

Fed cuts key interest rate to 'insure' against global uncertainties

AFP, Washington

The US Federal Reserve, under intense pressure from President Donald Trump to stimulate the economy, on Wednesday cut the benchmark interest rate for the first time in more than a decade but struggled to justify the move or explain where it goes next.

The move to ease the cost of borrowing was well telegraphed and meant to inoculate against global risks washing onto American shores, but financial markets were whipsawed by confusion over whether another cut would be coming.

Fed Chair Jerome Powell told reporters the remains confident in the US economy and sees no sectors ready to go "bust." But he said the Fed decided on a 25-basis-point cut in the rate to "insure against downside risks from weak global growth and trade policy uncertainty, to help offset the effects these factors are having on the economy."

However, Trump -- who had been loudly calling for a rate cut -- wasted no time in attacking on Twitter, saying the move fell far short of the "aggressive rate-cutting cycle" he wanted.

The target for the federal funds rate was lowered to 2.0-2.25 percent and the central bank again vowed to "act as appropriate to sustain the expansion." It was a quick turnaround for the Fed, coming after four rate increases last year -- the last one in December.

But Powell tried to paint it as part of a continuum, with central bankers shifting their policy stance as economic data changed over the course of the year,

especially trade tensions, which nearly "boiled over" last month but have now returned "to a simmer." Wall Street plunged after Powell said the Fed was not on the threshold of a "lengthy cutting cycle," with the Dow Jones Industrial Average at one point losing nearly 500 points.

Powell later clarified, saying that neither was he ruling out another rate cut, and the Dow pared losses to close down a little over 300 points or 1.2 percent.

"Let me be clear. I said it's not the beginning of a long series of rate cuts. I didn't say it's just one or anything like that," Powell said.

It was another example of the Fed's communication woes as it is buffeted by conflicting economic signals and constant verbal attacks.

Nor is the Fed's policy-setting Federal Open Market Committee presenting a unified front: Esther George, head of the Kansas City Federal Reserve bank, and Eric Rosengren, of Boston, dissented in the 8-2 vote, preferring to leave rates unchanged.

The Fed also gave Trump something else he has demanded in his unrelenting attacks: an early end to a policy known as "quantitative tightening" or QT.

Beginning August 1 -- two months ahead of schedule -- the Fed will stop reducing the huge amount of securities it built up during the global financial crisis.

"Tuning out political pressure - Trump's aggressive trade policies, and his conflict with China in particular, have thrown a wrench into the world economy and complicated the Fed's carefully laid plans.

China says it began purchasing more US farm goods

AFP, Beijing

China said Thursday that it had begun purchasing more US farm goods, addressing a key sticking point in efforts to resolve a drawn-out trade war between the two economic giants.

US farm exports to China are estimated to be the lowest in years

as a result of Beijing's retaliation against President Donald Trump's tariffs on \$250 billion of Chinese goods.

Trump said this week that China was supposed to start buying more American agricultural goods but had shown "no signs that they are doing so". Chinese enterprises started

approaching US suppliers in mid-July to discuss buying new agricultural goods including soybeans, cotton, pork and sorghum, commerce ministry spokesman Gao Feng told reporters Thursday.

His comments came a day after Chinese and US trade negotiators in Shanghai wrapped up their first

face-to-face talks since Trump and Chinese President Xi Jinping agreed to a truce in June.

Companies "have already purchased some agricultural products", Gao added, noting the companies had applied for exemptions to punitive tariffs China has slapped on US farm goods.



Syed Manzur Elahi, chairman of Apex Footwear; Syed Nasim Manzur, managing director, and Anis A Khan, CEO of Mutual Trust Bank, attend a deal signing ceremony at the bank's corporate head office in Dhaka recently. The two entities launched an exclusive MTB-Apex Rewards Visa Platinum credit card for the footwear maker's "Rewards Gold" members.



Syed Mahbubur Rahman, CEO of Dhaka Bank, and Nurul Aktar, a director of Energypac Group, exchange the signed documents of a deal at the bank's corporate office in Dhaka recently facilitating payroll services.



MA Mannan, planning minister; M Mosharraf Hossain, a member of the Insurance Development and Regulatory Authority, and Farzanah Chowdhury, CEO of Green Delta Insurance Company Ltd (GDIC), attend a discussion on insurance industry's expectations and attainments in the budget 2019-2020 jointly organised by Professional Advancement Bangladesh, a subsidiary of the GDIC, and the Financial Express in Dhaka on Wednesday.



Kosuke Yoshida, director of Kawasaki Bangladesh, and Safat Ishtiaq, operations manager, attend the launch of sport motorcycles Kawasaki Ninja 125 and Kawasaki Z125 at a hotel in Dhaka on Wednesday.

United Power Generation & Distribution Company Ltd.		A concern of	
Gulshan Center Point, House # 23-26, Road # 90, Gulshan-2, Dhaka-1212, Bangladesh Tel: +88 02 55052000 (10 Lines), 55051828 (5Lines), 9666700900 Fax: 55051826, 55051827 E-mail: info.power@united.com.bd, http://www.unitedpowerbd.com		UNITE GROUP	
Consolidated Financial Statements for the year ended on 30 June 2019			
Dear Valued Shareholders			
Board of Directors of United Power Generation and Distribution Company Limited (UPGDCL) in its 90th meeting held on 01 August 2019 (Thursday) at 3.30 p.m. at the Corporate Office, Gulshan Centre Point, House # 23-26, Road # 90, Gulshan-2, Dhaka, has approved the "Consolidated Financial Statements" for the year ended on 30 June 2019 and disclosed the following information pertaining to the yearly financial performance of the Company as at / for the year ended on 30 June 2019.			
Financial performance		Result for the 12 months	
		July 2018 to June 2019	July 2017 to June 2018
		Consolidated	Separate
Earning per Share (EPS)-Tk.		16.08	10.03
Net operating Cash flows per share (NOCFPS)-Tk.		16.14	9.75
Financial position		30 June 2019	
		Consolidated	Separate
Net Assets Value (NAV) per share-Tk.		62.80	36.53
Consolidated Statement of Financial Position as at 30 June 2019			
		Figures in BDT	
		30 June 2019	30 June 2018
		Consolidated	Separate
Assets			
Property, plant and equipment	20,242,083,449	8,272,063,545	-
Prepaid Lease rent	199,341,333	-	-
Investment in Subsidiary	-	297,000	-
Total Non-current assets	20,441,424,782	8,272,360,545	-
Current assets			
Inventories	1,096,323,223	493,397,340	-
Trade receivables	2,769,811,250	1,188,525,257	-
Receivable from related party	14,060,279,622	6,536,945,438	-
Advance, deposits and prepayments	238,254,531	72,495,919	-
Investment in marketable securities	126,872,487	126,872,487	-
Cash and cash equivalent	3,299,042,119	1,009,871,492	-
Total Current assets	21,590,583,232	9,428,107,933	-
Total assets	42,032,008,014	17,700,468,478	-
Shareholders' Equity			
Share capital	4,790,870,000	4,790,870,000	-
Share premium	2,046,000,000	2,046,000,000	-
Retained earnings	22,733,009,318	10,664,437,760	-
Equity attributable to the owners of the company	29,569,879,318	17,501,307,760	-
Non controlling interest	517,858,429	-	-
Total Shareholders' Equity	30,087,737,747	17,501,307,760	-
Liabilities			
Long term loan	7,061,776,681	-	-
Security Money Received	700,000	700,000	-
Non-current liabilities	7,062,476,681	700,000	-
Current liabilities			
Trade and other payables	298,387,983	149,469,587	-
Accrued expenses	66,930,430	22,867,066	-
Long Term Loan- Current Portion	1,071,451,367	-	-
Payable to related party	3,260,873,260	26,124,065	-
Provision for taxation	184,150,546	-	-
Total Current liabilities	4,881,793,586	198,460,718	-
Total Equity and Liabilities	42,032,008,014	17,700,468,478	-
Net Assets Value (NAV) per share-Tk.	62.80	36.53	34.00
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019			
		Figures in BDT	
		July 2018 to June 2019	July 2017 to June 2018
		Consolidated	Separate
Revenue	11,253,361,366	6,473,676,521	6,144,608,026
Cost of sales	(4,132,336,855)	(2,192,598,086)	(1,925,890,090)
Gross profit	7,121,024,511	4,281,078,435	4,218,717,936
General and administrative expenses	(99,346,659)	(56,416,580)	(55,366,720)
Other operating income	810,969,524	16,722,639	(6,047,914)
Operating profit	7,832,647,376	4,241,384,494	4,157,303,302
Finance income	627,870,566	562,287,129	439,025,118
Foreign exchange gain/(loss)	(84,026,708)	6,903	34,134
Finance costs	(495,422,540)	-	-
Profit before tax	7,881,068,694	4,803,678,526	4,596,362,554
Income Tax expenses	(26,040,669)	-	-
Profit after tax	7,855,028,025	4,803,678,526	4,596,362,554
Other comprehensive income	-	-	-
Total comprehensive income	7,855,028,025	4,803,678,526	4,596,362,554
Total Comprehensive Income attributable to:			
Owners of the Company	7,704,616,834	-	-
Non-controlling Interest	150,411,191	-	-
Total Comprehensive Income	7,855,028,025	-	-
Earning per Share (EPS)-Tk.	16.08	10.03	9.59
Consolidated Statement of Changes in Equity for the year ended 30 June 2019			
		Figures in BDT	
		Attributable to owners of the company	
		Share Capital	Share Premium
		Retained Earnings	Minority Interest
		Total Equity	
Balance as at 1 July 2018	3,992,391,670	2,046,000,000	10,252,390,068
Net profit for the year	-	-	7,704,616,834
Discount on acquisition	-	-	9,167,633,251
Cash dividend paid during the year	-	-	(3,593,152,504)
Bonus issued during the year	798,478,330	-	(798,478,330)
Equity capital of non-controlling interest	-	-	367,447,238
Balance as at 30 June 2019	4,790,870,000	2,046,000,000	22,733,009,318
Statement of Changes in Equity for the year ended 30 June 2019			
		Share Capital	Share Premium
		Retained Earnings	Total Equity
Balance at 1 July 2018	3,992,391,670	2,046,000,000	10,252,390,068
Profit for the year	-	-	4,803,678,526
Cash dividend for the year 2017-18	-	-	(3,593,152,503)
Stock dividend for the year 2017-18	798,478,330	-	(798,478,330)
Balance at 30 June 2019	4,790,870,000	2,046,000,000	10,664,437,760
Balance as at 1st July 2017	3,629,446,980	2,046,000,000	9,285,474,486
Issued During the year	362,944,690	-	(362,944,690)
Cash dividend for the year 2016-17	-	-	(3,266,502,282)
Net Profit for the year	-	-	4,596,362,554
Balance at 30 June 2018	3,992,391,670	2,046,000,000	10,252,390,068
Consolidated Statement of Cash Flows for the for the year ended 30 June 2019			
		Figures in BDT	
		July 2018 to June 2019	July 2017 to June 2018
		Consolidated	Separate
Cash flows from operating activities			
Cash received from customers	10,726,402,773	6,238,532,640	-
Cash received from other sources	91,077,602	19,905,114	-
Cash paid to suppliers and others	(2,581,654,909)	(1,586,924,029)	-
Tax paid	(8,243,632)	(48,000)	-
Financial expenses paid	(495,422,540)	-	-
Net cash flow from operating activities	7,732,159,293	4,671,465,725	-
Cash flows from investing activities			
Acquisition of property, plant and equipment	(85,563,936)	(81,694,308)	-
Investment in subsidiary company	(297,000)	(297,000)	-
Sale proceeds of Subsidiary Company	60,842,895,809	-	-
Cash received/(paid) for related party loan	(1,229,090,959)	(1,229,090,959)	-
Investment in marketable securities	(37,699,999)	(37,699,999)	-
Net cash used in investing activities	59,490,243,916	(1,348,782,266)	-
Cash flows from financing activities			
Dividend paid	(357,911,041)	(3,591,693,614)	-
Cash received/(paid) for related party loan	(64,804,578,425)	-	-
Long term loan paid	(1,058,364,134)	-	-
Net cash used in financing activities	(66,220,853,600)	(3,591,693,614)	-
Net (decrease)/increase in cash and cash equivalents	1,001,549,609	(269,010,155)	-
Cash and cash equivalents at 1 July	2,297,488,160	1,278,881,647	-
Effect of movements in exchange rates on cash held	4,350	-	-
Cash and cash equivalents at 30 June	3,299,042,119	1,009,871,492	-
Net operating Cash flows per share (NOCFPS)-Tk.	16.14	9.75	9.00
Date: 01 August 2019			
By order of the board Sd/- (B. H. Khan FCA) Company Secretary			