

China advised to tread carefully in yuan change

REUTERS, Beijing

China should take a gradual approach to currency reforms and consider the economic consequences of a rise in the yuan if it is allowed to move more freely, a state newspaper said yesterday.

The front-page commentary echoed weekend comments by Chinese Premier Wen Jiabao and central bank governor Zhou Xiaochuan who said yuan reform would be gradual and Beijing would not be rushed into action.

"An adjustment in the renminbi exchange rate will have a complex impact on the Chinese economy

and its external economic relations," the People's Daily Overseas Edition said.

"There must be careful consideration about various possible consequences and measures to cope with them," the newspaper said.

The United States and China's other trading partners are pressuring Beijing to revalue the yuan CNY CFXS, also called the renminbi, which is pegged at 8.28 to the dollar.

Critics say the currency is undervalued and gives China's exporters an unfair advantage in international markets.

Beijing, while resisting persistent foreign pressure, has pledged to make the yuan more flexible through gradual reforms.

The government would take the initiative in reforming the currency regime, but the reform would be carried out in a controllable and gradual way to avoid risk, the newspaper said.

A yuan adjustment would affect China's exports and imports, therefore affect trading companies and employment, and changes in capital flows would also pressure the banking sector, it said.

"An appreciation of the renminbi will create certain deflationary

pressure" in the economy, the commentary said.

A rise in the yuan could lead to falling property prices as hot money flowing into the sector betting on a yuan revaluation may take profits and flee, the newspaper said.

A yuan adjustment would also affect the world economy and bring about volatility in global raw material prices, it said.

"Adjustment and reform of the renminbi exchange rate must be based on an attitude that is responsible for the stability of the Chinese economy and the world economy," the commentary said.



PHOTO: HSBC

Mamoon M Shah (Sitting 2nd from left), manager (Personal Financial Services) of HSBC, and Mahfuzul Haque (Sitting 3rd from left), director (Construction) of Equity Property Management Ltd, a real estate developer, along with other officials pose for photographs after signing a memorandum of understanding in Chittagong recently. Under the MoU, customers of Equity Property will get HSBC Home loan with a reduced processing fee of 1 percent of the loan amount.



PHOTO: BRAC BANK

Imran Rahman, deputy managing director of Brac Bank Ltd, officially launches a new deposit product of the bank 'InterestFirst Fixed Deposit' by handing over the deposit receipt to a customer at a function in Dhaka recently. Other senior officials are also seen.



PHOTO: BENCHMARK

M Sajidur Rahman, head of Consumer Banking of Standard Chartered Bank, Bangladesh, formally inaugurates the bank's 27th ATM (automated teller machine) on Jamal Khan Road in Chittagong Monday. Tanvir Haider Chaudhury, head of Shared Distribution, and other senior officials are also seen.



PHOTO: COMMERCIAL BANK OF CEYLON

S Renganathan, country manager of Commercial Bank of Ceylon Ltd, along with other senior officials poses for photographs with the newly recruited employees of the bank at a two-day orientation programme recently in Dhaka.

FDI in Japan hits record in 2004-05

REUTERS, Tokyo

Foreign direct investment into Japan hit a record high in 2004/05, surpassing Japanese investment abroad for the first time in postwar history.

China including Hong Kong became the top destination for Japanese foreign direct investment, replacing the United States for the first time -- another epoch-making feature of the year that ended in March.

Foreign companies' investments into Japan rose to 4.03 trillion yen (\$36.7 billion) in the last fiscal year, Finance Ministry data showed. That was almost double the roughly 2.15 trillion yen of the previous three years and beat the previous record of 3.13 trillion yen set in 2000/01.

The huge increase was due to a jump in investment by US companies to 2.62 trillion yen from 349 billion yen.

"We've seen a major increase in M&A (merger and acquisition) activity. That may reflect a rise in interest in Japanese companies," said Hideo Kumano, senior economist at Dai-ichi Life Research Institute.

CURRENCY

Following is Wednesday's (June 29, 2005) forex trading statement by Standard Chartered Bank

Sell		Buy			
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
65.0200	65.0500	USD	63.8500	63.8287	63.7862
79.3634	79.4000	EUR	76.1156	76.0902	76.0395
118.9736	119.0286	GBP	115.1343	115.0959	115.0192
50.4555	50.4788	AUD	47.9833	47.9673	47.9353
0.5989	0.5992	JPY	0.5761	0.5759	0.5755
51.3830	51.4067	CHF	49.4272	49.4107	49.3777
8.6591	8.6631	SEK	7.7791	7.7765	7.7713
53.2907	53.3153	CAD	51.3429	51.3258	51.2915
8.3864	8.3903	HKD	8.1980	8.1953	8.1898
39.0534	39.0714	SGD	37.5544	37.5419	37.5169
17.8469	17.8552	AED	17.2432	17.2375	17.2260
17.4761	17.4842	SAR	16.8902	16.8846	16.8733
10.9703	10.9754	DKK	9.9394	9.9361	9.9295
219.1451	219.2485	KWD	217.7052	217.6350	217.4945

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor'kroner	NZ dollar	Malaysian ringgit
43.45	59.79	99.77	41.235	6.5942	0.7504	3.80

Local Interbank FX Trading

Local interbank FX market was active on Wednesday. Demand for dollar continued to remain high in the market.

Local Money Market

Money market was active. Call money rate remained almost unchanged and ranged between 4.00 and 9.00 percent compared with 4.00 and 8.00 percent previously.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 29/6/2005

Berth no.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch
J/1	Yick Fat	C Clink	Chin	MBL	20/6	1/7	2533
J/3	Banglar Kallol	Sugar	C Town	Mutual	14/6	7/7	05
J/4	Rick Bank	Sugar	Santo	Mutual	29/5	2/7	--
J/5	An Qing Jiang(Liner)	Gli	Sing	Cosco	27/6	2/7	1051
J/6	Opal Naree	GI (St Scrap)	Hamb	BRSL	12/6	1/7	583
J/7	Spring Trader	GI	Yang	Everest	27/6	2/7	--
J/8	Spar Gamet	GI (Hr Coil)	Visal	Litmond	25/6	30/6	5409
J/9	Xiang Jiang	GI	Sing	Cosco	23/6	2/7	572
J/10	Banga Barla	Cont	Col	Baridhi	27/6	1/7	174
J/11	Mellum	Cont	Sing	QCSSL	26/6	30/6	242
J/12	Coastal Express	Cont	Mong	BSCA	28/6	30/6	--
J/13	Cec Copenhagen	Cont	T Pala	PSSL	27/6	30/6	356
CCT/1	Platinam Emerald	Cont	Col	Everbest	25/6	29/6	11
CCT/2	Banga Bodor	Cont	P Kel	Bdship	26/6	--	32
CCT/3	Blue Link	Cont	Sing	QCSSL	26/6	30/6	483

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Type of cargo	Loading ports
Tug Tropical Regal	29/6	Lumut	OTL	Towing	Barge T Jaya
Barge Tropical Jaya	29/6	Lumut	OTL	lcp Piles	--
Golden Wealth	29/6	Hochi	Prog	GI (Paper)	--
Banga Biraj	30/6	P Kel	Bdship	Cont	Pkl/Sing
Safnaz	1/7	Chenn	Owsl	St. Pipe (P)	--
Qc Star	3/6	Sin	QCSSL	Cont	L/Sing
Kannik	3/6	Sing	ANCL	GI	--
Marisa Green	1/7	P Kel	Everbest	Cont	Sing
Ocean Pride	1/7	--	PSSL	GI (Logs)	--
Oel Enterprise	1/7	Sin	PSSL	Cont	Sing
Banga Borak	1/7	P Kel	Bdship	Cont	Pkl/Sing
Budi Aman	2/7	Col	SSLL	Cont	Col
Xpress Resolve	1/7	CBO	Everbest	Cont	Col

Tanker due

Seal	Date of arrival	Local agent	Type of cargo	Loading ports
Aphsheron	1/7	--	Rainbow	CDSO (RM/3)
Euro Viking	1/7	Kaki	MBL	Ammonia K(A)
Salamat-3	30/6	Hald	Nishat	Bitumen

Vessels at Kutubdia

Name of Vessels	Cargo	Last port call	Local agent	Date of arrival
Burrup Tide	--	--	Ibsa	R/A (26/06)
Thistle	Crude Oil	Jebel	OWSL	26/06
Banglar Jyoti	C Oil	--	BSC	R/A

Outside port limit

Burrup Tide	--	--	Ibsa	R/A (26/06)
Thistle	Crude Oil	Jebel	OWSL	26/06
Banglar Jyoti	C Oil	--	BSC	R/A

Vessels at outer anchorage

Vessels ready

Banga Borti	Cont	Sing	Bdship	27/6
Kota Rukun	Cont	Sing	Pil (Bd)	28/6
Xpress Juptse	Cont	P Kel	RSL	28/6
Banga Borak	Cont	Sing	Bdship	27/6
Banga Bijoy	Cont	Col	Baridhi	29/6

Vessels not ready

Prestigious	Sugar	Santo	Mutual	1/6
Sarim	Sugar	Sant	Litmond	25/6
Yannis	W(G) Clay	Russ	ASCL	28/6
Brave Royal	C Clink	Krabi	BRSL	28/6
Banglar Shourabh	--	--	BSC	R/A (28/6)
Banglar Umi	Wheat (G)	--	BSC	R/A (28/6)

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

STOCK