Japan central bank chief says no rate hike for 'long time'

AFP

A shopper browses products at a store in Tokyo, Japan.

AFP, *Tokyo*

The Bank of Japan will not raise interest rates "for quite a long time", its chief said in an interview published Saturday even as its US and European peers tighten monetary policy.

Haruhiko Kuroda dismissed speculation that the central bank was planning to adjust its super-loose policy, aimed at keeping long-term interest rates around zero percent and short-term rates at minus 0.1 percent "We don't intend to raise them for quite a long time," he told the mass-circulation Yomiuri newspaper.

The BoJ has struggled for years to reach the 2.0 percent inflation rate thought necessary to turbo-charge Japan's economy, and has defended its decision to maintain monetary easing even as other central banks tighten policy.

After its last policy meeting in July, the BoJ said it "intends to maintain the current extremely low levels of short-and long-term interest rates for an extended period of time."

Kuroda told the Yomiuri that "an extended period" -- a phrase borrowed from the US central bank -- meant "quite a long time."

"We don't specify the period, such as whether it is one year, three years or five years," he was quoted as saying. "It's a commitment that we will maintain the current low levels (of rates) as long as uncertainty lingers."

His remarks are in sharp contrast to the direction the US and European central banks are taking. The US Federal Reserve is expected to raise interest rates twice more by the end of the year while the European Central Bank is exiting massive monetary easing. Kuroda argued that the continuation of the BoJ's easing policy would "naturally" lead to 2.0 percent inflation even if later than earlier thought, the Yomiuri said.

The prospect that Japanese interest rates will stay low for the foreseeable future should keep the yen low, but the currency has often rallied in recent times due to safe-haven buying in times of financial uncertainty.

Mostly recently the yen rose against other major currencies when the Turkish lira plunged due to Ankara's frictions with Washington, rattling financial markets.

India gold demand steadies before festivals

REUTERS, *Mumbai/Bengaluru*

Physical gold demand in India was moderate this week amid an improvement in retail purchases before the festival season despite an increase in domestic prices, while top consumer China saw a slight uptick in activity.

In the Indian market, gold futures were trading around 30,272 rupees per 10 grams on Friday, up about 3.7 percent from a more than seven-month low touched on Aug. 17.

The price gains came amid a plunge in the rupee, which fell to a record low against the dollar on Friday.

"Retail buying has picked up in the last few weeks except in Kerala. Demand will remain there for next few weeks unless prices shoot up further," said Aditya Pethe, a director at Waman Hari Pethe Jewellers.

India's top bullion consuming southern state of Kerala was hit by the worst flooding in a century this month, which killed hundreds and caused widespread damage.

Demand in the country is expected to pick up further in the festival season beginning in September, when buying gold is considered auspicious.

Dealers in India were charging a premium of up to $1 an ounce over official domestic prices this week, compared to a premium of $1.25 the last week.

But jewellers who had been aggressively replenishing stocks as prices fell in August were now slowing their purchases.

"Jewellers are cutting purchases ... They think the rupee could recover and local prices could fall again," said a Mumbai-based dealer with a private bank.

In China, premiums were around $6 to $7 an ounce this week, versus the $6 to $8 range last week, amid currency fluctuations, traders said.

"Jewellery wholesalers (in China) have begun stocking up physical inventories, while investment has also seen a pick up," said Samson Li, a Hong Kong-based senior analyst at Thomson Reuters GFMS.

Premiums in Hong Kong were around $0.90 to $1.30 versus $0.90 to $1.40 previously.

In Singapore, premiums fell slightly to $.080 to $1.30 an ounce over the global benchmark from last week's $0.80 to $1.50.

"We see a weakened demand compared to last week due to higher prices. People looking for cheap buys have already purchased, so that's another reason why demand has dropped this week," said Brian Lan, managing director at dealer GoldSilver Central in Singapore.

Benchmark spot gold has risen about 4 percent since touching a low of $1,159.96 on Aug. 16, a bottom since January 2017.

Japan premiums fell to 25 cents an ounce from $0.75 to $1 last week as higher prices kept buyers away, a Tokyo-based trader said.

Apple self-driving car rear-ended during road testing

REUTERS

An Apple Inc self-driving car was rear-ended while merging onto an expressway near the company's Silicon Valley headquarters this month, the company said in an accident report posted on Friday that confirmed the iPhone maker is still in the race to build autonomous vehicles.

Apple executives have never publicly spoken about the company's self-driving car program, but filings in a criminal court case last month confirmed that the company had at least 5,000 employees working on the project and that it was working on circuit boards and a "proprietary chip" related to self-driving cars.

Apple is entering a crowded field where rivals such as Alphabet Inc's Waymo unit and traditional carmakers such as General Motors Co's Cruise Automation, as well as startups such as Silicon Valley's Zoox, are pouring billions of dollars into cars that can drive themselves.

On Aug. 24, one of Apple's Lexus RX 450h self-driving test vehicles in "autonomous mode" was merging south on the Lawrence Expressway in Sunnyvale, California at less than 1 mile per hour when it was rear-ended by a 2016 Nissan Leaf going about 15 miles per hour, according to the report posted on the California Department of Motor Vehicles website.

The accident happened at about 3 p.m. as the Apple vehicle had slowed and was waiting for a safe gap in traffic to complete the merge, the report said.

Both vehicles sustained damage but there were no injuries, the report said. Under a safety plan filed with California regulators, a human driver must be able to take control of Apple's self-driving test cars.

An Apple spokesman confirmed that the company had filed the report but did not comment further. He declined to respond to questions about whether the trailing car could have been at fault.

Apple's efforts remained shrouded in secrecy until years after its rivals like Google had begun testing on public roads. The iPhone maker's first public acknowledgement of interest in the field came in a letter to US transportation regulators in late 2016 urging them not to restrict testing of the vehicles.

Last year, Apple secured a permit to test autonomous vehicles in California. It has been testing cars on the road since last year and now has permits for more than 60 vehicles. Apple researchers also last year published their first public research on cars, a software system that could help spot pedestrians more readily.

The safety of self-driving cars has become a source of concern for US transportation regulators this year after one of Uber Technologies Inc's [UBER.UL] vehicles struck and killed a woman in March in Arizona, prompting the company to shut down its testing efforts for a time. Uber has said it plans to have self-driving cars back on the road by the end of the year.

The California DMV said it has received it has received 95 autonomous vehicle collision reports as of Aug. 31. Dozens of companies have received permits to test self-driving vehicles on California roads, but those permits require the presence of a human safety driver.

World's biggest trade deal set for November: Singapore

REUTERS, *Singapore*

Singapore's trade minister said on Saturday that broad agreement on the world's biggest trade deal should be reached at a summit of leaders from participating nations in the city-state in November, six years since talks began.

Called the Regional Comprehensive Economic Partnership (RCEP), the trade accord includes the 10 members of the Association of Southeast Asian Nations (Asean), Australia, India, Japan, South Korea, New Zealand and the world's No.2 economy, China.

The deal does not include the United States, which is locked in a trade spat with China and pulled out of another broad, international trade agreement in 2017 called the Trans-Pacific Partnership (TPP). The White House said on Friday that US President Donald Trump would skip the November gathering of leaders in Singapore.

Asked by Reuters after a meeting of regional economic ministers if participating countries were working towards a deal in time for the mid-November summit, Trade Minister Chan Chun Sing said:

"Yes. We are looking for that broad agreement, that milestone, to be achieved ... when the leaders meet at the end of the year."

However, he said it was not clear when a final deal would be signed.

"As to the next phase of the work, once we have crossed that milestone we will have a clearer idea ... It's a bit too early to say at this point in time," Sing said.

AFP

Singapore's Trade Minister Chan Chun Sing delivers his address at the 50th ASEAN Economic Ministers Meeting in Singapore on August 29.

EU announces 35m euro aid package for Venezuela crisis

AFP, *Vienna*

The EU announced a 35 million euro ($41mn) aid package on Friday to counter the effect of Venezuela's economic crisis, which has sparked one of the biggest exoduses in Latin American history.

"I can announce today that the European Union just adopted a package of humanitarian aid of 35 million euros to support Venezuelans both inside Venezuela but also in the neighbouring countries and the host communities," EU foreign policy chief Federica Mogherini said after a meeting of EU foreign ministers in Vienna.

Mogherini said the money would go to activities "focusing in particular on nutrition, water, health and the support to the most vulnerable people".

Venezuela's economy has collapsed into chaos under President Nicolas Maduro since 2013, with falling oil prices leading to chronic shortages of food and medicine and hundreds of thousands of people fleeing the country.

"We're extremely worried for the humanitarian situation in the country but also the effect on the neighbouring countries that are receiving massive waves of Venezuelans in their territory," Mogherini said.

Some 1.6 million Venezuelans have fled the country since 2015 as four years of recession and hyperinflation the International Monetary Fund predicts will reach one million percent this year have left large swathes of the population in poverty.

Maduro has systematically sidelined the opposition as he tightens his grip over Venezuela, with the political turmoil worsening the country's ability to deal with its economic collapse.

China to curb 'haphazard, redundant' auto investment

REUTERS, *Tianjin, China*

China will strictly prevent 'haphazard investment and redundant development' in the automobile industry, an official from the state planning agency said on Saturday, apparently referring to proposed rules on automakers' investments in new capacity.

Nian Yong, head of the National Development and Reform Commission's (NDRC) Department of Industrial Coordination, said the agency will soon publish and implement a new set of investment rules. Among other things, the new rules "will restrict industrial investment project management standards, strengthen regulation, prevent haphazard investment and redundant development," he said.

China is looking to fix seemingly perpetual excess capacity in the country's auto industry which is showing signs of worsening. Nian's remarks, which were made during his speech at an automotive industry conference in Tianjin, come as the industry has sought to dial down the proposed NDRC rules, which were published in July in draft form to seek public comment.

It's not clear when the new rules would take effect, or whether the NDRC would agree to water them down from the draft, which some automaker officials described as alarming.

On Friday, another NDRC official at the same conference indicated the agency might make some compromises.

"We have made some quite big modifications (to the proposed rules) after we received the industry's feedback," NDRC official Gu Ziming said.

The move to curb excess capacity comes as domestic and international automakers in China announce plans to increase their production. Japan's Nissan Motor Co and Toyota Motor Corp have both announced plans to significantly boost production in China.

According to the draft rules, China's state planning agency is looking to place a limited ban on investments in new "greenfield" capacity to produce traditional gasoline-fuelled cars, as well as electric battery cars – unless a carmaker meets certain conditions.

REUTERS

Workers are seen at a production line for Volkswagen's Bora vehicles at the FAW-Volkswagen plant in Qingdao, China.

DK Son, managing director of LG Bangladesh, and Md Shahjahan, managing director of KEPZ Corporation (BD) Ltd, exchange documents after signing a deal in Chittagong on August 29 over the installation of a central cooling system in a KEPZ building.

LG BANGLADESH

India to help Nepal build rail link to Kathmandu

REUTERS, *Kathmandu*

India will help Nepal construct a rail link between capital Kathmandu and an Indian border town for smoother movement of passengers and cargo to the land-locked Himalayan nation, which neighbouring China is also trying to woo with a similar plan.

An agreement to study the feasibility of a rail line linking the two countries was signed by officials on Friday during a meeting between Nepal's Prime Minister K.P. Sharma Oli and Indian premier Narendra Modi on the sidelines of a regional summit of seven South and East Asian countries.

India's Konkan Railway Corporation Ltd will conduct a preliminary engineering and traffic survey for the rail line, India's embassy in Nepal said in a statement.

The planned 130 km (80.78 mile) line from the Indian border town of Raxaul in eastern Bihar state to Nepalese capital Kathmandu, once built, will just be the second rail track in the mountainous nation. Nepal's only railway link is a 35 km stretch in its southern plains.

Construction of the rail line and its funding will be finalised after the Konkan Railway submits its findings, officials said.