

# Capital surge in Asia triggers concern: IMF

AFP, Washington

Asian nations are grappling with a surge in capital inflows that may lead to overvalued currencies or asset price bubbles in the rapidly-growing region, the IMF warned Wednesday.

"The one issue that countries have been wrestling with (is) coping with surges of inflows -- this time not so much outflows but inflows," IMF's Asia-Pacific director David Burton said at a Washington forum marking the 10th anniversary of the Asian financial crisis.

The 1997 crisis, triggered by a meltdown of the regional currencies, caused a severe recession and political upheaval in the region.

Displaying a chart depicting volatility of capital inflows in the region, Burton said there had been some episodes where "these have exceeded two standard deviations from their normal behavior."

"This could give rise to concerns in particular that surges in inflows could create problems -- putting upward pressure on currencies, at

times strongly, provide additional, sometimes unwarranted, loadable funds to the financial sector, also potentially force asset price bubbles, perhaps also create risk that these funds would flow out very suddenly as fast as they come in," he said.

Gross inflows in Asia reached nearly eight percent of gross domestic product last year, higher than the peaks of the mid-1990s, and surges in inflows in some cases have at times been associated with strong pressures on exchange rates or asset prices.

Burton said there could be temptations by governments to try to address these concerns by imposing some form of capital controls but cautioned that they could cause problems.

He cited as an example Thailand's capital controls he imposed late last year which were seen as counterproductive.

"What was thought to be surging capital inflows in the last quarter in Thailand was actually a surge in the current account surplus," he said.

Burton said there was "no magic bullet" to dealing with surging capital inflows, "which are a feature of the global financial landscape and something countries probably have to live with."

A combination of exchange rate flexibility and with perhaps some limited intervention to smooth out volatile exchange rates could act as short term measures, he said.

Strong monetary policy frameworks that can help keep inflation expectations in check as well as policies aimed at strengthening risk management and developing domestic financial markets are also recommended.

Jomo Kwame Sundaram, UN's assistant secretary general for economic development, said at the sidelines of the forum organized by the Woodrow Wilson Center that there was a critical need for "a financial system and a macro-economic policy which is counter cyclical."

"For example, when things are going well, you do not allow it to form a stock market bubble or property bubble," he said.

## CSE broker opens office for women investors

Meenhar Securities Ltd, a broker of Chittagong Stock Exchange, has opened a branch office for women investors on CDA Avenue in the port city recently.

Chief Executive Officer of the CSE AB Siddique inaugurated the office, while Managing Director of Meenhar Securities Habibullah Khan, among others, was present.



Chief Executive Officer of Chittagong Stock Exchange (CSE) AB Siddique inaugurates a branch office of Meenhar Securities Ltd, a broker of CSE, only for the women investors on CDA Avenue in the port city recently. Managing Director of Meenhar Securities Habibullah Khan is also seen.

## United Ins declares 30pc stock dividend

United Insurance Company Ltd has declared a 30 percent stock dividend for the year 2006.

The dividend was announced at the 22nd annual general meeting (AGM) of the company held recently in Dhaka, says a press release.

Chairman of the company M Moyeedul Islam presided over the AGM, which was attended by directors and managing director among others.



The 22nd annual general meeting (AGM) of United Insurance Company Ltd was held recently in Dhaka. Chairman of the company M Moyeedul Islam presided over the AGM, which was attended, among others, by directors and managing director.

## CURRENCY

Following is Thursday's (May 17, 2007) forex trading statement by Standard Chartered Bank.

Major currency exchange rates			Exchange rate of some currencies		
	BC Sell	TT Buy		Per USD	BDT per Currency
US dollar	69.20	68.20	Indian rupee	40.60	1.69
Euro	95.00	90.75	Pak rupee	60.69	1.13
Pound	138.41	133.25	Lankan rupee	110.84	0.62
Australian dollar	58.54	54.96	Thai baht	34.60	1.99
Japanese yen	0.59	0.58	Malaysian ringgit	3.40	20.201
Swiss franc	57.82	54.93			
Swedish kroner	10.62	9.59	USD forward rate against BDT		
Canadian dollar	63.84	61.15		Buy	Sell
Hong Kong dollar	8.88	8.72			
Singapore dollar	46.59	44.74			
UAE dirham	19.00	18.42	1M	68.30	69.30
Saudi riyal	18.60	18.04	2M	68.42	69.52
Danish kroner	13.15	11.84	3M	68.57	69.74
Kuwaiti dinar	235.94	234.25	6M	69.01	70.46
*All currencies are quoted against BDT			* The forward rates are indicative only and fixed		
* Rates may vary based on nature of transaction			dated		
<b>Local Market</b>			almost unchanged against the		
<b>FX:</b> Local inter-bank FX market was active on Thursday as the banks prepared to close for the weekend. The demand for USD was stable, and the volume of cross currency transaction remained steady. The USD remained			Bangladeshi Taka.		
			<b>Money Market</b>		
			Money market was active on Thursday. Call money rate was stable and most of the deals ranged between 7.30-7.50 percent.		



Mobile phone operator Banglalink opened a 'Banglalink Point' in Tongji, Gazipur recently. Members of the regional management team of the operator, among others, were present.

## US, UAE deepen business ties

AFP, Washington

The United States and the United Arab Emirates launched a new bilateral business coalition Wednesday as US firms seek openings in the desert country which has fast become America's biggest trade partner in the Middle East.

The US-UAE Business Council was unveiled a day after UAE foreign minister, Sheikh Abdullah bin Zayed Al Nahyan, and Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan met privately with US President George W. Bush at the White House, according to a US government official.

US diplomats and the UAE's foreign minister announced the new business coalition just over a year after a US political outcry scuppered a bid by a Dubai firm, DP World, to take over a major US port operator.

## SHIPPING

### Chittagong Port

Berthing position and performance of vessels as on 17/5/2007.

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch.
J/1	Rubin Nacre	R. Seed	Aust	Usl	5/5	19/5	286
J/2	Banglar Moni	Repair	--	Bsc	R/A	21/5	--
J/5	Friendly Sea	Gi(St. C)	Yang	Everett	14/5	17/5	3410
J/6	Banga Borti	Cont	P. Kel	Baridhi	15/5	19/5	111
J/8	Fu Wen Shan	Gi	Para	Cosco	15/5	20/5	3035
J/9	Bunga Mas-II	Cont	Sing	Pil(Bd)	11/5	18/5	101
J/11	Banga Bodor	Cont	P. Kel	Baridhi	12/5	17/5	--
J/12	Csaw California	Cont	Chenn	Pssl	13/5	17/5	--
J/13	Hansa London	Cont	P. Kel	Pssl	16/5	19/5	--
CCT/1	Banga Biraj	Cont	Sing	Bdship	14/5	17/5	--

### Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Eagle Progress	17/5	P.Kel	Everbest	Cont	Sing
Magda-T	17/5	Viza	Mbl	Urea K(U)	--
Brave Royal	18/5	Krabi	Brl	C. Clink	10000 W/Lt
Maris	17/5	Kant	Litmond	C. Clink	--
Bal	17/5	Fujai	Rship	Scraping	--
Dali	17/5	Col	Seacon	Cont	Col
Rainbow Joy	19/5	Sing	H&SI	Gi(St. C)	--
Coastal Express	18/5	Kol	Bsca	Cont	Pradip
Tian Ling	18/5	Nant	Mbl	C. Clink	--
Banglar Umi	19/5	Viza	Sunmoon	Slag	--
Banglar Mookh	19/5	Pipa	Bsc	4000 Wheat(P)	--
Norra	18/5	Fuku	Asll	Slag	--
Vn Shpphire	19/5	Sing	Jardine	Cont	Sing
Eagle Prestige	18/5	Sing	Qcsl	Cont	Ptp
Banglar Maya	21/5	Kara	Bsc	Wheat(P)	--
Mol Karina	19/5	P.Kel	Seacon	Cont	Sing
Yongxing	19/5	Col	Pssl	Cont	Col
Banga Borat	21/5	Sing	Bdship	Cont	Sing

### Tanker due

Laju Sejahtera	17/5	Indo	Mtcl	Cpo(Rm/8)	--
Hellas Endurance	17/5	--	Psl	Hsd(Dol/5)	6000 W/Lt
Borak	18/5	Hald	Fsa	Bitumen (Rm/3)	--

### Vessels at Kutubdia

Name of vessels	Cargo	Last Port	Local agent	Date of arrival
Viira Keris	--	--	Ibasa	R/A (16/5)
Orestis	M. Crude Oil	Jebel	Uniglobal	13/5

### Vessels at outer anchorage

#### Vessels ready

Vernal Grace	Cpo	Sing	Rcl	16/5
Silver Bay	Wheat(G)	Novo	Litmond	12/5
Hub Gallardo	Cont	Sing	Seacon	16/5
Starling	Cpo	Dumai	Wth	16/5
Cape Bonavista	Cont	P. Kel	Bdship	15/5
Al Deerah	Hsd/Sko	Kuwa	Mstpl	16/5
Wisdom	Cont	Sing	Apf	17/5
Xpress Manaslu	Cont	Col	Seacon	17/5

#### Vessels not ready

Golden Rain	Urea(Bcic)	Damm	Litmond	15/5
Al Murtaza	Slag	Ziza	Sunmoon	16/5

#### Vessels not entering

Ocean Ever	Wheat(P)	Novo	Usl	9/5
Global Discovery	Wheat(P)	Ukra	Unique	13/5
Bk Ace	Salt/Ind	Kand	Rainbow	12/5

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

## STOCK