

Gold rises as global growth fears boost safer assets

REUTERS, Bengaluru

Gold rose on Monday, trading near last week's six-month high, as concerns about a possible US government shutdown and global growth weighed on the dollar and equity markets, boosting the appeal of assets viewed as safer, such as bullion.

Spot gold gained 0.5 percent to \$1,262.70 per ounce, as of 1306 GMT in thin trade ahead of the Christmas break. The metal hit its highest since late June at \$1,266.40 on Thursday. US gold futures were 0.6 percent higher at \$1,265.40 per ounce.

Global stocks were set for their seventh straight session of losses as fears over a US government shutdown, which could continue into January, weighed on risk sentiment at a time when the global economy is showing signs of faltering.

"There is growing confidence on gold in 2019," said ActivTrades chief analyst Carlo Alberto De Casa. "Gold is expected to play a key role in 2019 as a safe haven given the fears of further falls in stock markets and expecta-

tion for a more dovish US Federal Reserve."

Fed Chairman Jerome Powell said last week that policymakers would be "patient" in determining future rate hikes amid expectations the US economy will slow next year and inflation is likely to stay below the Fed's 2 percent target in 2019.

Fresh economic forecasts showed officials at the median now see only two more rate hikes next year compared with the three projected in September.

Lower interest rates reduce the opportunity cost of holding bullion and weigh on the dollar. The US unit was 0.2 lower against a basket of major currencies.

"Gold continues to look bullish as we enter into what is widely expected to be a tough year for both the dollar and wider equity markets," said Craig Erlam, an analyst at OANDA, adding that \$1,300 will be the next big test for the yellow metal. Gold, which is seen as safe investment during political and financial uncertainty, has risen about 9 percent from a 19-month low of \$1,159.96 in mid-August.

Bangladesh to import 50,000 tonnes of wheat for early 2019

REUTERS, Dhaka

Bangladesh's state grains buyer issued an international tender to import 50,000 tonnes of milling wheat, officials said yesterday, as it looks to secure supplies.

The deadline for offers is Jan. 8, and the wheat is to be shipped within 40 days of signing the deal, said the officials at the Directorate General of Food, the country's state grains purchasing agency.

Meanwhile, trading house Aston has secured a tender to supply 50,000 tonnes of wheat to Bangladesh after submitting the lowest offer of \$284.05 a tonne, including C&F liner out.

Bangladesh imported 5.8 million tonnes of wheat in the year to June 2017, making it one of the world's biggest importers of the grain.

The South Asian country has turned to the Black Sea region for wheat as supply from India has dwindled to meet growing demand there while the country's output has stagnated at around 1 million tonnes.

Bangladesh also buys smaller quantities of high-quality Australian and Canadian cargoes for blending.



ASM Feroz Alam, vice chairman of Mercantile Bank, opens the bank's 135th branch at Mathbaria in Pirojpur on Sunday.

Brent crude inches up

REUTERS, London

Oil prices edged up on Monday after evidence that a recent fall to 15-month lows may be affecting output in the United States, the world's largest producer, although concern about the outlook for demand tempered gains.

Brent crude futures LCOc1 were up 8 cents at \$53.90 a barrel by 1123 GMT, while US crude futures CLC1 eased by 5 cents to \$45.54.

Brent fell 11 percent last week and hit its lowest since September 2017, while US futures slid to their lowest since July 2017, bringing the decline in the two contracts to 35 percent so far this quarter.

The price drop has caused US shale oil producers to curtail drilling plans for next year.

The boom in shale output has made the United States the world's largest oil producer, overtaking Saudi Arabia and Russia.

Physical prices for Brent have also fallen in the last six weeks, driven by a drop in demand from Chinese refiners in particular, which has weighed on the value of barrels of anything from North Sea to Nigerian crude.

"The recent weakness in the physical Brent structure can be attributed to a broader easing

of purchases by Asian refiners at this point, with lower end-Q1 intake weighing on spot assessments, and we can expect this pressure to carry through over the coming weeks," consultancy JBC Energy said in a report.

Still, the macroeconomic picture and its impact on oil demand continue to pressure prices. Global equities .MIWD00000PUS have fallen nearly 9.5 percent so far in December, their biggest one-month slide since September 2011, when the euro zone debt crisis was unfolding.

The trade dispute between the United States and China and the prospect of a rapid rise in US interest rates have brought global stocks down from this year's record highs and ignited concern that oil demand will be insufficient to soak up any excess supply.

The Organization of the Petroleum Exporting Countries and allies led by Russia agreed this month to cut oil production by 1.2 million barrels per day from January.

China to remove some import, export tariffs including alternative feed meals

Should that fail to balance the market, OPEC and its allies will hold an extraordinary meeting, United Arab Emirates Energy Minister Suhail al-Mazrouei said on Sunday.



Tofail Ahmed, commerce minister, opens the 73rd branch of SBAC Bank in Bhola on Sunday. SM Amzad Hossain, chairman of SBAC Bank, and Md Golam Faruque, CEO, were present.

China's business confidence lowest since Q2 of 2017

REUTERS, Beijing

Business confidence among entrepreneurs in China worsened in the fourth quarter compared with the previous one, and was at the lowest since the second quarter of 2017, according to a survey by the People's Bank of China published on Monday.

The entrepreneurs' confidence index dropped to 67.8 percent in the fourth quarter, 3.4 percentage points lower than in the third quarter, the central bank survey showed.

A separate PBOC survey of urban households showed a decline in the number of respondents believing housing prices will continue to rise in the next quarter. It found that 27.4 percent expect a price increase, down from 33.7 percent in the survey done three months ago.

Brazilians' optimism over economy shoots up

AFP, Rio De Janeiro

Brazilians' optimism that their economy, Latin America's biggest, will soon improve has shot up dramatically, according to a poll released Sunday just over a week before a new far-right president, Jair Bolsonaro, takes office.

The Datafolha survey showed 65 percent of respondents believed the economy -- which is still limping after a record-busting recession that ended two years ago -- would be doing better within months.

That was a huge jump over the Brazilian polling firm's last survey in August, when only 23 percent thought an improvement was coming. The survey was released ahead of the January 1 inauguration of Bolsonaro.

The formerly obscure politician found electoral success in October on a pro-business agenda promising to cut Brazil's towering debt, usher in privatizations and back powerful

agricultural and mining interests over environmental concerns.

He also won voter support by railing against the leftwing Workers Party which ruled Brazil from boom to bust between 2003 and 2016, and which has been marred by multiple corruption scandals.

The Folha de Sao Paulo newspaper said the optimism rating was the highest recorded since Datafolha started polling on it in 1997. It added that while public optimism usually spiked before a new president took over, the sense of buoyancy ahead of Bolsonaro's presidency was higher than for his predecessors. Datafolha polled 2,077 people across the country on December 18 and 19 for the survey. The margin of error was two percentage points.

According to the survey, two-thirds of Brazilians believe their personal financial situation will improve in 2019 and nearly half reckon unemployment will decline.

Bolsonaro enjoys 75 percent popularity in Brazil, according to a survey published December 13 by another polling firm, IBOPE.

Analysts say that public backing could help Bolsonaro push economic reforms through Congress, where he is relying on ad-hoc alliances with deputies sharing his base's views.

Those lobbies are described as "Beef, Bible and Bullets," representing agribusiness, a burgeoning evangelical movement and pro-gun interests.

But analysts say expectations are so high for Bolsonaro's presidency that he could face a precipitous drop in public support if he stumbles politically.

The 63-year-old former army captain, an admirer of US President Donald Trump, is relying heavily on a free-market advocate, Paulo Guedes, to implement the reforms at the head of an economy ministry with sprawling powers.

India working towards a single sales tax rate

REUTERS, Mumbai

India is working towards a single national sales tax rate which could be a mid-point between 12 and 18 percent, Finance Minister Arun Jaitley said on Monday, in an effort to simplify the tax structure.

The government set the range for the Goods and Service Tax from 28 percent to 5 percent on most items when the signature reform was introduced last year.

"Multiple slabs were fixed transiently in order to ensure the tax of no commodity goes up radically. This contained the inflation impact," Jaitley wrote in his blog.

"A future road map could well be to work towards a single standard rate instead of two standard rates of 12 percent and 18 percent. It could be a rate at some mid-point between the two."

He also said the country should look towards having slabs of zero, five percent and a standard rate for luxury and sin goods (alcohol, drugs, cigarettes, etc.).

The government will also look at transferring cement into a lower tax slab as the next priority, he wrote.

Six eco-friendly power plants get go-ahead

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A consortium of ib vogt GmbH (Germany), Milner Vermögensverwaltungs GmbH (Germany) and Fu-Wang Bowling and Services Ltd (Bangladesh) will set up the power plant from which the government will purchase electricity at a rate of Tk 9.20 per kWh.

Another 20 MW solar power plant will be set up in the same upazila at a cost of Tk 557 crore to be implemented by Rahimafrooz-Shunfeng Consortium. The government will procure electricity from the consortium at Tk 8.60 per kWh.

Besides, the committee approved another 50 MW solar power plant at Dimla upazila in Nilphamari at a cost of Tk 1,452 crore. Seatec Solar ASA, Norway will set up the power plant and the government will purchase electricity from it at Tk 8.96 per kWh.

A 10 MW solar power plant will be set up at Moulvibazar district at a cost of Tk 285 crore.

Symbior Solar Siam & Holland Construction will implement the power plant. The government will purchase electricity at Tk 8.80 per kWh from the plant.

Besides, a 30 MW wind turbine power plant has been okayed by the cabinet to be set up at Muhurit Bandh of Sonagazi upazila in Feni district at a cost of Tk 933 crore.

The plant will be set up by a consortium of Bangwati Products Ltd (India) and Regen Powertech Private Ltd (India) and Siddhant Wind Energy Pvt Ltd.

The government will purchase electricity from the plant at a rate of Tk 8.88 per kWh.

Logistics, freight thrive on rising trade

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There was no guideline and policy regarding the industry and even government officials, exporters and importers had no basic idea on how to operate the industry, Mizan said.

"The industry faced a lot of hassles to run businesses but went on to achieve global standards. The entrepreneurs developed their business just using common sense as they had no orientation about logistics support or freight trading."

Since the annual export and import trade volume reached \$100 billion, the sector has a huge potential to improve.

The industry directly generated about 40,000 jobs in the last 30 years. "Still, there is a lack of skilled manpower," he said.

According to the Agility Emerging

Markets Logistics Index (AEMLI) 2018 of Kuwait-based Agility Global Integrated Logistics, Bangladesh recorded the third-highest improvement in the index score.

It made gains across all three facets of the index but the country's most notable gains were in the market size and growth and compatibility sub-indices.

The report also said Bangladesh showed the biggest improvement in infrastructure, having manufacturing ambitions beyond the apparel sector. The country wants to grow its pharmaceutical, steel, shipbuilding and food processing industries.

According to the AEMLI, Bangladesh is considered one of the 45 major emerging markets in the world.

Entrepreneurs provided support to exporters and importers including that on shipping, packaging and distributing, said Mahbubul Anam, president of the BAFFA and managing director of Cross Freight.

He put emphasis on the necessity of communication skills to run the industry and find business.

However, Mohammed Nasir, vice-president for finance at the Bangladesh Garment Manufacturers and Exporters Association, said the freight forwarding industry tried to create pressure on those availing the services as there was no policy or guideline.

The government should address the issue to maintain global standards for freight forwarding in the greater interest of the export market, he said.

"Of course, the sector is booming in line with the country's growing economy," he said.

Junk stocks rule market once again

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Meanwhile, DSEX, the benchmark index of the Dhaka Stock Exchange, rose 82.08 points, or 1.57 percent, in the last five days to close at 5,300.09.

Turnover, another important indicator of the market, went up 13.62 percent to Tk 357.41 crore during the period.

Pragati Insurance was the worst performer yesterday, shedding 5.41 percent. Khulna Power dominated the turnover chart with its transaction of 28.88 lakh shares worth Tk 18.07 crore, followed by Square Pharmaceuticals, Ifad Autos, Brac Bank and Bdcum Online.

Among the major sectors, non-bank financial institutions, banks, food, engineering and pharmaceuticals rose, while energy decreased, according to data from the IDLC Securities.

The top three positive index contributors were Beximco Pharma, BATBC and NCC Bank.

Of the traded issues, 177 advanced, 127 declined and 38 remained unchanged on the premier bourse.

Chittagong stocks also rose yesterday, with the bourse's benchmark index, CSCX, increasing 12.17 points, or 0.12 percent, to finish the day at 9,811.83.

Gainers beat losers as 109 advanced and 83 declined, while 38 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 68.92 lakh shares and mutual fund units worth Tk 32.47 crore.



Syed Faruque Ahmed, chairman of aamra technologies, presides over the company's 29th annual general meeting at Delta Life Conference Hall in Dhaka yesterday. The company approved 10 percent cash dividend for the year that ended on June 30, 2018. Syed Farhad Ahmed, CEO, was present.



Mohammad Badrul Hassan, chairman of BBS Cables, presides over the company's 10th annual general meeting on its factory premises in Gazipur on Sunday. The company approved 10 percent cash and 15 percent stock dividends for 2017-18. Abu Noman Howlader, managing director, was present.