



Officials of the Westin Dhaka pose at a programme to mark the Earth Hour 2017 on March 25. The annual global environmental awareness event was created and instituted by the World Wildlife Fund in 2007 to emphasise the threat of climate change.

EU clears Dow-DuPont chemicals mega-merger

AFP, Brussels

The EU on Monday approved a \$130 billion mega-merger of US agro-chemicals giants Dow Chemical and DuPont, paving the way for major consolidation in a sensitive sector for farmers and the environment.

The decision by antitrust regulators was subject to Dupont selling "major parts" of its global pesticides business, said the European Commission, the EU's executive arm.

"Due to significant commitments on products and the worldwide research and development organisation, the merger of Dow and Dupont can be approved," EU Competition Commissioner Margrethe Vestager said.

Dow Chemical and DuPont, two of the oldest US companies, announced their tie-up in December 2015 to create the world's biggest chemicals and materials group.

The decision spares the EU from angering the administration of US President Donald Trump, just days before Vestager visits Washington.

Vestager has not been shy of tackling major US companies since she took on the competition brief in 2014, winning praise in Europe but criticism across the Atlantic.

Dow and Dupont are dominant players for a huge range of chemical products, but the manufacturing of pesticides and fertilisers has drawn the most attention.

The products developed by the Dow and

DuPont "affect each and every one of us. They literally affect our daily bread," Vestager told a news conference in Brussels.

To win approval, the companies agreed to sell off key DuPont pesticides units, including sensitive research and development capabilities.

Dow will be required to sell two manufacturing plants in Spain and in the US, with German giant BASF widely seen as a potential buyer.

The Dow-Dupont merger is part of a broader wave of consolidation in the agro-chemicals sector that has worried environmental activists and small farmers.

In the coming days, the EU is expected to decide on the \$43-billion takeover bid by ChemChina for Swiss rival Syngenta.

The EU is also to decide on German giant Bayer's \$66-billion offer for US firm Monsanto, another mega-merger in the industry that has angered activists.

Opponents to the deals warned that the tie-ups would deepen threats to the environment, bring higher prices to struggling farmers as well as boost the controversial genetically-modified crops industry.

If all tie-ups are successful, "the three resulting companies could control around 70 percent of the world's agro-chemicals and more than 60 percent of commercial seeds," said a letter from Friends of the Earth and co-signed by Greenpeace and dozens of other groups.

"Through dominant market share and sheer political power, they would unduly influence our agriculture and food system," added the letter, which was dated Monday.

Vestager is due in Washington on Friday. She has pushed through a series of anti-competition probes of Google and Amazon as well taking a historic 13-billion-euro decision against Apple.

Some US critics say she unfairly targets American companies but Vestager insists she had simply applied European Union competition rules.



European Competition Commissioner Margrethe Vestager addresses a press conference on the merger between US agri-chemicals giants Dow Chemical and DuPont at the European Commission in Brussels yesterday.

Qatar wealth fund to open office in Silicon Valley

REUTERS

Qatar's Sovereign Wealth Fund said on Monday it would open an office in San Francisco to expand its growing US portfolio, and was still considering investing in a technology fund formed by SoftBank Group Corp.

The Qatar Investment Authority, one of the most active of its kind, has stakes in everything from real estate to luxury goods - traditionally largely in Europe. But it has said it is looking to diversify into Asia and the United States.

"Soon we will be opening an office in the Silicon Valley in San Francisco," the fund's CEO, Sheikh Abdullah bin Mohammed bin Saud al-Thani, told reporters at an investment conference in London.

"What we plan is to open the office

hopefully by the end of this year, if not by end of this year then it will be first quarter of next year. It will be linked very commercially to our office in New York and we will take it from there," he said.

Qatar was considering investing in a \$100 billion global technology fund formed by SoftBank Group Corp, the Japanese telecommunications and internet company, and Saudi Arabia, Bloomberg reported in October.

"We are still in a study but we haven't made a decision yet," al-Thani said on Monday.

In 2015 Qatar said it would spend \$35 billion in the United States over the next five years after opening an office in New York. In December the fund said it would invest \$10 billion in infrastructure projects inside the United States.

HSBC less dovish on Fed, now sees two more US rate hikes this year

REUTERS

Economists at HSBC changed their outlook for US interest rates on Monday, and now expect the Federal Reserve to deliver another two rate hikes this year instead of the one previously anticipated.

This brings them more in line with broader market consensus, although they are still on the dovish end of the spectrum and reckon that rates will rise no higher than 1.625 percent until at least the end of next year.

"Given the change in sentiment among FOMC (Federal Open Market Committee) members, we change our forecasts to include another two rate rises this year, in June and September," they wrote in a note on Monday.

Then the Fed will raise rates again in the first quarter of next year, as previously expected, before pausing to assess the effects of tighter monetary policy on the economy, the HSBC economists said.

The Fed raised its federal funds rate earlier this month for only the third time since 2006 by a quarter of a percentage point to 0.875 percent, the mid-point of a 0.75-1.00 percent target range.



AHM Habibur Rahman, a director of Paramount Textile Ltd, receives the International Trophy for Quality from Ricardo Roso Lopez, secretary general and CEO of Global Trade Leaders' Club, at a programme in Paris. M Shahidul Islam, Bangladesh's ambassador to France, was also present.

Dollar hits lowest since November

REUTERS, London

The dollar slid to a four-month low against a basket of currencies on Monday as investors weighed the prospects of a US fiscal spending boost under President Donald Trump after his failure to push through a key healthcare reform bill.

Trump's inability to deliver on a major election campaign pledge marked a big setback for a Republican president whose own party controls Congress, and raised doubts over whether he will be able to see through tax reforms and a big spike in spending.

The dollar was down 0.5 percent on the day against the basket of other major currencies used to measure its broader strength .DXY. At 99.038 in early London trade, the index had been at its lowest since three days after Trump was elected in November, before recovering to 99.132 by 1145 GMT.

"I think the market is trying to establish whether or not there is too much optimism about reflation priced into the US dollar," said Rabobank currency strategist Jane Foley, in London.

The dollar index had risen to a 14-year high near 104.00 in early January when expectations for inflation-boosting stimulus under the Trump presidency were at their peak, with investors betting big on the so-called "Trumpflation" trade.

Speculators increased bullish bets on the US dollar in the week up to last Tuesday for the third time on the trot, pushing net longs

to their highest since Jan. 31, Commodity Futures Trading Commission (CFTC) data showed on Friday.

"Even though the dollar positioning appears to have come off its highest levels, dollar longs remain at historically elevated levels and that suggests that there could still be too much good news regarding reflation in the price," Foley said.

Against the yen JPY=EBS, the dollar fell more than one percent to 110.12 - its weakest since Nov. 18 - and was last trading around 110.37 yen. The Swiss franc, another traditional safe haven for capital, touched a 4-1/2-month high. CHF=

"We probably are aiming for the (Nov. 8) pre-election lows...that's probably a viable target (for the dollar)," said BMO Capital Markets currency strategist Stephen Gallo, in London.

The euro EUR=EBS reached \$1.0874, its highest since Dec. 8. Sterling, the worst performer among the G10 group of major currencies against the dollar this year, hit an 8-week high of \$1.2598 GBP=D4.

Some analysts did argue that investors could be taking the wrong cue from Trump's legislative defeat by linking it with his chances of successfully pursuing his economic agenda.

"We think linking this particularly difficult legislative undertaking with the rest of the Trump is flawed. It actually presents a scenario where tax reform can potentially be accelerated," said Tom Porcelli, chief US economist at RBC Capital Markets.

Oil slips toward \$50 on doubts over duration of output cut

REUTERS, London

Oil fell further toward \$50 a barrel on Monday, pressured by uncertainty over whether an OPEC-led production cut will be extended beyond June in an effort to counter a glut of crude.

A committee of ministers from Opec and outside producers agreed on Sunday to look at prolonging the deal, stopping short of an earlier draft statement that said the committee recommended keeping the measure in place.

International benchmark Brent crude was down 26 cents at \$50.54 by 1144 GMT, after falling as low as \$50.26. US crude was down 37 cents at \$47.60.

"These are troubling times for oil bulls," said Stephen Brennock of oil broker PVM. "Against a backdrop of rising US crude output and underwhelming Opec-led efforts to normalize bulging global oil inventories, positives are in short supply."

A number of ministers from the Organization of the Petroleum Exporting Countries and other producers met in

Kuwait to review the progress of their supply cut, which initially runs until the end of June.

Opec and 11 other producers including Russia agreed in December to reduce their combined output by almost 1.8 million barrels per day in the first half of this year.

While many in Opec have called for prolonging the curbs, Russia has been less definitive. Energy Minister Alexander Novak said on Sunday it was too early to say whether there would be an extension.

"We would see the relative lack of reaction in the price perhaps as a reflection of some disappointment that nothing more concrete was forthcoming," analysts at JBC Energy said in a report, referring to the conclusion of Sunday's talks.

There is "increasing scepticism" in the market as to whether a rollover of the cuts can be agreed, JBC added.

Oil also came under pressure from further evidence that higher prices as a result of the Opec-led supply cut are helping boost supplies in the United States.



Chairman of Meghna Bank HN Ashequr Rahman presides over the fourth annual general meeting of the bank at Le Meridien Dhaka on March 23. The bank declared 10 percent cash dividends for 2016. Vice Chairman Md Yasin Ali and Managing Director Mohammed Nurul Amin were also present.

Toshiba's US atomic unit to file for bankruptcy

AFP, Tokyo

Toshiba's loss-hit US nuclear unit could be placed under bankruptcy protection as early as this week, a report said Monday, sending shares in the Japanese giant lower.

Westinghouse Electric is likely to file for Chapter 11 on Tuesday and is eyeing Korea Electric Power Co to help with its subsequent restructuring, Japan's Nikkei business daily said, without citing sources. The two firms already have a technology partnership.

Toshiba's stock ended a see-saw session at 218.4 yen, down 2.06 percent. The company has lost more than half its market value since late December, when it warned of multi-billion-dollar losses at Westinghouse and said it was investigating claims of accounting fraud by senior executives at the division. A

Tokyo-based Toshiba spokesman declined to comment on Monday's Nikkei report. "The fluctuations today are linked to the recent volatility in Toshiba shares," Toshikazu Horiuchi, a broker at IwaiCosmoSecurities, told AFP.

"There will likely be more selling if US authorities criticise the bankruptcy restructuring," Toshiba has said it would try to sell Westinghouse, once lauded as the future of its atomic business after the 2011 Fukushima disaster sidelined new orders in Japan.

Japanese financial regulators have given the company until April 11 to publish results for the October-December quarter, which were originally due in mid-February.

Toshiba has twice delayed their release, saying it needed more time to probe claims of misconduct by senior managers at Westinghouse and gauge

the impact on its finances.

Toshiba previously warned it was on track to report a net loss of 390 billion yen (\$3.5 billion) in the fiscal year to March, as it faced a writedown topping 700 billion yen at Westinghouse, which has been hit by big cost overruns. This month Standard & Poor's cut its credit rating on Toshiba again, warning that its finances were quickly worsening.

The firm is trying to spin off its prized memory chip business to raise cash, after earlier selling its medical devices unit and most of a home appliance business.

The latest crisis comes less than two years after Toshiba's reputation was badly damaged by separate revelations that top executives had pressured underlings to cover up weak results for years after the 2008 global financial meltdown.