BANK ASIA

Md Arfan Ali, president and managing director of Bank Asia, poses after inaugurating a daylong training on "Islamic Banking and Finance" for 64 officials and assistant relationship officers from the bank's consumer finance centre at the Bank Asia Institute for Training and Development in Dhaka recently.

Tesla drops cheapest Model X, S variants, cuts prices

REUTERS, *Beijing*

Tesla Inc has dropped the standard-range variants of its Model X and Model S from its product lineup and adjusted prices across its range, in a sales push that comes days after the US electric vehicle maker reported record deliveries.

To simplify its offerings, the automaker on Tuesday limited variants of its Model X sport-utility vehicle and Model S sedan to "Long Range" and the more expensive "Performance". It also trimmed the price of its now entry-level Long Range variants.

The discontinuation of the standard-range variants, however, means a rise in starting prices - to $84,990 for the Model X and $79,990 for the Model S, excluding potential buying incentives.

Tesla also lowered the starting price of its mass-market Model 3 to $38,990.

"To make purchasing our vehicles even simpler, we are standardizing our global vehicle lineup and streamlining the number of trim packages offered for Model S, Model X and Model 3," Tesla said in a statement. "We are also adjusting our pricing in order to continue to improve affordability for customers."

Earlier this month, Tesla said global deliveries of its three models in the second quarter of this year rose 51% from the previous quarter to a record 95,200 vehicles. The Model 3 accounted for about 80% of the total, underscoring the vehicle's role as the linchpin of Tesla's growth strategy.

The automaker said it expected production and deliveries to continue growing in Q3.

In China, the world's largest market for electric vehicles, Tesla's changes on Tuesday pushed the starting price of its Model X to 790,900 yuan ($115,068) and Model S to 776,900 yuan.

UK pay growth strongest since 2008, but jobs boom slows

REUTERS/FILE

Workers walk in the rain at the Canary Wharf business district in London.

REUTERS, *London*

British wages, excluding bonuses, rose at their fastest pace in nearly 11 years, official data showed on Tuesday, but there were potential signs of future weakness in jobs growth, the economy's silver lining since the Brexit referendum.

Core earnings rose by an annual 3.6 percent in the three months to May, the biggest increase since mid-2008 and stronger than the median forecast of 3.5 percent in a Reuters poll of economists.

Including bonuses, pay growth beat all forecasts in the poll, rising to 3.4 percent, the Office for National Statistics said, with a change in the timing of public health workers' pay rises accounting for a small part of the increase.

Many economists say the strength of Britain's labour market is at least in part due to employers hiring workers who they can later lay off if needed, rather than making longer-term investment commitments ahead of Brexit.

Unemployment held at its joint lowest rate since the three months to January 1975, forcing many employers to offer higher pay to their workers whose spending has helped the economy.

"However, the booming jobs market has inevitably shown signs of losing momentum in recent months," Tej Parikh, chief economist at the Institute of Directors.

"As more and more people have entered work, businesses have found it harder to fill vacancies, and skills shortages are now clearly evident across all sectors."

The pick-up in pay has been noted by the Bank of England which says it might need to raise interest rates in response, assuming Britain can avoid a no-deal Brexit.

The BoE said in May it expected wage growth of 3 percent at the end of this year.

Tuesday's data showed the number of people out of work fell by 51,000 to just under 1.3 million.

But the growth in employment slowed to 28,000, the weakest increase since the three months to August last year and below the forecast of an increase of 45,000 in the Reuters poll.

While there was a chunky rise in the number of self-employed workers, the number of employees fell by the most since 2011, and job vacancies dropped to their lowest in more than a year.

Some recently published surveys of companies have also suggested employers are turning more cautious about hiring as Britain approaches its new Brexit deadline of Oct. 31.

Both the contenders to be prime minister have said they would leave the EU without a transition deal if necessary, raising the prospect of a shock to the economy in just over three months' time.

A survey published last week showed that companies were more worried about Brexit than at any time since the June 2016 vote to leave the European Union and they planned to reduce investment and hiring.

WALTON

Mohammad Firoj Alam, a deputy executive director of Walton, hands over a cheque worth Tk 10 lakh to Zakir Hossain, winner of an ongoing campaign on refrigerators marking Eid-ul-Azha, in Chandpur recently.

Johnson & Johnson beats profit estimates on pharma strength

REUTERS

Johnson & Johnson hiked its full-year operational sales forecast as strong demand for its cancer drugs Darzalex and Imbruvica helped it beat estimates for second-quarter profit on Tuesday.

Overall strength in J&J's pharmaceuticals unit, bolstered by recent approvals for new treatments such as its cancer drug Erleada also helped drive its earnings beat.

Pharmaceutical sales rose 1.7 percent to $10.53 billion, above analysts' estimates of $10.27 billion, according to three analysts polled by Refinitiv.

The company raised its operational sales forecast for 2019 to $82.4 billion to $83.2 billion, from a prior range of $82 billion to $82.8 billion.

The diversified healthcare company, the first major US drugmaker to report second-quarter results, said net earnings rose to $5.61 billion, or $2.08 per share, from $3.95 billion, or $1.45 per share, a year earlier.

Excluding items, the company earned $2.58 per share, beating analysts' expectations for $2.46 per share, according to IBES data from Refinitiv.

The company reported a quarterly litigation expense of $409 million, down from $703 million a year earlier.

Sales fell 1.3 percent to $20.56 billion but came in ahead of estimates for $20.29 billion.

Huawei says it plans to invest $3.1b in Italy

AFP, *Milan*

Chinese tech giant Huawei said Monday it plans to invest $3.1 billion (2.75 billion euros) in Italy over three years, as the firm looks to strengthen its foothold in Europe after the US labelled it a major security risk.

Huawei -- a leader in next-generation 5G wireless technology -- is subject to US sanctions over concerns about its ties to the government in Beijing and Washington has urged allies to shun the firm.

Announcing the investment plan Huawei's managing director for Italy Thomas Miao said trade tensions between the US and China were not having an impact on Huawei's business in Italy for now.

"The (Italian) government has an open and transparent policy that will not be affected by the problems between the United States and China," he told a press conference in Milan.

"Over the next three years, we will invest $1.9 billion in Italy for the acquisition of supplies and $1.2 billion in operations and marketing, with $52 million in research and development," Miao added.

He said the plan would create 1,000 jobs directly as well as 2,000 subcontracted positions.

Huawei is barred from developing 5G networks in the United States and the administration of US President Donald Trump is trying to convince its allies to do the same.

Washington accuses Huawei of working directly with the Chinese government, a claim the company denies.

It has put Huawei on its so-called entity list, which meant American companies needed a license to supply US technology to the Chinese firm.

Monday's announcement in Italy followed reports in the Wall Street Journal that Huawei was planning to make major job cuts at its US operations.

"It is not important whether or not we have access to suppliers in the US, we will guarantee the supply to our partners on a continuous basis," Miao said.

Earlier this month Monaco became the first country in Europe to inaugurate a next-generation 5G mobile phone network based on technology from Huawei.

Huawei also won a slight reprieve last month when Trump said he would ease the punitive measures so long as the equipment sold to the Chinese company did not pose any risk to national security.

Beijing rebuffs Trump claims over economic slowdown

AFP, *Beijing*

China on Tuesday rejected claims from US President Donald Trump that it is being forced to make a trade deal because of its slowing economy, as the two sides prepare for more talks.

Beijing and Washington have been locked in a stormy trade war that has seen them hit each other with tariffs covering more than $360 billion in two-way trade.

On Monday, China published data showing its quarterly growth had slipped to 6.2 percent -- the slowest in nearly 30 years.

After the publication of the trade figures, Trump tweeted: "This is why China wants to make a deal... with the U.S., and wishes it had not broken the original deal in the first place."

But Beijing has rejected the comments.

"It's completely misleading to say, as the US side does, that because of its economic slowdown, China is eager to reach an agreement," said foreign ministry spokesman Geng Shuang.

"I would like to once again call on the US to work together with China, to meet halfway, and to strive for a mutually beneficial and win-win agreement, on the basis of mutual respect and equality."

US President Donald Trump

US Treasury Secretary Steven Mnuchin said Monday that top American and Chinese trade negotiators are due to speak by telephone "this week", the second such call in two weeks.

Mnuchin and US Trade Representative Robert Lighthizer had a phone conversation last week with China's Vice Premier Liu He and Commerce Minister Zhong Shan.

Geng said that an economic agreement was in the interest of both sides, and "by no means a unilateral request of the Chinese side".

Trump and Chinese President Xi Jinping last month agreed to resume trade talks after discussions collapsed in early May when the American side accused Beijing of reneging on key commitments.

But no face-to-face talks have yet been scheduled.

Md Abdul Halim Chowdhury, CEO of Pubali Bank; Mohammad Ali, deputy managing director, and Maj (retd) AKM Mahbubul Hoque, CEO of BRB Hospitals, attend a deal signing ceremony at the bank's head office in Dhaka yesterday facilitating up to 20 percent in healthcare discounts for the bank's cardholders and employees.

PUBALI BANK

ECB should not rely much on markets for inflation expectations: policymaker

REUTERS, *Paris*

Central banks should not only be independent from political pressures but also from short-term pressures such as financial markets' perceptions of inflation, ECB policymaker Francois Villeroy de Galhau said on Tuesday.

Global central banks are facing increased calls from politicians on both sides of the Atlantic to conduct easy monetary policies that suit their agendas.

Meanwhile, bond yields have dropped recently in the face of weak economic data, putting pressure on central banks to carry out drastic new monetary stimulus to keep inflation expectations from collapsing.

"We take account of market indications, but we must not be market dependent; this includes not relying too exclusively for inflation expectations on market-based measures," Villeroy told a conference at the French central bank, of which he is also governor.

"We are data dependent and I say this in particular for the ECB: in our coming Governing Council meetings, we will assess actual economic data and we will act accordingly if and when needed," Villeroy added.

A key gauge of financial markets' long-term expectations for inflation in the euro zone recently fell to as low as 1.1 percent.

Although it has since edged up to 1.3 percent, that is not only well below the ECB's inflation target of close to 2 percent, but also less than where the gauge stood when the central bank launched its bond-buying program in 2015.