



Akkas Uddin Mollah, chairman of Shahjalal Islami Bank, presides over the bank's 18th annual general meeting at Raowa Convention Hall in Dhaka yesterday. The bank approved 10 percent stock dividend for 2018. M Shahidul Islam, CEO, was present.

## Samsung's delayed Galaxy Fold now ready for September launch

REUTERS, Seoul

Samsung Electronics Co Ltd's first foldable smartphone, the Galaxy Fold, will go on sale from September in selected markets after the launch was delayed by screen problems earlier this year, the company said on Thursday.

Samsung is hoping its highly anticipated foldable phone will revive flagging smartphone sales but its rollout has been hampered by defects in samples reported in April, when it was originally due to hit the US market.

The delays cost the South Korean tech giant sales that could have

provided a decent bump in revenue during the slow summer season.

Samsung said in a statement it had made improvements to the nearly \$2,000 phone and was conducting final tests. Changes included strengthening hinges which early reviewers had found to be problematic. Analysts said headlines about glitches with sample Folds would dampen consumer excitement around the launch.

"Consumer confidence in Galaxy Fold has significantly deteriorated. If Samsung manages to sell 300,000 devices this year, that can be a decent performance given the delay," said

Kim Young-woo, an analyst at SK Securities.

Samsung said earlier that it planned to make at least 1 million Fold handsets in the first year, versus the total 300 million phones it produces annually on average.

The world's top smartphone maker has hailed the folding design as the future in a segment that has seen few surprises since Apple Inc's groundbreaking iPhone was released in 2007.

Chinese rival Huawei Technology Co Ltd has also announced a folding handset, the Mate X, which is expected to go on sale in September.

# Fed to cut rates this month for first time in a decade

REUTERS

A quarter-point Federal Reserve interest rate cut in July is almost a done deal, according to economists in a Reuters poll, who expect another later in the year amid rising economic risks from the ongoing US-China trade war.

Expectations in the July 16-24 poll for the first rate cut in more than a decade have firmed this month after several Fed members have strongly hinted policy easing is coming soon, pushing US stocks to new record highs.

While that lines up with most major central banks, which have turned dovish in recent months, the latest poll shows economists, like financial markets, have settled on a 25 basis point cut in the federal funds rate to 2.00-2.25 percent rather than a half-point reduction.

Over 95 percent of 111 economists now predict a 25 basis point cut at the July 30-31 meeting. Only two economists polled expected a 50 basis point reduction and a further two said the Fed would hold steady.

"The biggest reason for the Fed to cut rates is because it has been priced into the markets for a while now. If they didn't follow through and cut, it would cause a bit of a shock," said Andrew Hunter, senior US economist at Capital Economics.

"I think the recent general message from the Fed seems to be that it's more about downside risks to growth rather than the economy being already weak."

Indeed, while some forward-looking indicators on activity in the US economy have dipped, the

unemployment rate is the lowest in 50 years and Wall Street is at a record high - not normally the environment for a change in the interest rate cycle.

Fed rate expectations have taken a U-turn this year, going to a holding pattern earlier in the year from a steady tightening path expected beforehand to a series of cuts. Indeed, just a month ago, the US central bank was still forecast to keep policy on hold for now and ease next year.

But since then, concerns about the impact from the trade war on

noted economists at Goldman Sachs.

"By contrast, market-implied odds are consistent with a turn in the cycle, which we do not foresee in the near-term."

The US economy likely lost momentum last quarter and is now forecast to have expanded at an annualized pace of 1.8 percent in the April-June period, down from 3.1 percent reported for the first quarter, according to the poll. Growth is expected to hover around that rate in each quarter through to end-2020.

September.

But interest rate futures are pricing in three rate cuts this year - in July, September and December.

Beyond this year, the US central bank is forecast to keep policy on hold until 2021, the poll showed.

"We don't think this is the start of a full-on easing cycle; rather, these cuts are about providing a bit more accommodation to offset trade headwinds," said Josh Nye, a senior economist at RBC.

"Fifty basis points of easing would fall short of what markets are currently pricing in over the next year, but should be enough to placate investors that are concerned monetary policy has become a bit too restrictive."

The Fed's preferred measure of inflation - the change in the core personal consumption expenditures price index - has remained below the 2 percent target since the start of 2019 and is not expected shoot significantly higher anytime soon.

With the economy still growing and inflation on an even keel, there was a clear gap between what the economists say the Fed is likely to do and what they recommend.

Asked what the Fed should do at this month's meeting, nearly two-thirds of over 75 respondents said cut rates by 25 basis points. Five said policymakers should cut by 50, while the remaining - over 25 percent of economists - said they should do nothing.

"The issues that are affecting the US economy right now and the inflation environment won't be helped by lower rates," said Thomas Simons, senior economist at Jefferies.



A man rides a bike in front of the Federal Reserve building on Constitution Avenue in Washington.

already-slowing growth as well as weak inflation pressure have got policymakers increasingly concerned.

"Our reasoning for policy easing - slowing growth against a backdrop of subdued inflation and elevated uncertainty - is consistent with the Fed's reasoning for insurance cuts,"

More than 75 percent of common contributors from last month either downgraded their growth outlook or kept it unchanged.

The latest consensus points to another rate cut in the final quarter and nearly 40 percent of respondents predicted a follow-up cut was likely to come as early as



Abul Kalam Azad, principal coordinator for SDGs at Prime Minister's Office; Paban Chowdhury, executive chairman of Bangladesh Economic Zones Authority; Aziz Al Kaiser, chairman of City Bank, and Mashrur Arefin, CEO of City Bank, attend a deal signing ceremony at the bank's head office in Dhaka yesterday. The bank will provide financial support for planting greenery at Bangabandhu Sheikh Mujib Shilpa Nagar in Mirsarai and Feni and the Sonadia Eco-Tourism Park in Cox's Bazar.



Md Humayun Kabir, an executive director of Walton, hands over Tk 10 lakh to Nazmul Hasan, who was adjudged a winner of the company's ongoing digital campaign centring Eid-ul-Azha after purchasing a Walton-branded refrigerator, at an event in Cumilla on Wednesday.



Md Afran Ali, president and managing director of Bank Asia; SM Iqbal Hossain, head of international business and export finance department, and Ikram Farazy, chairman of NEC Money Transfer Ltd, a European money transfer company, attend a deal signing ceremony at the bank's corporate office in Dhaka on Wednesday for remittance collection and payment.

## Big Tech antitrust review: tough policy or publicity stunt?

AFP, Washington

The antitrust review of Big Tech announced by US regulators could signal a tough new stand on competition policy, but it may just be a political publicity stunt.

Legal experts said any antitrust enforcement action against technology giants remains far off, and that a breakup of any of the Silicon Valley titans is a remote possibility.

The review announced by the Justice Department on Tuesday for major online platforms amounts to gathering information for antitrust enforcers, which could lead to a long and painstaking investigation of individual companies which may need to go before a federal court.

"I wouldn't expect any of the recent news to ripen into meaningful antitrust enforcement," said Christopher Sagers, a professor of antitrust law at Cleveland-Marshall College of Law.

"I think it's possible that this is entirely grandstanding and that

there isn't even a serious intent to do anything." Sagers noted that antitrust enforcers under President Donald Trump who have been wildly inconsistent on policy decisions would need to make a strong case before "a very skeptical" federal judiciary.

"It's a very, very conservative antitrust regime that doesn't believe in monopolization enforcement, and it is just talking the talk because it gets headlines and suits the popular political mood."

Avery Gardiner, a former antitrust trial attorney with the Justice Department who is now a senior fellow at the Center for Democracy & Technology, said the announcement of a review of the sector without a specific target was "very unusual."

Gardiner said this type of information gathering is routine for antitrust enforcers.

"The fact that they made it public is an indication they are feeling some political pressure," Gardiner said.

"They wanted to make clear to the

Hill and to the public that they are doing their job," she said, adding that the news may be viewed as an act of "transparency."

The antitrust division is reviewing "whether and how market-leading online platforms have achieved market power and are engaging in practices that have reduced competition, stifled innovation, or otherwise harmed consumers," the Justice Department said in a statement.

The news comes after lawmakers and activists raised concerns about the growing dominance of online giants such as Google, Facebook and Amazon in key segments of the digital economy.

Once seen as the darlings of Washington, Silicon Valley firms have become targets for politicians of all stripes. US regulators this week imposed a record \$5 billion fine on Facebook for lapses in privacy and data protection, including the leaking of private data for political consultancy Cambridge Analytica.

## Unilever's Q2 sales slip as wet weather hits Europe

REUTERS

Consumer goods giant Unilever Plc reported slightly weaker-than-expected quarterly underlying sales growth on Thursday, hit by wet weather in Europe and moderating growth in India, but kept its full-year sales target intact.

The company said it continues to expect full-year underlying sales growth to be in the lower half of its multi-year 3 percent to 5 percent target range and operating margin to reach 20 percent in 2020.

Unilever's shares were down 1.1 percent in morning trade, compared to the broader FTSE 100 index, which was flat.

The maker of Dove soap and Ben & Jerry's ice cream said underlying sales rose 3.5 percent in the second quarter, but that missed analysts' average forecasts for a 3.7 percent rise, according to a company-supplied consensus.

Wet weather in Europe dampened ice-cream sales following two straight seasons of hot summers, while growth in India slowed again as a late monsoon season and lower food inflation weakened rural demand.

"It seems a bit ironic with (Europe) being at super record temperatures right

now, but in the quarter we are reporting, it was quite negative," Unilever's chief financial officer said on an earnings call with media.

Average rainfall across 12 European cities was three times higher in April and May than the prior year, while average hours of sunshine were down between 9 percent and 25 percent in the same two months, a Jefferies analysis showed.

Ice cream makes up 13 percent of Unilever's group sales and about 20 percent of its European sales annually. In the second quarter that rises to 30 percent or about 1 billion pounds (\$1.25 billion) in sales, Jefferies analyst Martin Deboo said in a pre-earnings note.

Growth mainly came from emerging markets, where the company continued to win volume share in places like Indonesia and the Philippines, even though sales in India decelerated to 7 percent in the second quarter from 9 percent in the previous three months.

Underlying sales in emerging markets rose 7.4 percent in the quarter, while they fell 1.6 percent in developed markets. Emerging markets contribute 60 percent to Unilever's overall sales.

Turnover inched lower to 13.7 billion euros (\$15.25 billion).

## Restudy issuing overseas sovereign bond

India PM's office tells finance ministry

REUTERS, New Delhi

The Indian Prime Minister's Office wants the finance ministry to reassess the idea of issuing foreign currency overseas sovereign bonds, two sources knowledgeable about the development said on Thursday.

The PMO has asked the finance ministry to seek wider consultation from stakeholders before proceeding with any plans, said the sources, who asked to be anonymous as they were not authorised to talk with the media.

Finance Minister Nirmala Sitharaman had said in her budget speech that India would look to issue overseas foreign currency sovereign bonds for up to \$10 billion.



Towhid Samad, chairman of Bangladesh General Insurance Company Ltd, presides over the company's 34th annual general meeting at Dhaka Ladies Club yesterday. The company approved 10 percent cash dividend on enhanced capital of approximately Tk 54.03 crore for 2018. Ahmed Saifuddin Chowdhury, CEO, was present.