

Oil prices bounce back in Asia after sharp losses

Oil prices rebounded in Asia Wednesday after a two-day sell-off fanned by concerns over planned talks between major producers to freeze output.

Both main contracts tumbled around five percent on Monday and Tuesday after Iran said at the weekend it would not join the talks until its production had hit 4.0 million barrels per day.

But investors bought back into the black gold Wednesday, sending US benchmark West Texas Intermediate for delivery in April up 1.51 percent, or 55 cents, to \$36.89. Brent for May was up 1.06 percent, or 41 cents, at \$39.15.

One of the world's biggest producers, Iran returned to the export market in January after years of Western sanctions linked to its nuclear programme.

The meeting proposed by the world's top two producers Russia and Saudi Arabia has been pushed back to April from March 20, raising doubts it would ever take place or that an agreement will be reached.

Iran increased output by 187,800 barrels a day to 3.13 million in February, the biggest monthly gain since 1997, OPEC said in a monthly report.

Phillip Futures analyst Daniel Ang told AFP: "We're looking at a close to 200,000 barrels per day increase which is basically more oil for an oversupplied market."

Markets are awaiting a weekly official report on US crude inventories and production data later Wednesday as well as the conclusion of the Federal Reserve's latest policy meeting to see if it provides guidance on its plans for interest rates.

British budget extends austerity, cuts growth outlook

Britain unleashed a fresh wave of austerity on Wednesday in its latest annual budget and cut its growth outlook citing global markets turbulence rooted in China.

Finance minister George Osborne, presenting his annual tax and spend plans, also warned that a potential 'Brexit', or departure from the European Union, would risk damaging the nation's economic recovery, ahead of a key June referendum.

Chancellor of the Exchequer Osborne said the government would seek additional spending cuts totalling £3.5 billion (\$5.0 billion, 4.5 billion euros) by 2020, when it expects also to reach a budget surplus despite higher borrowing.

The chancellor pointed to a "dangerous cocktail of risks" including "turbulence in financial markets, slower growth in economies like China, and weak growth in the developed world" for the downgrades.

In a speech lasting around one hour, Osborne forecast that the British economy was set to grow by 2.0 percent this year, down from a November estimate of 2.4 percent.

And gross domestic product growth was expected to stand at 2.2 percent next year, down from a prior estimate of 2.5 percent.

Fiscal watchdog the Office for Budget

Responsibility (OBR), which compiles official government forecasts, added that the latest predictions were based on the assumption that Britain remained in the European Union.

Osborne, a top figure in Prime Minister David Cameron's Conservative party and government, meanwhile announced plans to cut several taxes levied on businesses amid strongly divergent views being expressed by companies on whether Britain should quit the EU.

"This is a budget for small businesses," Osborne told lawmakers to loud cheers from the Conservative lawmakers sat on the House of Commons' green benches.

There were also tax cuts for the oil and gas industry, which has been hit by tumbling energy prices.

Turning to Britain's June 23 referendum on EU membership, Osborne revealed the OBR's warning over the potential impact of a Brexit. And he repeated the government's strong desire for the UK to stay within the 28-nation trading bloc.

"Britain will be stronger, safer and better off inside a reformed European Union -- and I believe we should not put at risk all the hard work the British people have done to make our economy strong again," Osborne told parliament.



Annisul Huq, mayor of Dhaka North City Corporation, receives a cheque for Tk 5 lakh from Aminur Rashid, chairman of Edison Group, and Jakaria Shahid, managing director, for installing surveillance cameras in Gulshan-Banani residential area of the capital, at the city corporation's office on Tuesday.



Md Habibur Rahman, managing director of Al-Arafah Islami Bank, opens an ATM booth of the bank at Pagla Bazar in Narayanganj yesterday. Manir Ahmad, head of Dhaka central zone operations, was also present.



Nazmul Haque Khan, managing director of Suvastu Development, speaks at the handover ceremony of the apartments of Suvastu Radiance project in Dhanmondi, at Lakeshore hotel in Dhaka on Saturday.



Abrar A Anwar, chief executive of Standard Chartered Bangladesh, and Sohail RK Hussain, managing director of City Bank, attend a press meet in Dhaka on the fourth Bangladesh Investment Summit to be held at the Ritz-Carlton in Hong Kong on April 26 this year. Standard Chartered and City Bank are platinum sponsors of the event to be organised by FinanceAsia and AsianInvestor.

Selling spree pulls stocks down

Summit Bower topped the turnover chart with 44.29 lakh shares worth Tk 17.75 crore changing hands, followed by AFC Agro Biotech, Alltex Industries, LankaBangla Finance and Aman Feed.

Among the major sectors, fuel and power declined 1.29 percent in market capitalisation, followed by non-bank financial institutions that fell 0.72 percent, banks 0.58 percent and cement 0.14 percent.

Conversely, textiles increased 0.65 percent in market capitalisation.

Miracle Industries was the day's best performer with 7.06 percent gain, while United Commercial Bank was the worst loser, shedding 14.14 percent.

Chittagong stocks also fell yesterday with the bourse's benchmark index, CSCX, declining 66.58 points or 0.79 percent to finish the day at 8,323.06 points.

Losers beat gainers as 115 declined and 80 advanced, while 35 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 93.87 lakh shares and mutual fund units worth Tk 26.77 crore in turnover.

Fed meeting: no rate hike expected

Almost no one expects the Federal Reserve to announce another interest rate hike on Wednesday, but all eyes are focused on whether the US central bank turns more bullish in its outlook.

Long-awaited signs of strengthening inflation have appeared in US economic data that would support the Fed signaling more tightening ahead, even as the global economic outlook has weakened.

But with other central banks easing monetary conditions and worries that tighter US policy could spur more turmoil in global markets, the Fed has to walk a cautious line about what it indicates for the future.

The Federal Open Market Committee (FOMC), led by Fed Chair Janet Yellen, will release its updated policy statement at 2:00 pm (1800 GMT).

They will also release new forecasts for economic growth, unemployment, inflation and interest rates, and Yellen will then explain the decision in a press conference.

At stake is the pace of expected increases in the benchmark federal funds rate, which the Fed increased for the first time in more than nine years in December, to a still ultra-low 0.25-0.50 percent.

At the time FOMC forecasts implied expectations of four more quarter-point increases over this year.

But in the months since then economic

growth has sagged slightly and inflation, which the Fed wants to see pick up to 2.0 percent, has remained weak.

Yet data is mixed: Hiring has remained strong and home construction and auto sales robust, while exports and industrial output are weak and overall consumer spending softer than expected.

Fed Vice Chair Stanley Fischer said last week that he expects that after the oil market crash bottoms out -- and some people think it has now -- the economy and inflation will appear much stronger than currently.

Early Wednesday the consumer price index (CPI) for February showed an overall fall due to sinking fuel prices, but the core was up 0.3 percent and 1.7 percent year-on-year -- though still shy of the 2.0 percent target.

Industrial output was also down in February, but mainly on slower activity in mining and utilities, while manufacturing, hit over the past year by the strong dollar, increased.

"Not bad for a sector allegedly pulling the whole economy into recession... the deterioration seen last year appears to be over," said Ian Shepherdson at Pantheon Macroeconomics.

That picture has left analysts forecasting between one and three rate increases this year.

After the last several inflation numbers, it seems the hawks will win the debate for a rate hike in the first half of 2016.

No fingerprints stored during SIM re-registration: Tarana

No mobile operators have any link with those opposing biometric SIM registration, said TIM Nurul Kabir, general secretary of the Association of Mobile Telecom Operators of Bangladesh.

"Each operator has invested more than Tk 100 crore in the re-registration project, and has no reason to create any confusion on the issue."

"Fingerprints are not stored anywhere as per the directive of the regulator," said Rajeev Sethi, chief executive of Grameenphone, the market leader that has already re-registered about 2.32 crore customers or 41 percent of its subscriber base.

Banglalink has deployed 40,000 devices for smooth re-registration, Banglalink CEO Erik Aas said.

Tarana said the government plans to finish re-registration by April 30 and will later decide the fate of SIMs that are not re-registered by then, even though it had earlier decided to bar them immediately.

German retailer blamed for exploiting cheap labour in Bangladesh

Lidl, which is owned by Germany's third-richest man, Dieter Schwarz, plans to open its first US location in 2018.

In 2014, the company purchased 251 million pieces of apparel from Bangladesh, Reinken of Lidl said in an interview with The Daily Star in Narayanganj last September.

Currently, the company purchases apparel worth \$700-\$800 million from Bangladesh a year, said a company official.

"Bangladesh is an important source for apparel items for Lidl and we purchase a substantial volume from here," said Reinken.

Banking secretary too was unaware of the fund heist

Former finance secretary Fazle Kabir has been appointed the new governor, the BB said in a statement yesterday.

The immediate past governor of the central bank Atiur Rahman handed in his resignation on Tuesday, which became effective from yesterday.

Following the hacking of BB payment systems on February 4, Rahman appointed World Informatix as the forensic investigator of the case.

The finance minister said the new BB governor will decide if World Informatix will continue to spearhead the investigations.

The government also decided to cancel the contracts of two BB deputy governors, Abul Kashem and Nazneen Sultana.

The appointment of two new deputy governors is a lengthy process, Muhith said.

For this, a search committee has to be

formed first; the committee will then nominate names for the post of deputy governors.

Meanwhile, the Criminal Investigation Department yesterday started its investigation into the BB heist.

A CID team held meetings with officials at different levels of the central bank.

Mirza Abdullal Bahui, special superintendent of the CID, told reporters that they have just started collecting information.

He said nobody has yet been interrogated as a suspect. Information is being collected from those who were involved with the incident.

Bahui said, after analysing the collected information it can be said whether anybody in the country was involved with the heist.

"What actually happened cannot be said before the completion of the investigation. Maybe it was hacked or compromised in some other way," he added.

US industrial production falls in February

Overall industrial output was down 1.0 percent from the year-earlier level.

The broad picture of US industry showed continued weakness in mining production as companies cut back in the face of low oil and natural gas prices. Mining output dropped 1.4 percent in February and has fallen by an average of 1.3 percent per month over the past six months.

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Erik Aas, managing director of Banglalink, and Gias Uddin Ahmed, managing director of Teletalk, exchange documents of an agreement signed at the telecom ministry in Dhaka yesterday. State-owned Teletalk can now share Banglalink's equipment infrastructure to re-register its subscribers with biometric verification. Tarana Halim, state minister for telecom, is also seen.



Joarder Nowshed Ali, chairman of Tilottoma Bangla Group, opens the office of Hafele, a leading brand of architectural hardware, furniture fittings and kitchen fittings, in Mohakhali, Dhaka.

Tractor sales rise for haulage purposes

Bangladesh now cultivates 95 percent of farmland by power tillers and tractors due to faster growth in agricultural mechanisation in the last three decades.

The share of area cultivated by tractors and power tillers increased to 95 percent in 2015 from 30 percent in mid-1990s, according to a recent report by the International Food Policy Research Institute.

Abul Kalam Azad, general manager of Chittagong Builders, a leading seller of power tillers, said farmers are less enthusiastic about buying power tillers because of the low prices of paddy.

The price of medium-quality paddy, like Swarna, which went up as high as Tk 680 per maund at the beginning of aman harvest in November, is now trading as low as Tk 560 per maund at the growers level, said KM Layek Ali, general secretary of the Bangladesh Auto, Major and Husking Mills Association.

The prices of coarse rice, the benchmark for market price, were between Tk 32 and Tk 34 a kilogram last week, down 8.33 percent from the same time a year earlier, according to the Trading Corporation of Bangladesh.

Azad said his firm has cut prices of power tillers to attract customers. "Still there is no vibrancy in the market this year."