

Bush proposes big cuts to rein in deficit

REUTERS, Washington

President Bush on Monday proposed a \$2.57 trillion budget that slashes domestic programs from farm aid to housing grants for the poor, as he sought to curb budget deficits that have soared on his watch.

Democrats derided Bush's plan as a "hoax" because it excludes future costs for the Iraq conflict and massive borrowing required for his proposal to add private investment accounts to Social Security.

Bush, who inherited a budget surplus that switched to record shortfalls, wants to show Wall Street and fiscal conservatives he is seri-

ous about tackling deficits.

The president's plan would cut discretionary domestic spending outside national security by 0.7 percent for fiscal year 2006 and keep it essentially flat for five more years.

"It's a budget that eliminates redundancy," Bush told reporters after a meeting with his Cabinet. "It's a lean budget."

But Democrats accused Bush of forcing the poor to absorb the brunt of the budget pain after giving billions of dollars of tax cuts to the rich in his first presidential term.

Some analysts said Bush would have trouble getting even a

Republican-controlled Congress to sign off on a number of the cuts. Budget hawks question the president's resolve to push them through, given he has yet to veto a spending bill.

Indeed, a leading member of Bush's own Republican Party, House of Representatives Speaker Dennis Hastert of Illinois, called the plan a "starting point."

Bush said he was optimistic he could bring Congress around. But he added, "I fully understand that sometimes it's hard to eliminate a program that sounds good."

The Pentagon and Homeland Security are among the budget's

few winners but they would see a slight slowdown in growth after post-Sept. 11, 2001, surges.

Nine of the 15 Cabinet agencies would see cuts, including an 11.5 percent reduction for the Department of Housing and Urban Development, and spending for more than 150 programs would be eliminated or sharply curtailed.

Bush would squeeze \$45 billion in savings from the Medicaid health program for the poor while abolishing subsidies for the Amtrak rail system, cutting community development programs by 4.5 percent and reducing farm programs by 2.9 percent.



PHOTO: SJIBL

Officials of Shahjalal Islami Bank Ltd (SJIBL), Prime Finance & Investment Ltd (PFIL) and Capital Market Services Ltd (CMSL) are seen at an agreement signing function in Dhaka Monday. Under the deal, SJIBL appoints PFIL and CMSL its joint issue managers. M Kamaluddin Chowdhury, managing director of SJIBL, Tapan K Podder, managing director of PFIL, and AI Maruf Khan, managing director of CMSL, signed the deal on behalf of their organisations.

Dollar on firmer footing

REUTERS, London

The dollar rose to a two-month high against the yen and held near three-month peaks versus the euro on Tuesday as the market cheered US efforts to narrow its yawning fiscal deficit.

President Bush submitted a proposal to Congress on Monday that forecast a narrowing in the budget deficit to 1.7 percent of gross domestic product by fiscal 2008 from 3.5 percent in the current year.

Twin US budget and current account deficits have been a key

factor in the dollar's three-year downturn.

Adam Cole, senior currency strategist at RBC Capital Markets, said easing oil prices and rising hopes for peace in the Middle East were also supporting the dollar.

"The budget may have helped, but rising risk appetite and falling oil prices have also been a factor in the dollar's bounce," he said.

Israeli and Palestinian leaders are expected to announce a cease-fire to halt more than four years of bloodshed at a landmark summit later on Tuesday.

The dollar was up 0.5 percent at 105.34 yen and steady against the euro at \$1.2770 in early European trade.

The euro has now lost 6 percent against the dollar since the start of the year after hitting record highs above \$1.36 in the final days on 2004.

Analysts said the euro's recent break below key technical levels against the dollar had forced investors, who had bet on a weakening US currency, to cover their positions.

Toyota to appoint new president

AFP, Tokyo

Japan's top carmaker and world ranked number two Toyota Motor plans to promote Executive Vice President Katsuaki Watanabe, to president as the firm expands into various business fields, a report said Tuesday.

Current President Fujio Cho will become vice chairman, while Hiroshi Okuda will remain chairman, the Nihon Keizai Shimbun said, without citing sources.

Okuda is expected to keep his post at least until his term as the chairman of Japan's biggest business lobby Japan Business Federation (Keidanren) ends in May 2006, the newspaper said.

To expand its business operations in various countries and engage in a wide range of industries, including the financial and trading sectors, Toyota saw a need for a generational shift in its senior management, the Nihon Keizai said.

The new lineup of senior executives will be announced as soon as Wednesday, with the changes expected to take effect at a board meeting after the general shareholders meeting at the end of June, it said.

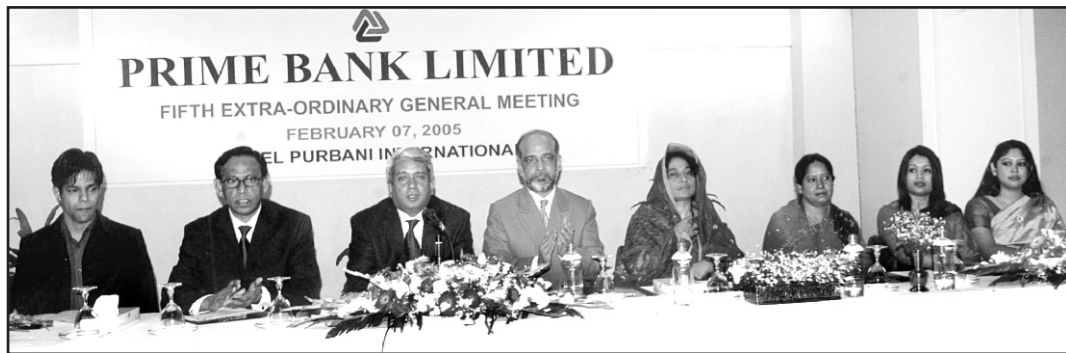


PHOTO: PRIME BANK

The 5th extra-ordinary general meeting of Prime Bank Ltd was held in Dhaka Monday. Azam J Chowdhury, chairman of the bank, presided over the meeting attended by directors and shareholders of the bank.

CURRENCY

Following is Tuesday's (February 8, 2005) forex trading statement by Standard Chartered Bank

TT/OD	Buy		TT Clean	OD Sight/Doc	OD Transfer
	BC	Currency			
63.7500	63.8000	USD	62.4050	62.2217	62.1472
82.1419	82.2063	EUR	78.8862	78.6545	78.5603
119.1679	119.2613	GBP	115.1123	114.7741	114.6368
49.5911	49.6300	AUD	47.0159	46.8778	46.8217
0.6162	0.6167	JPY	0.5902	0.5884	0.5877
52.7034	52.7447	CHF	50.4936	50.3453	50.2850
9.3534	9.3607	SEK	8.3011	8.2767	8.2668
51.3409	51.3812	CAD	49.3242	49.1793	49.1205
8.1817	8.1881	HKD	7.9928	7.9693	7.9597
38.9384	38.9690	SGD	37.7709	37.6599	37.6148
17.5008	17.5145	AED	16.8557	16.8062	16.7861
17.1353	17.1487	SAR	16.5093	16.4608	16.4411
11.4206	11.4296	DKK	10.2640	10.2338	10.2216
218.9969	219.1687	KWD	206.0251	205.4199	205.1741

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
43.41	59.37	99.47	38.385	6.5495	0.7503	3.80

Local Interbank FX Trading

Local interbank FX market was active on Tuesday. Dollar eased further against Bangladeshi taka.

Local Money Market

Money market was active. Call money rate was higher and ranged between 20.00 and 30.00 percent compared with 16.00 - 20.00 percent previously.

International Market

The dollar rose to a two-month high

against the yen and held near three-month peaks versus the euro on Tuesday as the market acknowledged the US efforts to narrow its yawning fiscal deficit. US President submitted a proposal to congress on Monday that forecast a narrowing in the budget deficit to 1.7 percent of GDP by fiscal year 2008 from 3.5 percent in the current year. Some traders, however, were skeptical saying that it was just a proposal and full implementation of it is doubtful.

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

Berthing position and performance of vessels as on 8/2/2005

Berth no	Name of vessels	Cargo	L. port call	Local agent	Dt of arrival	Leaving	Import disch
J/1	Pha Shwe Gyawya	GI (Y Ma)	Yang	MTA	1/2	8/2	528
J/2	Power	Clink	Vish	OLM	30/1	10/2	3648
J/3	Kallisto	Wheat (P)	Argen	Mutual	30/1	22/2	7595
J/4	Al Muztuba	GI (Y Maize)	Kaki	CLA	17/1	8/2	--
J/5	Pavonis	GI (Log/Y Ma/Pul)	Yang	PML	31/1	10/2	1141
J/7	Content-4	GI (Log/Y Ma/Pulse)	Yang	CLA	31/1	10/2	1047
J/8	Banga Lanka	Cont	Sing	Bdship	6/2	10/2	69
J/9	Susan Anne	GI (Y Ma)	Yang	Jnship	1/2	8/2	718
J/10	Xpress Resolve	Cont	Col	Everbest	5/2	9/2	179
J/11	Kota Singa	Cont	Sing	Pil(Bd)	5/2	8/2	204
J/12	Qc Honour	Cont	P Kel	QCSSL	R/A	8/2	168
J/13	New Blessing	Cont	P Kel	Everbest	3/2	8/2	--
CCT/1	Xpress Manaslu	Cont	P Kel	RSL	6/2	10/2	221
CCT/2	Oel Freedom	Cont	P Kel	PSSL	5/2	10/2	305

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Type of cargo	Loading ports
Asean Prosperity	8/2	Hong	OTL	Scraping	--
Vitoria	8/2	Sing	JE	Scraping	--
Rio Negro	9/2	P Kel	QCSSL	Cont	Sing
Oel Excellence	10/2	Hald	PSSL	Cont	Col
An Yue Jiang	9/2	Ziang	Cosco	GI	45 Bus
Trust Ace	10/2	Fang	Unique	TSP (P)	--
Banglar Shikha	11/2	Pil	BSC	Cont	Sing
Mardios	11/2	CBO	Everbest	Cont	Col
Tong Shan Hai	11/2	Nant	MBL	Clink	Cont
Kota Berjaya	11/2	Sing	Pil (Bd)	Cont	Sing
Advance Pescadores	11/2	Yangon	Everett	GI (St.C)	--
Eastern Star	12/2	Sin	BSC	Cont	Sing
Mmm Belinda	11/2	Sing	ASA	GI (W/Pulp)	--
Skyros	11/2	Sant	Total	Wheat (P)	--

Tanker due

Name of vessels	Date of arrival	L port call	Local agent	Type of cargo	Loading ports
Sutra Dua	9/2	Mala	USL	CPOL (RM/3/4)	--
Advantage	10/2	Kuwa	MSTPL	HSD/JP-1	--
Onda	14/2	Rast	OWSL	Crude Oil	--
Southern Orchis	12/2	--	Jardine	Lube Oil	--

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Rig Ocean Sovereign	--	Sing	Beeline	18/11
Guldrill-9	Pr Equip	Sing	Ibsa	27/11
Dea Captain	--	--	Ibsa	R/A (28/1)
Wira Keris	Dr Equip	Sing	Ibsa	R/A (7/2)
Lady Margaret	Dr Equip	Sing	Ibsa	R/A (4/2)

Vessels at outer anchorage

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Dongtai Fortune	Cont	Sing	Nol	6/2
Banga Borak	Cont	P Kel	Bdship	7/2
Wave	GI (Y Pe)	Yang	Jnship	7/2
Qc Star	Cont	P Kel	QCSSL	7/2
Banga Borti	Cont	Sing	Bdship	8/2

Vessels ready

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Anodad Naree	Wheat (P)	Ukra	SSTL	27/1
Crystalace	Tsp (P)	Sing	Uniship	30/1
Karadeniz-S	Wheat (P)	Darh	Total	6/2
Banga Bjoy	Cont	Col	Baridhi	6/2

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

STOCK