



Alauddin A Majid, chairman of BASIC Bank, presides over the bank's 28th annual general meeting at its head office in Dhaka on Thursday. Arijit Chowdhury, additional secretary of Financial Institutions Division, attended the meeting as the representative of the government. The meeting approved the bank's financial statements for 2016.

BASIC BANK

Higher oil prices boost earnings of ExxonMobil, Chevron

AFP, New York

US petroleum giants ExxonMobil and Chevron reported big jumps in second-quarter profits Friday, the latest boost from a recovery in oil prices that still feels shaky to many industry officials.

Exxon's profit for the quarter ending June 30 nearly doubled to \$3.4 billion, while Chevron nabbed \$1.5 billion in earnings, up from a \$1.5 billion loss in the year-ago period.

The big improvement in profits came on the heels of a recovery in oil prices in the wake of agreements by the Organization of the Petroleum Exporting Countries to limit production. Oil prices in the second quarter were about 15 percent above the level in the comparable 2016 quarter.

"These solid results across our businesses were driven by higher commodity prices and a continued focus on operations and business fundamentals," Exxon chief executive Darren Woods said.

Other factors included better refining

margins, higher natural gas prices and a restrained approach to capital spending.

Chevron chief executive John Watson said, "Second quarter results improved substantially from a year ago."

"We're delivering higher production with lower capital and operating expenditures."

Despite the big jump, Exxon's profits missed Wall Street expectations. Analysts also hit the company for a one percent drop in oil and gas production compared with the year-ago period.

By contrast, Chevron's earnings bested analyst expectations and reflected a 10 percent increase in oil and gas production amid solid output at its Gorgon LNG project in Australia and its shale properties in Texas.

Exxon recovered by the close to end 1.5 percent lower, while Chevron gained 1.9 percent.

Oil producers have been cautious in boosting investment, in part because of worries that oil prices could retreat again amid surging US shale production.

Amazon everywhere: E-commerce titan is topic companies can't avoid

REUTERS, New York

What looms over businesses as far flung as car repair, lab equipment and swimming pool gear? In a word, Amazon.

Almost 700 US companies have reported quarterly results so far this earnings season, and the e-commerce titan's name has popped up on roughly one of every 10 earnings conference calls so far. And the retailers whose lunch has long been eaten by Amazon.com Inc haven't even reported yet.

In all, Amazon has been raised either in passing or with some urgency on 75 calls hosted by corporate chieftains in the past several weeks, according to a Reuters analysis of call transcripts from components of the S&P 1500. That's well more than twice as many mentions as Google or its parent Alphabet Inc and over three times as many as Apple Inc.

The preponderance of Amazon mentions by executives and Wall Street analysts is the latest indication of its rapidly expanding reach. Its move last month to buy upscale grocer Whole Foods Market Inc for nearly \$14 billion has added fresh fuel to the concerns.

Once primarily a scourge of traditional brick-and-mortar retailers, Amazon's cloud over US business has spread to more corners of the economy and raised worries about where it could strike next. Even executives for whom Amazon was not previously a top concern have found themselves responding to questions about how it may burst into their industries.

On the call for 3M Co, which makes everything from scouring pads to stainless steel dental crowns, Amazon was raised by several analysts. Executives at diversified healthcare company Johnson & Johnson were asked how Amazon might pose a risk to its consumer brands.

McDonald's Corp CEO Stephen Easterbrook declined to respond



REUTERS

An employee works at Amazon's Prime Now fulfillment centre in Singapore.

directly to a question about implications of the Amazon-Whole Foods deal. But he did say: "It just demonstrates how disruptive the business world is and how quickly it moves."

It was the first time a McDonald's, 3M or J&J executive had faced an Amazon-related question in an earnings call, according to data from Thomson Reuters dating back to 2000.

"Just that name puts fear even if it's just a rumor that they might be going into your space," said Alan Lancz, president of Toledo, Ohio-based investment advisory firm Alan B. Lancz & Associates Inc., who has been an investor for more than 30 years. "To be over all these different sectors and all these different spaces, I can't recall anything like that."

Not all of the Amazon references reflect worry. In many instances, companies talked up existing and potential partnerships with Amazon, bounties from the recent Amazon Prime Day sale, or opportunities that might stem from a Whole Foods purchase.

But Amazon emerged as a source of analyst concern on conference

calls for tire servicer Monro Muffler Brake Inc, swimming pool equipment distributor Pool Corp and water heater maker A.O. Smith.

"I can tell you that we do think that they're a force," Albert Nahmad, chief executive of Watsco Inc, a heating, ventilation and air conditioning system distributor, said in response to a question. "The economy's never seen anything like it."

"We keep our eyes on Amazon," he added.

At issue is the competitive threat from Amazon's massive size, willingness to sell at low prices and desire to push into a vast array of products or business lines.

In its own quarterly report late on Thursday, Amazon reported a jump in retail sales along with a profit slump, as its rapid, costly expansion into new shopping categories and countries showed no sign of slowing.

The Whole Foods deal roiled retailers, supermarkets and companies in the food-supply chain. But analysts are also asking real estate investment trusts and banks about their exposure to grocers, while Dover Corp, which manufactures refrigeration equipment, and Silgan

Holdings, which supplies packaging for consumer goods products, also were queried about the deal.

"It seems like everyone's asking that question at this stage," Silgan CEO Anthony Allott said when asked about the penetration of e-commerce in groceries in the wake of the deal, adding that he viewed it as an opportunity.

Amazon is generating an outsized amount of chatter on Wall Street as well.

Bank research notes and sales and trading commentary this month have contained nearly twice the number of Amazon mentions as for Microsoft and Apple, with Amazon tripling the number of Alphabet references, according to data from Street Context, an institutional content and data-insights platform for brokers and investors.

Amazon has been mentioned nearly 17 times as much as the average company, according to Street Context.

Jeff Hammond, an equity research analyst at KeyBanc Capital Markets, said investors are concerned that distributors of a variety of industrial wares are vulnerable to Amazon.

"For commodity products with low differentiation, where price is higher on the list and it's a smaller item that's easy to deliver, that's probably something that Amazon can be competitive at," Hammond said.

For some executives, the Amazon question has been a periodic feature, even in arenas well beyond its traditional boundaries.

Executives at Thermo Fisher Scientific, whose business includes supplying equipment to research laboratories, have fielded questions about an Amazon impact as far back as five years. This month its CEO said it was investing in its e-commerce capabilities and its supply chain.

"We take Amazon very seriously," Thermo Fisher Chief Executive Marc Casper said on the call, "and we always have."

Sri Lanka signs \$1.1b China port deal

REUTERS, Colombo

Sri Lanka signed a long delayed \$1.1 billion deal on Saturday to lease its southern Hambantota port to China ignoring an appeal by opposition parties to debate the pact in parliament.

The deal was signed between the two state firms -- Sri Lanka Ports Authority (SLPA) and China Merchants Port Holdings to handle the commercial operations of the Chinese-built port on a 99-year lease.

Chinese firm will hold 70 stake in a joint venture with SLPA to run the port, part of a plan to convert loans worth \$6 billion that Sri Lanka owes China into equity.

"We thank China for arranging this investor to save us from the debt trap," Port Minister Mahinda Samaraasinghe told the gathering in Colombo port where the deal was signed.

He said the Chinese firm will invest additional \$600 million to make Hambantota port operational while \$1.12 billion from the deal will be used for debt repayment.

Hu Jianhua, the executive vice president of the China Merchants Port said the port facilities belong to the citizens of Sri Lanka but will be a key part of China's massive One Belt One Road initiative to build trade and transport links across Asia and beyond.

"With these maritime infra-structure investments, and other diverse investments such as the proposed international maritime

center, Sri Lanka will be well positioned to play a strategic role in the one-belt-one-road initiative of China," Hu said.

Located near the main shipping route from Asia to Europe and likely to play a key role in China's "Belt and Road" initiative, the Hambantota port has been mired in controversy since the Chinese firm signed an agreement to take an 80 percent stake in the port built for \$1.5 billion.

The pact signed last year sparked widespread public anger as Chinese control of the port, which included a plan for a 99-year lease of 15,000 acres (23 sq miles) to develop an industrial zone next door, raised fears the port could be used for Chinese naval vessels.

Sri Lankan government has revised the deal to set up two companies to split the operations of the port and allay concerns, in India mainly but also in Japan and the United States, that it won't be used for military purposes.

A group of opposition members led by former leader Mahinda Rajapaksa and Marxist Janatha Vimukthi Peremuna asked the government not to sign the agreement until it is in parliament.

The Hambantota port deal was scheduled to be debated on Friday, but the parliament was adjourned to Aug. 4 after the opposition disrupted proceedings over a trade union action.



ASGAR ALI HOSPITAL

Zabur SM Haque, CEO and director for medical services at Asgar Ali Hospital, and Sharif Zahirul Islam Sohel, head of cards at Standard Bank, exchange the signed documents of a deal at a programme on Thursday. The bank's employees and cardholders will get corporate benefits while taking healthcare services at the hospital.

Apple is removing VPN services from China App Store

REUTERS, Beijing

Apple Inc is removing virtual private network (VPN) services from its app store in China, VPN service providers said on Saturday, accusing the U.S. tech giant of bowing to pressure from Beijing to comply with stringent cyberspace regulations.

VPNs allow users to bypass China's so-called "Great Firewall" aimed at restricting access to overseas sites.

Beijing has shut down dozens of China-based providers and it has been targeting overseas services as it bids to tighten its control over the internet, especially ahead of the Communist Party congress in August.

VPN provider ExpressVPN said on Saturday that it had received a notice from Apple that its software would be removed from the China App Store "because it includes content that is illegal in China".

"We're disappointed in this development, as it represents the most drastic mea-

sure the Chinese government has taken to block the use of VPNs to date, and we are troubled to see Apple aiding China's censorship efforts," ExpressVPN said in a statement.

Another provider, StarVPN, said via its Twitter account on Saturday that it had also received the notice from Apple.

Apple declined to comment on the issue when contacted by Reuters on Saturday.

China users with billing addresses in other countries will still be able to access VPN apps from other branches of the App Store. A number of VPN apps were still accessible on the China App store on Saturday.

Apple is in the middle of a localization drive in China, and named a new managing director for the region - a new role - this month.

It is also establishing a data centre with a local partner in the southwestern province of Guizhou to comply with new Chinese cloud storage regulations.

IMF says dollar overvalued

REUTERS, Washington

The International Monetary Fund on Friday said that the US dollar was overvalued by 10 percent to 20 percent, based on US near-term economic fundamentals, while it viewed valuations of the euro, Japan's yen, and China's yuan as broadly in line with fundamentals.

The IMF's External Sector Report - an annual assessment of currencies and external surpluses and deficits of major economies - showed that external current account deficits were becoming more concentrated in certain advanced economies such as the United States and Britain, while surpluses remained persistent in China and Germany.

While the report assessed the euro's valuation as appropriate for the eurozone as a whole, it said the euro's real effective exchange rate was 10-20 percent too low for Germany's fundamentals, given its high current account surplus.

Britain's pound, meanwhile, was assessed as up to 15 percent overvalued compared to fundamentals, which include a high level of uncertainty over Britain's post-Brexit

trading relationship with the European Union.

The Fund said the dollar's appreciation in recent years was based on its relatively stronger growth outlook, interest rate hikes versus looser monetary policy in the eurozone and Japan, as well as expectations for fiscal stimulus from President Donald Trump's administration.

But so far this year, the dollar

index, the broad measure of its value against other major currencies, is down more than 8 percent this year and is off to the worst start to a year since 2002.

The IMF recommended that US authorities take steps to shrink a current account deficit that remains too large, by reducing its federal budget deficit and passing structural reforms to increase the savings rate and improve the economy's

productivity.

"It's important to address imbalances, because if they're not dealt with appropriately and through the right policies, we could have a backlash in the form of protectionism," IMF Research Division Chief Luis Cubeddu told a news conference.

Cubeddu said that the persistence of current account surpluses in export countries such as China and the growth of deficits in debtor countries such as the United States suggested that the problem would not clear up automatically.

"That is, prices, savings and investment decisions don't seem to be adjusting fast enough to correct imbalances. This partly reflects rigid currency arrangements, but also certain structural features, like inadequate safety nets, barriers to investment, which leads to undesirable levels of savings and investment," he said.

The report said that while China's yuan was broadly in line with its fundamentals, IMF models showed wide divergences with desired policies from a 10 percent overvaluation to a 10 percent undervaluation due to uncertainties over Beijing's policy outlook.



REUTERS

The International Monetary Fund's logo is seen in Washington.