

Soaring oil price, slower profit growth to curb stocks

REUTERS, New York

Heading into the heart of earnings season next week the expected results look robust, but a slowing of future profit growth and the impact of surging oil prices on the economy could conspire to hold down stocks. Two more presidential debates remained for investors to digest after they mostly shrugged off the first.

Barring a glaring goof by President Bush or Sen. John Kerry, markets are unlikely to react strongly to the final debates, analysts said.

For some, a surprisingly weak payroll report on Friday that showed only 96,000 jobs were added in September will sharpen

criticism of Bush, though others said the election is still three weeks away and the news was just a minor irritant.

"People are trying to figure out what this dog race is going to turn into," said Scott Lynch, managing director of U.S. trading at CSFB. "We're going to stay within a trading range."

However, chief investment strategist Jeffrey Saut of Raymond James Financial said Kerry would likely spin the data to his advantage and make it very difficult for Bush.

"A Kerry victory from Wall Street's standpoint is not a good thing," Saut said, as a reduction in dividend taxes Bush had enacted could be in jeopardy under a Kerry presidency.

The second presidential debate was slated for Friday night, and the final one is scheduled next Wednesday in Phoenix.

For the week, all three major stock indexes declined, with the Dow Jones industrial average falling 1.4 percent, the Standard & Poor's 500 Index slipping 0.8 percent and the Nasdaq Composite Index off 1.1 percent.

Government reports next Friday are expected to show retail sales for September gained 0.7 percent, and added 0.3 percent in the non-automotive sector, while the Producer Price Index, with or without food and energy, likely rose 0.1 percent in September.

A third report about the economy in September is expected to show

industrial production gained 0.3 percent, with capacity edging up to 77.4 percent.

Key companies in technology and banking, including Intel Corp and Yahoo Inc on Tuesday, and Bank of America Corp and Citigroup Inc on Thursday, report their results as the third-quarter earnings season gets in full swing.

There is a growing sentiment among investment strategists and money managers that it is a good earnings season, which will be good for stocks, said Elliot Spar, options market strategist with brokerage and investment bank Ryan Beck & Co.



PHOTO: HOSAF GROUP

Housing and Public Works Minister Mirza Abbas, Mosharraf Hossain MP, Joyal Abedin Faruk MP, Chairman of Hosaf Group Moazzam Hossain, and Ward Commissioner Sazzad Zahir pose for photographs at the inauguration of Hosaf Shopping Complex at Malibagh intersection in Dhaka on Friday.



Sri Lankan High Commissioner in Bangladesh Gamini Sarath Munasinghe poses for photographs with senior officials of Ace Cargo, Sri Lanka and Bengal Airlift Ltd at a function held to mark the launching of Continental Airlines cargo sales service operations in Dhaka on Tuesday.

StanChart wins bid for Permata

REUTERS, Singapore/Jakarta

Standard Chartered has won a controlling stake in Indonesia's seventh-largest bank with a bid of \$305 million (170 million pounds), gaining a major foothold in the country after two previous attempts failed.

London-based StanChart STAN.L, together with car distributor PT Astra International Tbk, offered 2.77 trillion rupiah (US\$305 million) to the government for 51 percent of PT Bank Permata, Finance Minister Boediono said.

The price is 10 percent higher than the cash-strapped Indonesian government had initially hoped for.

The bid works out to be 3.2 times Permata's 2003 book value and is the highest price the Indonesian government has received in the sale of state banks in recent years. Previous state bank sales have been below two times book value.

"It is a very rich price. But it has been their (StanChart) dream to get something in Indonesia for a while," said a Singapore banker.

Standard Chartered also has operations in other parts of Asia, Africa and the Middle East. In 2002, the bank set out to increase returns from its wholesale banking operations through acquisitions in emerging market countries.

CURRENCY

Following is yesterday's (October 9, 2004) forex trading statement by Standard Chartered Bank

Sell	BC	Currency	TT Clean	OD Sight Doc	Buy	OD Transfer
59.8500	59.9000	USD	58.6050	58.4329	58.3629	
75.2733	75.3362	EUR	71.8321	71.6212	71.5354	
108.3943	108.4849	GBP	104.2642	103.9879	103.8336	
44.9892	45.0268	AUD	42.1780	42.0641	42.0038	
0.5531	0.5536	JPY	0.5304	0.5288	0.5282	
48.2506	48.2999	CHF	46.4235	46.2871	46.2317	
8.1822	8.1890	SEK	7.5720	7.5498	7.5407	
48.1884	48.2287	CAD	46.3647	46.2285	46.1732	
7.6902	7.6967	HKD	7.5227	7.5006	7.4916	
35.7676	35.7975	SGD	34.6509	34.5491	34.5077	
16.4279	16.4416	AED	15.8272	15.7807	15.7618	
16.0870	16.1004	SAR	15.5040	15.4584	15.4399	
10.4078	10.4165	DKK	9.3806	9.3530	9.3418	

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringgit
45.775	59.35	103.68	41.325	6.6850	0.7353	3.80

Local Interbank FX Trading

Local interbank FX market was subdued on Saturday as international market was closed. Dollar remained steady against Bangladeshi taka. Local Money Market

Money market was active. Call money rate rose and ranged between 6.00 and 7.00 percent compared with 5.00-6.00 percent previously.

International Market

International markets were closed on Saturday on account of weekend. On Friday, dollar broadly fell against major currencies due to weaker than expected jobs data and speculation that China may allow its currency to appreciate against dollar. Report that US economy generated only 96,000 jobs in September against a forecast of 148,000 jobs kindled views that Federal Reserve may not raise rates further this year. Dollar also experienced its steepest one-day loss against the Japanese yen.

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ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Saturday, says a press release.

Prizes	Name of Winners	Card No
China Junction Chinese Free Lunch for Two	Jahangir Alam	504798000054754
TOMBOY Chinese Free Lunch Package	Nour Mohammad Khan	504798000054720
Pallabi Computers Free Internet Browsing	MA Rahim Shakil	504798000054715
Florence Food Free Gift Box	Md Zakir Hossain	504798000054696
Pabna Cloth Store free Gift Box	Md Jashim Uddin	504798000054694

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, 8125294-7.



PHOTO: PUBALI BANK

Pubali Bank Limited Managing Director Khondkar Ibrahim Khaled speaks at the bank's 2nd conference of regional managers and heads of corporate branch recently in Dhaka. Alternate Director of the bank Md Kabiruzzaman Yakub and deputy managing directors M Rafiqul Islam and Helal Ahmed Chowdhury are also seen in the picture.



PHOTO: NISHU ADVERTISING

MA Mannan, chairman and managing director of Butterfly Marketing Limited, a marketing company of household electronics appliances, inaugurates the company's 100th showroom at Mawna Chowrasta in Sreepur, Gazipur yesterday.



PHOTO: MARKA

Anwar Hossain, country manager of Sony Ericsson Bangladesh, and Iftekhar Matin, channel marketing manager, pose for photographs at a dealer conference of the company held in Chittagong recently.

STOCK