

Expanding US jobs market signals economic rebound

AFP, Washington

The US economy churned out 132,000 new jobs in June and created more than estimated in April and May, government data showed Friday, signaling solid growth despite a struggling housing market.

The unemployment rate held steady at 4.5 percent for the third month in a row, the Labor Department report showed.

The number of new jobs in the monthly report on nonfarm payrolls topped Wall Street economists' consensus forecast of 125,000; the 4.5 percent jobless rate was in line with expectations.

The report appeared to support the Federal Reserve's view that the economy is pulling out of the first-quarter soft patch, despite a persistent slump in the housing sector, analysts said.

"Today's report adds to the evidence that the economy bounced back in the second quarter, probably to the 3.0 to 3.5 percent range, from the anemic 0.7 percent GDP (gross domestic

product) growth rate in the first quarter," said Nigel Gault, economist at the research firm Global Insight.

Economists consider job creation a leading indicator of economic momentum, with a benchmark of between 110,000 and 140,000 jobs new jobs needed each month to absorb growth in the number of people seeking work.

June was the 46th consecutive month of rising employment in the US. The unemployment rate was slightly below the average for 2006, and well below the average of the past four decades.

The Labor Department upwardly revised US job gains in April and May by a total of 75,000. That meant 190,000 jobs were gained in May -- the biggest increase since December 2006 -- from an initial estimate of 157,000, and 122,000 in April, instead of 80,000.

New jobs created in June in the services, education, health, government and construction sectors far outweighed losses in manufacturing and the retail sector.

"All in, this is still a solid economic report, which shows the US economy is weathering the housing slowdown," Andrew Busch at BMO Capital Markets said.

Average hourly wages, a measure of wage inflation pressures, rose 0.3 percent in June, or six cents, to 17.38 dollars, and were up 3.9 percent on a 12-month basis. Meanwhile, the average workweek extended to 33.9 hours from 33.8 in May.

With rising wages and longer workweeks, households appeared likely to have the means to keep spending, which fuels roughly two-thirds of US economic activity.

"The solid increase in both jobs and wages tells us consumers will have the income to continue spending," said Joel Naroff of Naroff Economic Advisors.

Some analysts suggested, however, that rising wage pressures would worry the central bank, which wants to keep so-called core inflation below two percent.

The central bank late last month held its key interest rate steady at 5.25 percent, where it has been since June 2006.

Global oil prices jump to 11-month highs

AFP, New York

Global oil prices surged Friday to their highest level in nearly a year, driven by heightened unrest in Nigeria and concerns about low US gasoline supplies.

New York's main oil futures contract, light, sweet crude for delivery in August, closed one dollar higher at 72.81 after rising to an intraday high of 72.94 dollars -- the highest level since August 25, 2006.

In London, Brent North Sea crude for August delivery gained 87 cents to settle at 75.62 dollars per barrel. Earlier it had reached 76.01 dollars for the first time since August 11.

"Obviously, growing anxiety over the global supply situation is swelling the security premium," said Michael Fitzpatrick of Man Financial.

"With violence in Nigeria escalating this week following the end of a month-long truce between government and militant leaders, OPEC's unwillingness to raise output and Iran facing another

round of sanctions, are all adding to a conclusion that oil will be increasingly seen as a vehicle for political leverage," he said.

In southern Nigeria, gunmen who kidnapped a three-year-old British girl have threatened to kill her unless her father takes her place, her mother said on Friday, as unrest continued to blight Africa's biggest crude producer.

Prices also were supported by a US Department of Energy (DoE) report Thursday showing American gasoline (petrol) reserves were about 4.2 percent below their level at the same time last year.

BNP Paribas analyst Harry Tchilinguirian said fresh violence in Nigeria has been bullish for prices because Nigerian crude has a high gasoline content and US refinery output has been hampered by outages.

"So it's a low (US) gasoline situation, and you are also removing from the market crudes which have a high gasoline content, so people are going to turn to the next alternative -- and that's Brent."

Developing states hold ground in WTO talks

AFP, Geneva

Brazilian Foreign Minister Celso Amorim said Friday that developing countries were largely on the same wavelength in deadlocked global trade talks.

Amorim, a leading figure in the G20 group of emerging and developing nations in the World Trade Organisation, said after meeting representatives of the broader G90 group of developing nations that any differences were "smaller than what we have in common."

"I felt that we're on the same wavelength in terms of unity and mobilisation," he told journalists, underlining a common desire to continue negotiations and ward off attempts to drive a wedge between poorer nations.

French Foreign Minister Bernard Kouchner on Thursday criticised the

role played by fast-growing emerging nations -- mainly Brazil and India -- saying they were too often taken to represent the interests of poor nations as a whole.

Kouchner said developing countries had an interest in striking the right balance in the negotiations, "which is not that of emerging countries."

A bid by the so-called "G4" group of influential trading nations -- the European Union, the United States, Brazil and India -- to relaunch the near six year-old talks on reducing barriers to commerce broke down last month.

Amorim and Indian Commerce Minister Kamal Nath walked out of the meeting in Potsdam, Germany, blaming the EU and United States for failing to meet their demands on slashing state agriculture subsidies.



Shahjahan Majumder, finance director of Apollo Hospitals Dhaka, and Abdul Khalek, director of finance and company secretary of Berger Paints Bangladesh Ltd, sign an agreement on behalf of their companies in Dhaka recently. Under the deal, Apollo Hospitals will provide medical services and special corporate benefits to Berger Paints staff. Senior officials from the two organisations were present.



Saumitra Mutsuddi, chief operating officer (Engineering) of Gemcon Cement Group, distributes prizes at the company's annual dealers conference in Khulna recently.



Brother International Singapore Pte Ltd organised a launching programme to introduce the company's new sewing machines at a in Dhaka recently. High officials of the company were present.

IMF to consider selection process for new chief tomorrow

AFP, Washington

The International Monetary Fund executive board will meet Monday to consider the selection process for a successor to IMF chief Rodrigo Rato, a spokeswoman said Friday.

"There will be an informal meeting of the executive board on July 9 on the selection process of the managing director," the spokeswoman, Conny Lotze, told AFP. She provided no further details.

Rato said last week he was stepping down for personal reasons in late October, two years before his mandate is to expire.

Warid offers up to 20 FnF facilities for postpaid users

Warid Telecom has launched three unique packages for postpaid subscribers offering up to 20 FnF facilities to any operator, which is the highest-ever FnF offer by a mobile company in Bangladesh, says a press release.

According to the offer, all Zahi postpaid subscribers will enjoy FnF rate of only 60 paisa for Warid to Warid and Tk 1.20 for Warid to other operator calls. Zahi 300 subscribers can connect to non-FnF numbers at a rate of Tk 1.40, Zahi 125 users at Tk 1.45 and Zahi 50 at Tk 1.50.

Apart from 20 FnF to any operator and one second pulse facilities, postpaid Zahi 300 subscribers will also enjoy free talktime for 300 minutes, 200 SMS, 20 MMS and 10 MB GPRS.

Zahi 125 subscribers will enjoy 15 FnF facilities to any operator. Apart from this, Zahi 125 users will get free talktime for 125 minutes, 125 SMS, 10 MMS and 5 MB GPRS. Zahi 50 users will get 10 FnF facilities and free value added services including 50 minute airtime, 50 SMS, 5 MMS and 2 MB GRPS.



PHOTO: SOUTH ASIA INSURANCE COMPANY LTD.

Ghulam Akbar Chowdhury, chairman of South Asia Insurance Company Limited, presides over the 7th annual general meeting (AGM) of the company held in Dhaka recently. Directors, alternate directors and shareholders attended the meeting.