



Samsung Mobile Bangladesh
Seungwon Youn, managing director of Samsung Bangladesh, cuts a cake to launch its new Galaxy J2 Core of a J2 series at Jamuna Future Park in the capital recently. The device is priced Tk 8,590 and carries a 120-day replacement warranty.

China's new home price gains led by smaller cities

REUTERS, Beijing

China's new home prices increased at a firm pace in September, supported by gains in smaller cities and showing the market remained resilient despite pressures from softer investment, a slowing economy and government curbs on the sector.

Average new home prices in China's 70 major cities rose 0.9 percent in September from a month earlier, Reuters calculated from official data published on Saturday, slower than the previous month's reading of 1.4 percent, which was the fastest growth in two years.

Compared with a year ago, however, new home prices climbed 7.9 percent, the quickest year-on-year gain since August 2017 and faster than the previous month's 7 percent rise.

Prices continued to rise despite tougher curbs designed to rein in a near-three-year real estate boom that has spilled over from megacities to the hinterland.

In a sign of continued broad-based market strength, 64 out of the 70 cities surveyed by the National Bureau of Statistics (NBS) reported a monthly price increase for new homes, though the number was down from 67 in

August.

While solid growth in the sector could cushion the impact of a vigorous multi-year government crackdown on debt and escalating trade tensions with the United States, it could also stoke fears of a bubble if prices climb aggressively.

Real estate has been one of the few bright spots in China's investment landscape, partly due to robust sales in smaller cities where a government clampdown on speculation has not been as aggressive as it has in larger cities.

Xia Dan, an analyst at Bank of Communications in Beijing, warned market expectations for property prices was moderating as the government tightened its property market controls.

"There are increasing uncertainties about the future trends in the housing market," Xia said.

There have already been some signs of caution in the market, as authorities stepped up controls in hundreds of cities. Transactions fell sharply over the period dubbed "Golden September and Silver October", traditionally a high season for new home sales.

Prices in China's largest cities

where the strictest control measures are in place, were mostly stable in September, though Guangzhou prices rose 0.4 percent on-month and 4.3 percent year-on-year.

The top price performer in September was Xian, the capital of China's northwestern Shaanxi province, whose prices rose a blistering 6.2 percent from the previous month, NBS data showed.

Official data this week showed growth in China's real estate investment eased in September while home sales fell for the first time since April, as developers dialled back expansion plans amid economic uncertainties and as additional curbs on speculative investment kicked in.

Real estate investment, which mainly focuses on residential but also includes commercial and office space, rose 8.9 percent in September from a year earlier, compared with a 9.2 percent rise in August.

Property sales by floor area fell 3.6 percent in September from a year earlier, compared with a 2.4 percent gain in August, according to Reuters calculations, the first decline since April. In year-to-date terms, property sales rose 2.9 percent in the first three quarters.

Japan inflation edges up to 1pc in September

AFP, Tokyo

Prices in Japan inched up by one percent in September, according to government data published Friday, as the world's third-largest economy continues its years-long struggle with deflation.

Inflation stood at one percent year-on-year in September, the first time it had reached that level since February, but still only halfway to the Bank of Japan's two-percent target.

The latest figure was in line with market consensus, and slightly higher than the 0.9 percent registered in August.

With fresh food and energy stripped out, prices rose by even less -- just 0.4 percent year-on-year in September, unchanged from August, the internal affairs ministry said.

Japan has battled deflation for many years and the central bank's ultra-loose monetary policy appears to have had limited impact.

The Bank of Japan will not raise interest rates "for an extended period of time", its chief said after the latest rate-setting meeting, even as US and European peers tighten monetary policy.

Deflation is bad for the economy partly because the expectation of falling prices discourages spending and dampens growth.

"Upward pressure on prices is gradually intensifying" reflecting a tight



REUTERS/FILE

Pedestrians cross the street at a crosswalk at Omotesando shopping district in Tokyo.

labour market in the country that is expected to eventually generate a rise in wages, said Takuji Aida, chief economist at Societe Generale.

"The trend in year-on-year inflation in 2019 will likely move above one percent," he added.

Japan's unemployment rate stood at 2.4 percent in August and has been below three percent for

more than a year.

The latest data come just days after Prime Minister Shinzo Abe announced a much anticipated sales tax hike in 2019, fending off fears it could derail the fragile economy.

Analysts say a rise in household income, along with the tax hike and modest inflation, is key to keep the country's economy in good shape.



EBL

M Khorshed Anowar, head of retail banking at Eastern Bank Ltd (EBL), and Md Esam Ebne Yousuf Siddique, chief administrative officer at Square Hospitals Ltd, attend a deal signing ceremony in Dhaka recently. The bank's cardholders and employees will get healthcare privileges at the hospital's "Executive Health & Well Being Center".

Volvo lorry sales keep on truckin' in US

AFP, Stockholm

With the US economy continuing to fire on all pistons sales by Swedish lorry maker Volvo Group rose by nearly a third in North America in the latest quarter.

With overall sales up by a fifth, Volvo Group's net profit leapt by 38.6 percent to 7.46 billion kronor (720 million euros, \$825 million).

It also managed to increase its adjusted operating margin to 11.1 percent, beating the average of 10.4 percent expected by analysts surveyed by the SME Direkt agency.

"Although this is the best third quarter ever for the Group, it does not mean that we have reached our full potential," chief executive Martin Lundstedt said in a statement.

"There is more to do to improve profitability and drive cash flow," he added.

Overall, sales of trucks rose by 23 percent in monetary terms, while those of heavy construction equipment rose by 24 percent, increases which investors may interpret as a signal the transportation and construction sectors are strong.

"The high activity level in the North American economy translates into a strong freight environment with high transport volumes and good freight rates," said Lundstedt.

"This leads to customers both renewing and expanding their fleets, a development which is expected to continue into 2019," he added.

However, the company did acknowledge the strong sales in North America were stretching its supply chain.

For 2019, the firm expects stable overall demand, although truck sales are expected to slide by 5 percent in Europe.

On Tuesday, Volvo Group disclosed it had discovered a problem in the emissions control systems for trucks and busses that are primarily sold in Europe and North America, which caused its share price to tumble.

The premature wearing out of a component could cause engines to exceed emissions limits for harmful nitrogen oxides, the company said.

"A full analysis of the issue is not completed and it is not possible to assess the financial impact at this stage; however, the cost could be material," it said in a statement.

The firm generates more than two-thirds of its sales in Europe and North America, selling trucks under the Volvo, Mack, and Renault Trucks brands.

Its shares were down 2.7 percent in morning trading on the Stockholm stock exchange, which was up down 0.9 percent overall.

RBI objects to payments regulator outside its control

REUTERS, Mumbai

The Reserve Bank of India (RBI) issued a rare public objection on Friday to a government-led panel's recommendation for payments systems to be overseen by a regulator that would be set up outside the central bank's control.

The panel proposed in August that a payments regulator should be established independent of the RBI, with a chairperson appointed by the government in consultation with the RBI. The proposal overruled the central bank's recommendation that its governor should be head of the payments regulator.

"There is no case of having a regulator for payment systems outside the RBI," the cenbank said in its four-page dissent note on Friday. "Regulation of the Payment System by the Central Bank is the dominant international model for stability consideration," it said. "The Payments Regulatory Board (PRB) must remain with the Reserve Bank and headed by the Governor, Reserve Bank of India."

The seven-member government panel was headed by Subhash Chandra Garg, a senior civil servant now serving as secretary in the Department of Economic Affairs.

The RBI quoted one of its executive directors, S Ganesh Kumar, who was the bank's only representative on the panel, as saying his arguments had been ignored.

A finance ministry spokesman, D S Malik, was not immediately reachable for comment on a public holiday.

The unexpected public dissent from the RBI comes at a time when the central bank has refused to relent on a directive forcing global payments companies to store data locally from Oct. 15.

Global payments companies such as Mastercard, Visa and American Express have lobbied with Indian policymakers including Finance Minister Arun Jaitley to extend the deadline to start storing data locally.

IMF reaches deal with Ukraine on new \$4b, 14-month loan

AFP, Washington

The International Monetary Fund announced Friday it had reached an agreement with Ukraine on economic policies that would unlock a new loan deal that will provide nearly \$4 billion.

The new 14-month stand-by loan deal replaces an existing four-year financial aid package agreed in March 2015 and due to expire in five months, the IMF said in a statement.

The agreement must be approved by the IMF board, which will come later in the year after authorities in Kiev approve a 2019 budget "consistent with IMF staff recommendations and an increase in household gas and heating tariffs," a step the government had agreed on but never implemented.

But the deal also stresses the need for "continuing to protect low-income households." Ukraine Prime Minister Volodymyr Groysman had been seeking the additional financing from the Washington-based lender to help his crisis-hit nation.

Groysman on Friday announced a gas price increase of 23.5 percent to take effect November 1.

He said the "incredible efforts" of Ukrainian negotiators managed to reach a compromise with the IMF and reduce the initial demand to raise prices by 60 percent.

"If we are not able to continue coopera-

tion with our international partners... this could lead to the country being put into default," he said.

Ukraine has not received any money from the IMF since April 2017, when the fund released \$1 billion for the cash-strapped country to repay loans. It had received less than \$9 billion of the original \$17.5 billion package.

Talks on economic reform measures that would satisfy IMF requirements and allow the release of further aid had been hung up for months, as the fund awaited the government's approval of a budget, pension reform and an anti-corruption court.

A gas price hike is a sensitive issue for the cash-strapped country as its pro-Western leadership faces presidential and parliamentary elections in 2019. The IMF said the new loan "will provide an anchor for the authorities' economic policies during 2019."

Building on progress under the previous financing package, the loan will "focus in particular on continuing with fiscal consolidation and reducing inflation, as well as reforms to strengthen tax administration, the financial sector and the energy sector," the IMF said.

An IMF lifeline helped the country to recover from crises sparked by a Russian-backed war in the separatist industrial east that began in April 2014 and has claimed more than 10,000 lives.



TRUST BANK

Faruq Mainuddin, CEO of Trust Bank, and Ahmed Jamal, deputy governor of Bangladesh Bank and project director of the Investment Promotion and Financing Facility II (IPFF II), exchange documents after signing an agreement recently on enlisting the former as a participating financial institution under the IPFF II, financed by the government and World Bank.



SHAHJALAL ISLAMI BANK

Anwer Hossain Khan, chairman of the executive committee of Shahjalal Islami Bank, opens the bank's 114th branch at Rajapur in Feni on Thursday. M Shahidul Islam, CEO, was present.