown.

The dockers meanwhile charged their employers with deliberately sabotaging their efforts to decongest dockyards so that they can drag longshoremen back to court and break their union through tough legal action.

The mutual recriminations came as a federal judge confirmed his decision a week ago to order West Coast ports reopened for at least 80 days after the White House stepped in to end a devastating row between

shippers and dockers.

"The judge, as expected, issued an order making permanent for 80 days his injunction reopening the West Coast ports," said Jason Greenwald, a spokesman for the Pacific Maritime Association, which represents some 80 shipping lines. San Francisco Judge William Alsup extended his eight-day-old injunction forcing both sides back to work at the ports that were shuttered by a contract row that cost the US economy up to two billion dollars a day.

The 80-day "cooling-off" period forces shipping lines and longshoremen to reopen America's main trade gateway to Asia, but also obliges them to resume federally mediated talks aimed at ending their dispute.

But despite the judge's order, which came after President George W. Bush invoked his rarely used power to intervene in labour dispute that imperil the US economy or national security, millions of tons of backlogged freight continue to clog the western ports.



PHOTO: PRIME ISLAMI LIFE INS

The third meeting of the Shariah Council of Prime Islami Life Insurance Ltd was held in the city on Wednesday. Shariah Council Chairman Moulana Ubaidul Haq presided over the meeting.

S'pore exports up 16.9pc

AFP, Singapore

Singapore's non-oil domestic exports (NODX) grew 16.9 per cent in September from a year ago, the government said Thursday, but the figures put a misleading gloss on the island's economic recovery.

The double-digit rise to 8.3 billion Singapore dollars (4.6 billion US) was driven by a strong performance from the island's core electronics segment as well as non-electronics.

On a seasonally adjusted, month-on-month basis, the NODX fell 2.6 per cent in September, its third consecutive month of decline.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank					
Selling			Buying		
TT/OD	BC	Currency	TT Clean	OD Sight/Doc	OD Transfer
58.6500	58.6800	USD	57.8350	57.6651	57.5961
58.1046	58.1343	EUR	56.8802	56.7160	55.6494
91.6934	91.7403	GBP	89.0023	88.7409	88.6346
32.7736	32.7904	AUD	31.1326	31.0411	31.0040
0.4752	0.4755	JPY	0.4613	0.4599	0.4594
39.3915	39.4116	CHF	38.3420	38.2293	38.1836
6.3296	6.3328	SEK	6.2269	6.2086	6.2011
37.2523	37.2713	CAD	36.2966	36.1900	36.1467
7.5261	7.5299	HKD	7.4082	7.3864	7.3776
32.9476	32.9644	SGD	32.2183	32.1236	32.0852
16.0989	16.1072	AED	15.6197	15.5738	15.5552
15.7636	15.7716	SAR	15.2995	15.2545	15.2363

Exchange rates of some currencies against US dollar						
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Norwegian	NZ dollar	AUD
48.39	59.075	96.245	43.805	7.5178	0.4795	3.80

Local Interbank FX Trading: The local interbank foreign exchange market was active Thursday. BDT continued to lose some ground against USD due to increased demand for the US dollar for foreign loan payment and higher imports. BDT was quoted at 58.65/70 against the USD in the interbank market compared with 58.62/65 of previous day.

Local Money Market: Call money rates was almost stable. market had some liquidity because of maturity of T-bill. The rate ranged between 5.75-6.00 per cent for the day compared with 5.50-6.00 per cent of previous day.

International Market: The dollar had a modestly weaker tone in New York as US stocks pulled back after several days of gains, but dealers were loath to sell the dollar too hard due to a lack of other buying options. Euro showed little reaction to an admission by German finance minister that the euro zone's biggest economy would probably not keep its budget deficit below 3 per cent of GDP as mandated by the European Union's stability pact. While the balance of opinion is still negative toward yen, despite some recent government efforts to shore up the troubled banks, some analysts say the yen may be due for a correction after weeks of losses.

At 1530 hours on Wednesday, euro was quoted at 0.9772/77, GBP at 1.5535/40, Yen at 124.14/17 against the dollar.

This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 17.10.2002							
Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disc
J/2	Leona	Gl	Busi	Prog	10/10	16/10	1600
J/5	Adonis	Sugar	Ind	CCNL	13/10	24/10	492
J/5	Banglar Umri	Sugar	Mumb	Mutual	9/10	23/10	1711
J/6	Cameron	C.Clink	Mala	PSAL	3/10	19/10	2426
J/8	An Guzing Jiang	Gl	Osaka	Bdship	15/10	20/10	3126
J/11	Kola s'Singa	Cont	sing	PH(BD)	13/10	17/10	160
J/12	Orient Freedom	Cont	P.Kel	PSSL	15/10	19/10	326
CCT/1	Jaya Mars	Cont	Sing	RSL	14/10	17/10	64
CCT/2	Banga Biraj	Cont	Sing	Bdship	14/10	19/10	336
CCT/3	Asimont	Cont	P.Kel	Seaborne	14/10	19/10	337-
RM/14	Pacific Emerald	Idle	Sing	Alseas	24/7	20/10	-
CCJ	Eco Charger	G. F. Slag	Sing	BSL	13/10	20/10	-
G/SJ	Eco Vigour	Wheat	Aust	SSST	13/10	20/10	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Du Man Gang	17/10	Visha	Uniship	Sugar	-
Banga Bonik (Cont)6/10	18/10	Col	Bandhi	Cont	Col
Xpress Resolve	17/10	Cbo	Everett	Cont	Cont
Hans Jaivijaya	18/10	Tuti	Mutual	Sugar	-
Maritime peace	18/10	Yang	Albatros	Gl	-
San Mateo (Roro)24/6/10	18/10	Sing	JF	Vehi	-
Banga Biraj (Cont)6/10	19/10	-	Bdship	Cont	Sing
Qc Honour	20/10	P.Kel	QCSL	Cont	Sing
Alam Talang	22/10	-	Everett	Gl	Cal
QC Dignity	18/10	P.Kel	QCSL	Cont	Sing
Pan Voyager	19/10	Sing	BSL	Dap	-
Bulk Amethyst	19/10	Dunk	USL	Peas	-
Banglar Robi	20/10	-	BSC	Cont	Sing
Banglar Mamata	20/10	-	BSC	Cont	Sing
Xpress Manaslu	20/10	P.Kel	RSL	Cont	Sing
Amanat Shah	20/10	Yang	Cla	Gl	-
Qc Pintail	21/10	P.Kel	QCSL	Cont	Sing
QC Lark	21/10	P.Kel	QCSL	Cont	Sing
Banga Barta	24/10	-	Bandhi	Cont	Col
Banga Borat	22/10	-	Bdship	Cont	Sing
Kota Naga	22/10	Sing	PH(BD)	Cont	Sing

Tanker due

Vanessa	22/10	Durb	USL	CPO	-
Samgin Gun	18/10	Bin	-	CPO	-

Vessels at Kutubdia

Dea Captain	-	-	Arafeen	R/A (18/8)
Danat Qatar	C.Oil	JEBE	USS	9/10
B Shourab	C.Oil	-	BSC	R/A

Vessels awaiting instruction

Banglar Maya	-	Ind	BSC	R/A
--------------	---	-----	-----	-----

Movement of vessels for 18.10.2002 & 19.10.2002

Outgoing		Incoming		Shifting
18.10.2002	DOJ B. Shourab	J/11 B. Bonik	CCT/1 Xp. Resolve	J/3 Maritime Peace
			DOJ B. Jyoti	
19.10.2002	J/6 Camerona	J/13 Birol	CCT/2 Qc Dignity	J/1 San Mateo
	J/12 O. Freedom			RM/8 Sangimsun
	J/13 K. Berjaya			
	CCT/2 B. Biraj			
	CCT/3 Asimont			
	RM/3 Monalisa			
	DJ B. Jyoti			

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

STOCK