

Asian stocks rally after Fed cheers markets

AFP, Tokyo

Asian stock markets roared back on Monday as investors jumped on board a global rally sparked by the US central bank's boldest move yet to try to ease credit fears.

Across the region shares shot higher on hopes that the worst of the recent market rout might be over after the Federal Reserve cut the lending rate it charges commercial banks in an effort to ward off a credit crunch.

Tokyo closed up 3.0 percent with its biggest single-day points rise since June 2006, recouping more than half of Friday's 5.42 percent plunge. Shanghai leapt 5.33 percent to a record closing high.

But markets remained nervous about possible further bad news on the fallout from rising delinquencies in US subprime mortgages to risky borrowers, with some analysts warning there could be more losses ahead.

"What happened in the markets last week was of cataclysmic proportions," said Mark Cutis, chief investment officer at Japan's Shinsei Bank.

He said that, although Japanese equities looked cheap, last week's sell-off was only "a prelude to what's going to happen."

"We're expecting to see a much more vicious sell-off in October," he added, predicting that the Fed would probably cut its main interest rate in response.

Investors, however, appeared

optimistic, chasing shares higher across Asia, eager not to miss a recovery after recent heavy losses.

Seoul closed up 5.7 percent and Sydney jumped 4.6 percent, while Hong Kong was 3.6 percent higher in late trade. Singapore rallied 5.0 percent and Mumbai firmed 2.6 percent.

"While the US credit market crisis may not disappear overnight, the Fed's decision ... has demonstrated their will to act and help reduce the uncertainty and volatility in the event that credit markets deteriorate further," DBS Vickers Securities of Singapore wrote in a note to clients.

"This should calm equity markets and end the indiscriminate selling," it said.

Tokyo also gained a boost from the yen's retreat, which soothed investor fears about exporter earnings, dealers said.

The dollar traded at 114.67 yen in Tokyo morning trade, up from the mid-112 yen range when the Tokyo stock market closed on Friday.

Despite the rebound, analysts warned stocks could struggle to sustain their upward momentum.

"Share prices are likely to be slow to resume their upward trend," said Ryuta Otsuka, a strategist at Toyo Securities.

"There are things investors need to assess carefully, such as the prospects for the US economy and the impact on Japanese companies' earnings of the credit market problems," he said.

Elsewhere in the region, Jakarta jumped by more than 6.0 percent in late deals, Bangkok rose 3.2 percent, Kuala Lumpur gained 3.5 percent and Wellington closed up more than 2.2 percent. Manila was shut for a national holiday.

US and European stocks soared Friday after the US Federal Reserve slashed the discount rate to try to calm the recent storm on world financial markets sparked by fears of a credit crunch from the subprime mortgage problems.

The central bank cut the rate it charges commercial banks to 5.75 percent, saying that it wanted to restore order in financial markets that were hit by "increased uncertainty."

The move raised expectations that the Fed may also lower its key federal funds rate -- the overnight rate banks charge each other -- which has been left unchanged at 5.25 percent since June 2006.

Japan's central bank said Monday that it would inject a further 1.0 trillion yen (8.7 billion dollars) into the banking system as part of ongoing efforts to restore calm to financial markets.

Japanese investors are now waiting nervously for an interest rate decision from the bank on Thursday, although expectations of a rate rise have faded following recent market turmoil.

Tokyo, Jakarta sign FTA

AFP, Jakarta

Indonesia and Japan inked a wide-ranging free trade pact Monday during a visit by Japanese Prime Minister Shinzo Abe, as the two nations also committed to work jointly on energy and climate change issues.

Abe and Indonesian President Susilo Bambang Yudhoyono signed the trade deal, which was under negotiation for more than two years, after holding bilateral talks as the Japanese premier began a swing through three Asian nations.

The Indonesia-Japan Economic Partnership Agreement will see reductions to zero for more than 90 percent of Japan's tariffs on 9,275 items, worth some 99 percent of the value of exports there from Southeast Asia's largest economy.

The cuts are significant as Japan is Indonesia's biggest trading partner and one of its biggest investors. Japan has also offered a broad package of technical and other assistance as part of the deal.

Around 80 percent of the Japanese tariffs will be eliminated as soon as the pact is implemented, while the remaining 10 percent are to be reduced to zero within three to 10 years.

Meanwhile around 93 percent of Indonesia's 11,163 tariffs, or 92 percent of the value of Japanese exports to Indonesia, will be reduced.

HSBC eyes majority stake in ROK bank

AFP, Hong Kong

Global banking giant HSBC said Monday it was in talks to buy a majority stake in Korea Exchange Bank (KEB), which US private equity fund Lone Star has been trying to offload amid legal proceedings.

In a short statement to the Hong Kong stock exchange, HSBC said it was "in discussions about the possible acquisition of a majority stake" in KEB, South Korea's sixth largest bank, from the US fund.

"The discussions are ongoing and, if agreement is reached, the transaction would be conditional, inter alia, on obtaining the necessary regulatory approvals in Korea and elsewhere," the statement added.



PHOTO: BLFCA

Samson H Chowdhury, chairman of Square Group of Companies, receives a crest from Anis A Khan, chairman of Bangladesh Leasing & Finance Companies Association (BLFCA), at the inaugural function of a three-day foundation course organised by the BLFCA for the entry level officers of different financial institutions in Dhaka on Sunday.



PHOTO: APOLLO HOSPITALS DHAKA

Apollo Hospitals Dhaka and Nestle Bangladesh Ltd have recently entered into a corporate agreement under which employees of Nestle Bangladesh will get medical services at special rates and other corporate benefits from the hospital. Shahjahan Majumder, finance director of the hospital, and Ravichandra Bekal, director (HR and Corporate Affairs) of Nestle Bangladesh, signed the deal, while other senior officials from both the sides were present.

Dollar steady as Fed rate cut calms market

AFP, Tokyo

The dollar was mixed in Asian trade on Monday, gaining on the yen as the US Federal Reserve's discount interest rate cut helped to bolster ailing global stock markets, dealers said.

But they said trading remained nervous with market players still cautious about the risk of further volatility given the unresolved problems in the troubled US housing sector.

The dollar rose to 114.67 yen in Tokyo afternoon trade from 114.29 in New York late Friday, where it earlier plunged to a 14-month low of 111.60.

The yen had shot higher last week as investors scrambled to unwind risky "carry trades" that favour high-yielding currencies.

The euro climbed to 1.3499 dollars from 1.3472 and to 154.75 yen from 153.93.

"The market managed to regain some stability as relief spread to the market following the Fed's decision," said Yosuke Hosokawa, head of forex at Chuo Mitsui Trust Bank.

"A recovery in the equity market, including Tokyo, also helped subdue volatility," Hosokawa said.

The Tokyo Stock Exchange's benchmark Nikkei-225 index of leading shares closed up 3.0 percent Monday after plunging by 5.42 percent on Friday in line with steep losses on other global markets.

As part of ongoing efforts to restore calm to financial markets, Japan's central bank said Monday that it would inject a further 1.0 trillion yen into the banking system.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 20/8/2007							
Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch
J/3	Asrar-a-mostafa	Rice(p)	Kaki	Cla	11/8	21/8	2423
J/5	Ju Yong Guan	Gi	Chin	Cosco	15/8	24/8	776
J/6	Martha Russ	Cont	Sing	Qcsl	17/8	21/8	200
J/7	Eid-e-mostafa	Rice(p)	Kaki	Cla	12/8	25/8	2776
J/8	Ping Jiang	Gi	Chin	Cosco	16/8	24/8	1591
J/9	Cape Bonavista	Cont	P. Kel	Bdship	17/8	20/8	--
J/10	Banga Borti	Cont	P. Kel	Baridhi	18/8	22/8	189
J/11	Phu My	Cont	Sing	Isl	17/8	20/8	--
J/13	Xpress Manaslu	Cont	Col	Seacon	17/8	21/8	207
CCT/1+2	Eagle Pioneer	Cont	P. Kel	Ct	17/8	20/8	--

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. port call	Local agent	Type of cargo	Loading ports
Pac Makassar	20/8	Sing	Cel	Cont	Sing
OEL Singapore	20/8	Pkl	Pssl	Cont	Sing
Josco View	21/8	P.kel	Rsl	Cont	Sing
Eagle Pride	21/8	Pkl	Qcsl	Cont	L/ptp
Cape Henry	21/8	Col	Apl	Cont	Col
Mir Damad	22/8	Chen	Bsca	Cont	Kol
Maritime Chiangmai	22/8	Tarj	Bsl	C. Clink	--
Marion Star	21/8	P. Land	Kaptai	Wheat(g)	--
Sea Crown	21/8	Sing	Saraf	C. Clink	--
Tonghai	21/8	Cana	Fsa	Wheat	--
Voc Gallant	21/8	Cana	Litmond	Wheat(p)	--
Hansa London	22/8	P.kel	Pssl	Cont	Mong

Tanker due

Smooth Sea-4	20/8	Maia	Usl	Cpol	Rm/4
Al Deerah	20/8	Kuwa	Mstpl	Hsd/sko	--
Fatima	22/8	Belwa	Mtcl	Cpo	Rm/8
Laju Sejahtera	22/8	Belwa	Mtcl	Cpo	Rm/8
Tabtirn	22/8	Belw	Mtcl	Cpol	Rm/8

Vessels at Kutubdia

Name of vessels	Cargo call	Last Port	Local agent	Date of arrival
Wira Keris	--	--	Ibsa	R/a (10/8)

Vessels at outer anchorage

Vessels ready				
Eagle Progress	Cont	P. Kel	Everbest	19/8
Banga Bijoy	Cont	P. Kel	Bdship	19/8
Merkur Bridge	Cont	Sing	Apl	19/8
Hoheriff	Cont	Kol	Seacon	19/8
Theodor	G. Slag	Viza	Saraf	16/8

Vessels not ready

Banga Biraj	--	--	Baridhi	R/a (16/8)
Banglar Robi	Feldspar	Viza	Royal	19/8

Vessels awaiting employment / instruction

Dali	--	--	Seacon	R/a (19/7)
Borak	--	--	Fsa	R/a (4/8)
Santa Suria	--	--	Asll	R/a (15/8)

Vessels not entering

Discovery-ii	R.phos	Kasa	Litmond	21/7
Golden Pacific	C. Clink	Kohsi	Ancl	12/8
Jag Vikram	C. Clink	Kohsi	Usl	12/8
Prastiva	C. Clink	Lumut	Litmond	14/8
Noora	C. Clink	Krabi	Asll	14/8
Brave Rofyal	C. Clink	Krabi	Brsll	17/8

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



PHOTO: PUBALI BANK

Pubali Bank Ltd has organised a two-day workshop for its branch managers, regional managers and senior executives of head office to motivate them to increase the bank's business. Chairman of the bank Hafiz Ahmed Majumder, directors and managing director were present at the workshop held recently in Cox's Bazar.

STOCK