



Kazi M Aminul Islam, executive chairman of Bangladesh Investment Development Authority; AKM Aftab UI Islam, a Bangladesh Bank director, and Dewan Nurul Islam, president of the Institute of Chartered Accountants of Bangladesh (ICAB), attend a seminar on studying chartered accountancy under a mentorship programme, on Friday. Story on B3

ICAB

Dumping US debt, a possible weapon in global trade war

REUTERS, New York

US President Donald Trump's plan to slap stiff tariffs on imported steel and aluminum has rattled financial markets and stirred fears that some trading partners might retaliate by dumping US Treasuries.

Should China, Japan and other nations, which have recycled their trade dollars through their Treasuries holdings, suddenly decide to whittle them down, markets could be in for a rough ride.

Such a retaliatory move, in the wake of Trump's first big protectionist action, comes at a time when foreign demand for US debt is seen critical to offset an expected surge in federal borrowing needs, analysts and investors said on Friday.

"The threats are real," said Kristina Hooper, chief global market strategist at Invesco in New York. "We need more foreign demand, not less."

To be sure, it is unlikely that Beijing, Tokyo and other overseas central banks would dump Treasuries altogether, if at all, analysts and investors said. Countries could wind up torching their own US bond investments, without winning any guaranteed gains from Washington, they said.

"They already own a lot of them. They would be shooting themselves in the foot," said Jack McIntyre, portfolio manager at Brandywine Global Investment Management in Philadelphia.

Still what US trading partners might do with their collective ownership of more than a quarter of all Treasury securities outstanding looms as a

hefty risk not only for the bond market.

Treasury yields are benchmarks for total returns on stocks and other assets. Typically when yields go up, stock prices fall. The yields are also used by banks and other lenders to determine what they charge consumers on mortgages and other loans. US mortgage rates hit four-year highs last month.

Trump's announcement on Thursday of 25-percent and 10-percent levies on foreign steel and aluminum touched off outcries of unfair protectionism from trading partners, while it drew cheers from domestic producers as a move to combat questionable export practices by other countries. "It's a high-pressure response," said Jason Celente, senior portfolio manager at Insight Investment in New York.

Details of Trump's tariff plan are still unknown, and Celente said the tariffs might not be imposed at all after criticism from Republican lawmakers and US industries heavily dependent on steel and aluminum.

Still, Trump said "trade wars are good" on Twitter on Friday, and the rhetoric has heated up. Canada and the European Union said they are ready to take countermeasures, while China urged Trump to show restraint.

"The timing of this would be poor since the Treasury needs to tap the capital markets more than ever, in greater size, to pay for the plentiful tax cuts passed a few months ago," Kevin Giddis, head of fixed income capital markets with Raymond James in Memphis, Tennessee.

The massive tax overhaul enacted last December was projected to add up to \$1.5 trillion to the US debt load over a decade, while a two-year spending deal reached last month would add \$300 billion to the deficit.

At the end of 2017, foreign governments owned \$4.03 trillion or nearly 29 percent of the \$14.47 trillion in Treasury securities outstanding. China and Japan, two major US trading partners, are also the top two foreign holders of Treasuries with a combined holdings of \$2.25 trillion in December, Treasury data showed.

In 2017, the United States ran up a \$375 billion trade deficit with China and a \$69 billion trade gap with Japan, according to the US Census. Fears of a trade war have spooked Wall Street and caused the dollar to drop.

The debt market had a seesaw response on Thursday and Friday with investors firstly buying US Treasuries as a safe haven and sending the benchmark 10-year note's yield 10Y1Y=RR to a three-week low.

They reversed those bond positions on Friday, mostly due to worries that the Bank of Japan might exit its ultra-loose monetary policy. Investors also sold to make room for next week's heavy corporate debt supply.

However, growing anxiety among traders about foreign retaliation through selling or buying fewer Treasuries may be coming into play, some investors and analysts said. "You can't rule it out. It's unsettling the market a bit," McIntyre said.

Canada's GDP grew 1.7pc in Q4

AFP, Ottawa

Canada's economy grew at a rate of 1.7 percent in the fourth quarter, failing to meet analysts' expectations as consumer spending waned, the government said Friday.

After starting 2017 with a bang that pushed Canada ahead of other Group of Seven (G7) industrialized countries, its economy slowed in the second half of the year.

Analysts had predicted 2.1 percent GDP growth in the last three months of the year, following a 1.7 percent uptick in the third quarter.

The US economy, by comparison, grew 2.5 percent in the fourth quarter.

According to Statistics Canada, residential construction increased in the quarter, as did business outlays on machinery and equipment -- primarily on aircraft and other transportation equipment.

Household consumption, meanwhile, slowed to 0.5 percent growth, following a 0.9 percent increase in the previous quarter.

"Don't blame Canadians for a softer tone to GDP growth in the latter half of 2017," said Avery Shenfeld, chief economist at the Canadian Imperial Bank of Commerce (CIBC), in a note to investors.

He wrote that domestic demand had remained strong, but business inventory accumulation was weaker in the fourth quarter, and as in the third quarter, there was "a larger gain in imports (i.e. more of the demand going to foreign suppliers) than exports."

Exports rose 0.7 percent after falling in the previous quarter, but were outpaced by a 1.5 percent increase in imports.

This followed the entry into force of the Canada-European Union free trade agreement in September.

Shenfeld also noted end of year declines in key sectors -- retailing, wholesale and manufacturing -- during the usually peak Christmas shopping period.

For all of 2017, growth accelerated to 3.0 percent, following 1.4 percent growth in 2016.

ArcelorMittal teams up with Nippon Steel to bid for Essar Steel

REUTERS

ArcelorMittal SA, the world's largest steelmaker, said on Friday it would form a joint venture with Japan's Nippon Steel & Sumitomo Metal Corp to bid for bankrupt steelmaker Essar Steel India Ltd.

The joint venture is the steelmaker's latest attempt to crack the world's fastest growing steel market, where it has struggled to make inroads due to bureaucratic delays despite trying for nearly a decade.

ArcelorMittal is in the final stages of signing a deal with India's state-run SAIL, with which it first signed a preliminary understanding in 2015 to jointly produce 1.2 million tonnes of automotive steel a year, but disagreements over commercial terms had delayed the venture.

The company said it submitted a plan on Feb. 12 to India's National Company Law Tribunal, which deals with insolvency and company disputes, to bid for Essar Steel in partnership with Nippon Steel.

Essar Steel was among a dozen of India's biggest debt defaulters that were pushed to bankruptcy court last year after a central bank order aimed at clearing \$147 billion in bad

loans at the nation's banks choked lending.

ArcelorMittal sold its entire stake in India's Uttam Galva Steels to the company's founders at less than the market price of the stock, a member of Uttam Galva's founding Miglani family told Reuters last month.

The sale could free ArcelorMittal to bid for other Indian steel assets which are being auctioned off as part of insolvency proceedings.

"Partnering (with Nippon Steel) for Essar Steel was always our intention and adds further strength to our offer," said ArcelorMittal's India-born Chief Executive Lakshmi Mittal.

Kosei Shindo, president of Japan's biggest steelmaker, said if the joint venture's bid to acquire Essar Steel succeeds, it would help Nippon Steel tap into the Indian market "where steel demand is expected to grow sharply in the mid- and long-term" and be a key growth driver for the company.

Shindo, speaking to reporters in Tokyo after unveiling its new three-year business plan, said ArcelorMittal will take a majority stake in Essar Steel, but should not be much higher than Nippon Steel's interest, declining to give further details on the joint venture.

Automakers battered in February as US sales drop

AFP, Chicago

Most automakers were battered in February as American consumers pulled back on new car purchases, a continued hangover from the brisk sales pace last year, according to data released Thursday.

The three American auto giants reported sales declines: 6.9 percent year-over-year for GM and Ford, and one percent for Fiat Chrysler's US subsidiary. Most other major car makers in the US market saw sales drop last month, but Toyota bucked the trend with a 4.5 percent boost.

Total auto sales declined 2.4 percent compared to February 2017, but dropped 12.7 percent from January. The seasonally-adjusted annual sales pace dropped to 17.08 million units, compared to 17.45 million a year ago.

Analysts had predicted the slowdown, amid an increasing supply of lightly-used cars competing for consumers' spending, and rising interest rates. In addition, record sales in the past two years largely satisfied much of the pent-up demand for new vehicles left from the recession years.

Economist Charlie Chesbrough of the analytics firm Cox Automotive said the weakness "was not surprising," although the disappointing showing by the crossover and pickup

segments was a surprise.

Sales were down for some very popular truck models -- such as the Chevrolet Silverado (off 16.3 percent) and Ram trucks (down 14 percent) -- suggesting consumers may be waiting for the newly redesigned versions that were announced earlier this year.

FCA US highlighted that its redesigned Ram 1500 truck will begin production in March, while Chevrolet's popular truck will go on sale in the fall.

Despite the weakening demand, automakers were offering fewer deals last month. The industry's average new car transaction price was two percent higher than last year at \$35,444, according to Kelly Blue Book.

Even so, industry analysts remained optimistic that consumers will return to showrooms, even if sales do not match previous years' levels.

"January, February do not the whole year make. They are low selling months," cautioned analyst Michelle Krebs of Autotrader. "We may see some improvements from where we are now, in the spring."

Consumer confidence remains strong and refunds will trickle in over the next few months. In addition, the recently-passed tax cuts were taking effect, with consumers likely to see more money in their paychecks each

month, analysts said. While that could improve new car sales, analysts expected competition from used cars to become more formidable. Some 3.5 million vehicles leased during the boom of the last few years are expected back on the market, Krebs said.

"Consumers who are on a budget may not need the brand-new technology. Maybe the three-year-old one isn't much different than the (new) one on the market now," she said.

Adding to the pressure on new cars, interest rates for car loans went up in February, according to analytics firm Edmunds. Rates averaged 5.2 percent compared to 4.9 percent in 2017 -- slightly raising monthly payments.

"Car shoppers tend to have tunnel vision when it comes to their monthly payments," said Edmunds analyst Jessica Caldwell.

The pressures weighing on consumers upended industry narrative that the popularity of trucks and SUVs is a bulwark against declines.

The oversized models could not save Ford or GM in February, but the Jeep brand was credited with minimizing declines for Fiat Chrysler.

Toyota managed a sales bump year-over-year -- due not only to its popular Rav4 sports utility (up 13.3 percent), but also to robust sales of its Camry sedan (up 12.2 percent).



M Khorshed Anowar, head of business for retail banking at Eastern Bank, and Md Mahtabul Amin, CEO of SR Group, franchisee of The Great Kabab Factory, exchange documents after signing an agreement in Dhaka recently. The bank's cardholders will get 15 percent discount at the restaurant.

Japan's jobless rate at lowest in nearly 25yrs

AFP, Tokyo

Japan's jobless rate stood at 2.4 percent in January, the lowest in nearly 25 years, official data showed Friday, a major boost for the world's third-largest economy.

The figure -- the lowest since April 1993 when the rate hit 2.3 percent -- comes as Japan has notched up eight straight quarters of economic growth, the longest positive run since the "bubble" boom days of the late 1980s.

Japan's government and central bank are hoping for a "virtuous cycle", with an export-led recovery boosting jobs and household income and thereby domestic demand, which accounts for roughly 60 percent of Japan's economy. However, the former economic powerhouse is still battling deflation fears, failing to achieve the 2.0-percent inflation rate target set by the central bank.

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Executive Engineer
District: Netrakona
www.lged.gov.bd

e-Tender Notice No: 49/2017-2018 (LTM)

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of works, details in table:

Memo No.	Name of work	Package No.	Tender ID
LGED/XEN/NET/2018/498 Date: 28-02-2018	(a) Improvement of Asujia UP Office-Krishnarampur Bazar via Birganj Road (Ch. 00-1000m), (b) Construction of 09 Nos. (625mm x 600mm) Culvert at Ch. 10m, 130m, 241m, 387m, 551m, 630m, 705m, 847m & 933m on the same road under Kendua Upazila, District Netrakona (Road ID No. 372473007)	IRIDP-2/NTK/DW-121	171354
LGED/XEN/NET/2018/498 Date: 28-02-2018	(a) Improvement of Maska UP Office-Kandiura UP Office via Ramchandrapur Road (Ch. 1555-2255m), (b) Construction of 03 Nos. (625mm x 600mm) Culvert at Ch. 1674m, 2010m & 2135m on the same road under Kendua Upazila, District: Netrakona (Road ID No. 372473020)	IRIDP-2/NTK/DW-122	171357
LGED/XEN/NET/2018/498 Date: 28-02-2018	(a) Improvement of Sajura Bazar-Gog Bazar Road (Ch. 500-1000m), (b) Construction of 01 No. (625mm x 600mm) Culvert at Ch. 690m on the same road under Kendua Upazila, District: Netrakona (Road ID No. 372474037)	IRIDP-2/NTK/DW-123	171363

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.

To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered banks' branches up to 20-03-2018 at 12.00 noon.

Further information and guidelines are available in the National e-GP System Portal and from e-GP helpdesk (helpdesk@eprocure.gov.bd).

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GD-576



Md Golam Faruque, CEO of South Bangla Agriculture and Commerce (SBAC) Bank, poses with participants of a training on "New version of Core Banking Solution-Flora Bank" organised by the bank's training institute at its head office in Dhaka yesterday.

SBAC BANK