

Oil bounces after big losses but glut persists

REUTERS, London

Oil prices rallied from sharp losses on Thursday but brokers said the downtrend could resume soon as record-high stocks and worries over slowing economic growth dampened sentiment.

Brent crude oil was up 60 cents at \$46.86 a barrel by 1015 GMT. US crude was up 60 cents at \$45.35.

"The oil market is oversupplied, Opec production is on the rise and we had a rather bearish weekly US oil stats report," said Tamas Varga at London brokerage PVM Oil Associates.

Crude stocks in the United States fell less than expected last week, while distillate inventories rose the most since January and gasoline stocks unexpectedly increased, the Energy Information Administration (EIA) said on Wednesday.

A bearish assessment of the oil market by the International Energy Agency (IEA) on Wednesday also helped send both crude oil benchmarks down more than 4 percent by the close of trading.

The IEA said a glut in the global oil market was persistent and would put a lid on crude prices despite demand growth and declines in non-Opec production.

"We know the process of rebalancing is taking place now, but there is still an overhang in oil and this will take time," said Avtar Sandu, senior commodities manager at Phillip Futures.

Surging crude stocks have pushed floating storage to seven-year highs, the IEA said.

The EIA report said crude inventories fell 2.5 million barrels last week, less than a 3-million-barrel drop forecast in a Reuters poll.

The report portrayed a traditionally busy summer driving season beset with unusually low demand, when many had expected record driving trips amid lower oil prices. Weak gasoline is putting crude under pressure worldwide with Middle East grades in particular hit by low Asian demand.

Technical analysts say crude markets may be poised for a bigger move lower after three months of strength.

"The market moved up to \$50 quite fast, so we might go down and see whether there is anything below \$40," Sandu at Phillip Futures said.

Varga at PVM said a first target for Brent could be its 100-day moving average at \$44.84 a barrel, a level that could be reached in the next week.

Singapore bourse shut by technical problems

AFP, Singapore

Singapore's stock exchange suffered a major technical breakdown Thursday, leaving investors unable to trade for half a day. Trading stopped at 11:38 am (0338 GMT) due to a technical error, Singapore Exchange Limited (SGX) said on its website.

"The SGX securities market was put in adjust phase at 1138 hours due to duplicate trade confirmation messages being generated," it said.

SGX promised to reopen in the afternoon but later said it was closing the exchange for the rest of the day.

SGX last suffered major trading disruptions in 2014.

On November 5, 2014, trading halted for over two hours due to a power failure. Less than a month later, market opening was delayed by more than three hours because of a software glitch.



Md Nazrul Islam Mazumder, chairman of Exim Bank, presides over the 17th annual general meeting of the bank in Dhaka yesterday. The bank approved 12 percent cash dividends for 2015. Directors and Managing Director Mohammed Haider Ali Miah, among others, were present.

S Korea cuts growth outlook, holds key rate at record low

AFP, Seoul

South Korea's central bank on Thursday cut the country's growth outlook and kept the key interest rate unchanged at a record low as exports sputters and demand slumps.

The Bank of Korea (BOK) said it expects the economy to expand 2.7 percent this year, just three months after cutting its forecast to 2.8 percent.

It also left borrowing costs unchanged at 1.25 percent as it looks

to assess the impact of last month's reduction -- which was the first in a year -- as well as newly announced stimulus measures.

Britain's shock decision to leave the EU last month added to uncertainty for the South's export prospects, bank governor Lee Ju-Yeol said.

"We believe that growing uncertainty (caused by the British vote) may slow growth of the global economy and trade and eventually impact our economy," Lee told reporters.

Seoul's finance ministry cut its own growth outlook to 2.8 percent from 3.1 percent last month following the British referendum result and unveiled a 20 trillion won (\$17 billion) stimulus package. The South's economy expanded 2.6 percent last year -- the lowest since 2012.

Thursday's revision on the growth outlook came as Asia's fourth-largest economy struggles with increasing unemployment, mounting consumer debts and falling exports.



Md Yeasin Ali, chairman of Bangladesh Development Bank Ltd, presides over the sixth annual general meeting of the bank at its head office in Dhaka yesterday. Manjur Ahmed, managing director, and Arijit Chowdhury, additional secretary of Bank and Financial Institutions Division, among others, attended the meeting.

Fresh recognised as a key food brand in Bangladesh

STAR BUSINESS DESK

Fresh holds the top position as the most chosen food brand in Bangladesh for two consecutive years, according to a recent study by Kantar Worldpanel, a Spain-based firm that gauges shoppers' behaviour.

Kantar Worldpanel is part of Kantar, which is a leading insight, information and consultancy network. Kantar does a ranking of the world's most chosen FMCG brands under the title of "Brand Footprint".

The study shows how consumers around the world are buying FMCG brands, and highlights the opportuni-

ties that remain for brands to increase their footprint.

The complete ranking comprises more than 200 FMCG categories tracked around the world by Kantar Worldpanel across the beverages, food, health and beauty, and home care products.

Kantar Worldpanel uses a metric called "consumer reach points", which measures how many households around the world are buying a brand (its penetration) and how often (the number of times shoppers acquire the brand).

Eleven categories of essential food products, including milk powder, drinking water, sugar, refined soybean oil,

mustard oil, tea, flour, spice and condensed milk, are sold under the brand name of Fresh, according to a statement.

Other major brands in food category are Coccola, Marks, Maggi and Teer.

The research behind the Brand Footprint ranking covers 74 percent of the global population: a total of one billion households across 39 countries, and 76 percent of the global GDP.

Brand Footprint data was collected between November 2014 and October 2015.

Brand Footprint has expanded its global coverage this year, adding five new countries -- Turkey, Poland, South Africa, Bangladesh and Sri Lanka.

Price spike dulls gold's lustre for Indian buyers

REUTERS, Mumbai

While high-end jewellery shops in Mumbai's Zaveri bazaar are scratching for customers after a jump in local gold prices, Jitendra Jain, a scrap gold buyer in India's biggest bullion market, is doing brisk business.

"Since prices have risen, I decided to sell old jewellery that I stopped using long back," said homemaker Sima Singh, who queued for nearly an hour at Jain's tiny shop to sell gold bangles that she had bought two decades ago.

Thousands others have sold their jewellery in recent weeks with local gold prices hitting a near three-year top. More such sales would bode well for the Indian government that has been urging people to recycle unused gold in order to cut costly imports by the world's No.2 bullion consumer.

Demand for new gold has been so weak in the past few months that India's imports over January-June halved from a year ago to 200 tonnes, data from consultancy Thomson Reuters GFMS shows.

Arrivals for the year could hit 600 tonnes if prices stay near current levels, said Bachhraj Bamalwa, director at All India Gems and Jewellery Trade Federation.

While this indicates an expected pick up in demand in the second half, when the

festival and wedding seasons kick in, it would still be the smallest annual import since 2003.

India shipped in as much as 904.5 tonnes last year, when global spot prices fell more than 10 percent.

World prices have risen 25 percent so far this year, after plunging 36 percent in the past three years, driven in recent weeks by an economic uncertainty stemming from the United Kingdom's vote to leave the European Union.

However, worries prices may move south again are prompting consumers to sell and bank profits while they can.

"The price correction since 2013 has changed perception," said Mukesh Kothari, director at dealer RiddiSiddhi Bullions in Mumbai. "Earlier consumers were assuming gold prices will go up and up only. Now they have realised they could correct and they need to enter the market at the right time."

Indian gold prices hit a record high of 35,074 rupees (\$522) per 10 grams in August 2013, falling then to a four-year low of 24,451 rupees in 2015, leaving many investors in the lurch. Last week, prices breached the 32,000-rupee mark.

"I was waiting for prices to rise above 30,000 rupees. As they did, I decided to sell," said Aneesh Shah, who had bought some gold coins in 2005.

Poverty in Italy at worst for 10 years in blow for PM Renzi

REUTERS, Rome

The number of people living in poverty in Italy hit its highest level for a decade in 2015, data showed on Thursday, in a report that could hurt centre-left Prime Minister Matteo Renzi.

Those living in "absolute poverty" rose to 4.6 million last year, or 7.6 percent of the population, up from 6.8 percent in 2014 and the highest since current records began in 2005, national statistics bureau ISTAT reported.

Renzi, who came to power in February 2014 promising to kickstart a chronically stagnant economy, has seen his popularity ratings fall steeply over the last year as economic and job growth has remained listless.

ISTAT's annual poverty report jars with his constantly upbeat message made up of tweets and hashtags like "Italy is back" and "We're turning Italy around."

The report is particularly sensitive because a common criticism of the 41-year-old prime minister is that he has taken his traditionally centre-left Democratic Party too far to the right and lost touch with the working class and poor.

ISTAT defines absolute poverty as the condition of those who are unable to buy goods and services "essential to avoid grave forms of social exclusion".

In the underdeveloped south of Italy, 10 percent of people were living in absolute poverty, up from 9 percent in 2014, ISTAT said. That compared with 6.7 percent in the north, up from 5.7 percent.

The situation was deteriorating for workers as well as the unemployed, with 6.1 percent of families living in poverty despite having at least one member in work. The figure rose to 11.7 percent if the breadwinner was a factory worker.

Electronic procurement gathering steam

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The CPTU will install a wider capacity data centre to accommodate all the entities in e-GP.

The government signed a contract on June 1 last year with a joint venture of Thakral Information Systems and Shark Ltd for supply, installation and commissioning of a new data centre and a mirror data centre.

The new wider-capacity data centre is expected to be established at the National Data Centre of Bangladesh Computer Council by September, the official said.

When the mirror data centre will be set up, all the procuring entities will be brought under the e-GP system.

A total of 41 banks having more than 2,000 branches have signed agreements with CPTU to facilitate payments under e-GP.

Brac Bank and the Dutch Bangla Bank also have agreements with CPTU for payment gateway.

When the e-GP system is introduced, the traditional tender floating system will be scrapped and a full-fledged online tendering method for all public purchases will become effective.

Once the electronic procurement system is up and running in full swing, tender notices will no longer be published in newspapers.

Instead, they will be posted on the e-GP website. Local and international firms would be able to participate in the process online, the official said.

The move is expected to increase bidding participation, cut down tender processing time and also check occasional incidents of violence during bid submission.

Real estate shows signs of recovery

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With rising purchasing power, people started to buy plots and apartments in the 2000s. As a result, the real estate sector experienced a boom that reached its peak in 2009-10.

Attracted by the boom, 100 new firms entered the industry and sparked unhealthy competition. Many of these new entrants

took up expensive projects, a lot of which were even sold. But the bubble surpassed its sustainable limit, which led to its inevitable burst in 2012.

As a result, sales dropped 30-50 percent in the last three years. Because of the slow-down, developers have brought down projects and a huge number of apartments have remained unsold.

Cuba eyes 'reforms' with new role for economy chief

AFP, Havana

Cuba announced Wednesday it was reshuffling leadership at its economy ministry so its current chief could focus on making reforms. Economic Minister Marino Murillo, 55, has been in the post since 2014 and implemented some small changes away from the top-down, Soviet-style economy that the country's had for more than five decades.

Notably, the ranks of state workers have been reduced, as thousands of Cubans try out jobs on a longer list of legal self-employment opportunities under President Raul Castro. However, the changes have not had broad impact. Most people still work for the state, oxen still plow fields and food production is spotty.

Cash-strapped Cuba is unable to get credit from international markets, and needs to restructure its international debt. The Council of State said it was putting Vice President Ricardo Cabrisas, 79, at the Economy Ministry's helm, so Murillo could "focus on work related to updating the Cuban social and economic model (economic reforms)."



Mohammed Rabiul Hossain, managing director of Uttara Bank, attends the third zonal heads' conference of the bank at its head office in Dhaka yesterday.

US fines Norway shipper nearly \$100m for price-fixing

AFP, Washington

The United States dealt Norwegian shipping company Wallenius Wilhelmsen Logistics a nearly \$100 million fine Wednesday for involvement in fixing prices for automobile cargo services.

WWL was the fourth shipper to plead guilty in a US Justice Department investigation into price-fixing for roll-on roll-off (Ro-Ro) vessel services to US ports between 2000 and 2012. The company admitted guilt to a one-count felony charge and agreed to pay a \$98.9 million criminal fine.

"WWL and its co-conspirators cheated their customers for years by fixing the prices of ocean shipping services for cars, trucks, and other cargo essential to our nation's economy," said Renata Hesse, head of the Justice Department's antitrust division.

Ro-Ro vessels are designed mainly to carry cars, trucks and other vehicles like mining equipment from manufacturers to markets.