



Zainul Haque Sikder, chairman of National Bank, presides over the bank's 36th annual general meeting at the Radisson hotel in Dhaka on Thursday. The bank approved 10 percent stock dividend for 2018. Choudhury Moshtaq Ahmed, managing director, was present.

## Global economic uncertainty threatens oil demand: IEA

AFP, Paris

Concerns over the health of the global economy, marked by the US-China trade dispute, forced the International Energy Agency on Friday to lower its growth forecast for oil demand for 2019 and 2020.

"There have been concerns about the health of the global economy expressed in recent editions of this report and shown by reduced expectations for oil demand growth," the Paris-based agency said in its monthly report.

"Now, the situation is becoming even more uncertain: the US-China trade dispute remains unresolved and in September new tariffs are due to be imposed." "Tension between the two

has increased further this week, reflected in heavy falls for stock and commodity markets. Oil prices have been caught up in the retreat." It also noted the International Monetary Fund's recent downgrading of its economic outlook.

The IEA thus revised downwards its estimates for growth in global oil demand for this year by 0.1 million barrels per day to 1.1 mbd.

For 2020, growth was also predicted to be slightly down, by 50,000 barrels per day to 1.3 mbd.

It warned "the outlook is fragile with a greater likelihood of a downward revision than an upward one", and noted growth was already "sluggish" in the first half of the year.

However, it noted that the market

balance has been tightened slightly in the short-term by a reduction in supply from OPEC countries.

The IEA also said it was closely monitoring oil security in the Gulf, where OPEC member Iran last week seized the third foreign tanker in less than a month as part of a bitter dispute with the United States.

It said that geopolitical tensions in the Gulf "remain high, with US sanctions recently extended to more Iranian officials and a Chinese oil importer, as well as another tanker seizure".

But the agency noted that Brent oil prices have eased back from the most recent high of \$67/bbl, and shipping operations are at normal levels, albeit with higher insurance costs.

## Investors look for consumer pressure ahead of next tariffs

REUTERS

As President Donald Trump prepares to slap new tariffs on Chinese imports, investors are bracing for signs of pressure on US consumers as top retailers begin reporting quarterly results next week and key consumer sentiment and retail sales data is released.

Investors and analysts are anxious about the impact of Trump's planned 10 percent tariff on the remaining \$300 billion in Chinese imports, which will largely affect consumer goods, unlike the previous round that fell heavily on industrial and business products. That could be a double-whammy for the US economy, which is about 70 percent driven by consumers, and retailers.

Mona Mahajan, US investment strategist at Allianz Global Investors in New York, is among analysts focusing on the fallout from the tariffs, noting that the planned new round will "disproportionately" impact consumer goods.

"We'll be watching the data particularly around retail sales and consumer confidence," Mahajan said. "We'll continue to monitor the softening in manufacturing and inflation as well, but more important for the US economic picture is the consumer right now."

July retail sales data is due out on Thursday. Excluding autos, sales are expected to have grown 0.3 percent compared with 0.4 percent in June, according to a Reuters poll. On

Friday, The University of Michigan's preliminary August reading of consumer sentiment is expected to show a slip to 97.7 from 98.4 in July.

The S&P Retail index fell a total of 5.3 percent in the first three trading sessions following Trump's Aug. 1 tariff announcement. As of Thursday's market close, the



A woman shops at a Walmart in Westbury, New York

index was down 1.6 percent for the month so far.

UBS analyst Jay Sole said fears that the tariffs could eventually increase to 25 percent were also an overhang for stocks. Morgan Stanley has estimated that 25 percent tariffs would lead to a global recession.

Retailers will have the dilemma of deciding whether to pass the

tariffs on to consumers in the form of higher prices or absorb the higher costs, which would reduce profit margins.

"If you're in a competitive environment you're going to take some action to keep your customers," said Charles East, an equity analyst covering consumer companies at

UBS's Sole will look for comments in earnings calls and statements on how retailers and footwear companies plan to handle the tariffs. "It's a big deal. Our assumption is that there will be an attempt to raise prices on the goods," Sole said.

"We think consumers are going to resist those price increases," he added, citing a UBS survey of 7,660 consumers in July that showed 77 percent of respondents were worried the China trade war would cause prices to rise.

Retailers reporting next week include Macy's Inc, Walmart Inc and Tapestry Inc, whose brands include Coach, Kate Spade and Stuart Weitzman. The following week Kohls Corp, Target and Nordstrom Inc will all report.

The S&P Consumer Discretionary index, which includes big retailers, is expected to report a 1.2 percent increase in second-quarter earnings, according to IBES data from Refinitiv.

But estimates for the rest of the year have been falling. Wall Street now expects third-quarter earnings growth of 1.8 percent compared with a 6.8 percent expectation on July 1 while the fourth-quarter estimate has fallen to 6.5 percent from 9.8 percent.

Mitigating factors for consumer companies include a strong labor market, low inflation, declining interest rates and low gas prices, according to David Joy, chief market strategist at Ameriprise

Financial in Boston.

## Gold gains as trade concerns weigh on global markets

REUTERS, New York

Signs of further escalation of the US-China trade war and weak UK economic data weighed on global markets on Friday, capping a volatile week that has pushed gold to its highest level in six years.

Safe havens like the Japanese yen gained after a report that Washington was delaying a decision about allowing some trade between US companies and China's Huawei Technologies Co Ltd again spooked Asian markets. The prospect of snap elections in Italy brought down shares across Europe, while London's FTSE 100 index and the pound sank after Britain reported its economy shrank in the second quarter, the first contraction in seven years.

"It has been a very volatile week," said

Elwin de Groot, Rabobank's head of macro strategy.

"Until recently, the markets' view was that this trade war will be resolved, but clearly now the thinking is that maybe this is not the case and it could be accelerating from here," he said.

MSCI's gauge of stocks across the globe shed 0.53 percent.

On Wall Street, the Dow Jones Industrial Average fell 90.75 points, or 0.34 percent, to 26,287.44, the S&P 500 lost 19.42 points, or 0.66 percent, to 2,918.67 and the Nasdaq Composite dropped 80.02 points, or 1 percent, to 7,959.14.

Stock losses accelerated after US President Donald Trump said he was "not ready" to make a deal with China and that the United States would continue to refrain from doing business with Huawei.



Traders work on the floor at the New York Stock Exchange in New York on August 9.

## Huawei unveils Harmony operating system, won't ditch Android for smartphones

REUTERS, Dongguan, China/Hong Kong

Huawei Technologies unveiled on Friday its proprietary operating system for smartphones and other devices, as US trade restrictions imposed in May threaten to cut the Chinese firm's access to US technologies such as Android.

Huawei said that for now it would stick to using Google's Android for smartphones, and the new software will be gradually rolled out to support devices such as smartwatches, speakers and virtual reality gadgets.

The new OS is part of Huawei's attempt to develop its own technologies from chips to software to reduce its reliance on US firms amid an intensifying US-China trade war.

President Donald Trump said on Friday that the United States was not going to do business with Huawei but that could change if there was a trade deal.

Huawei had previously given little information about the software, fueling speculation about how quickly or effectively it could find an alternative to the Android system.

"Harmony OS is completely

different from Android and iOS," said Richard Yu, head of Huawei's consumer business group referring to operating systems developed by Alphabet Inc's Google and Apple Inc.

"You can develop your apps once, then flexibly deploy them across a range of different devices," he told a developers' conference held in Dongguan in southern China, where Huawei has built a lavish new campus modeled on European towns.

President Trump's administration has warned that Huawei could be a vehicle for Chinese espionage and put the company on a so-called "entity list", meaning that US corporations that conduct business with the telecoms giant now require special licenses to do so.

Huawei's Yu said the company has no updated knowledge on whether it can continue to use Android.

Huawei is not the first major tech company seeking to develop a robust ecosystem around its own software. Its bigger rival Samsung Electronics has been using its own operating system called Tizen in smartwatches and televisions. But attempts by the South Korean firm to grow Tizen to

challenge Android in smartphones have been thwarted by lack of support from developers.

Marko Yang, an investor in developer studios who attended the conference, however, said he believed the size of the Chinese market would help Huawei overcome such a problem. Huawei says there are more than 800,000 developers in its product ecosystem.

"The Chinese market is huge, there are many users and they have many demands, and solving their demands will result in many apps, products, and when this happens it will, from the periphery, create a core ecosystem, and the Chinese market will go on to spur the overseas market," Yang said.

Yu also said in order to attract developers, it was willing to cut its fee intake from app developers working for Harmony to as low as 10 percent-15 percent. Apple and Google take a 30 percent cut for revenue generated through their app stores.

Zhang Ping'an, president of Huawei consumer cloud service, told a briefing with Chinese media that Huawei plans to invest \$1 billion to support developers, and 80 percent of that would be spent overseas. Huawei confirmed his comment to Reuters and said the timeframe is within 5 years.

A new "smart screen", or connected television product, to be unveiled on Saturday will be the first product using Harmony, called Hongmeng in Chinese, Huawei said. It also has roll-out plans for the OS in other devices till 2022. Yu said Harmony will be open source and aims to be safer and more efficient than existing ones in the market.

More than 4,000 Huawei developers have been working on Harmony, according to Yu. People familiar with its development at Huawei said Harmony was not being developed to rival Android, but was more like Google's Fuchsia - an open source OS being developed at the American firm for gadgets that could include everything from smartphones to Internet-of-Things devices.

## Adidas celebrates 70 years with star-studded building opening

REUTERS, HERZOGENAUACH, Germany

Adidas celebrated its 70th anniversary on Friday with appearances at its Bavaria campus by sponsored athletes such as tennis veteran Stan Smith and German soccer legend Philipp Lahm, as well as celebrity partners like Pharrell Williams.

Adidas opened a new building resembling a football stadium and housing 2,000 employees at its sprawling site outside the town of Herzogenaurach.

"This puts us in a perfect position for the future, continuing on our

international growth track," Chief Executive officer Kasper Rorsted told employees.

Adidas, whose shares fell on Thursday after it warned profitability will be squeezed in the second half of the year by higher sourcing costs and price cuts, has its roots in a shoe factory set up in Herzogenaurach in 1924 by brothers Adolf and Rudolf Dassler.

The two, who made spikes for athletes including gold medalist Jesse Owens at the 1936 Olympics in Berlin, fell out during World War Two and

went on to found separate firms: Adolf set up Adidas on Aug. 18, 1949, after Rudolf registered his company Puma the previous year.

Both companies grew to become global giants, although Nike overtook Adidas and Reebok - later bought by Adidas - to become the biggest US sports brand in the 1980s, leaving Adidas in second place and Puma lagging further behind.

Both companies still have their headquarters in Herzogenaurach where they employ thousands of staff.

## India's summer crop planting down 5.3pc from last year, gap narrows

REUTERS, New Delhi

Indian farmers have planted 87 million hectares with summer-sown crops so far, farm ministry data showed on Friday, down 5.3 percent from last year, narrowing the sowing gap as monsoon rains picked up from the previous week.

The planting of rice, a key summer

crop, was at 26.5 million hectares on Friday, against 30.4 million hectares at the same time last year, the ministry said. Corn planting was at 7.2 million hectares, unchanged from the same period last year.

The area planted with cotton totalled 11.5 million hectares, up from 11 million hectares a year earlier.

Sowing of soybeans, the main

summer oilseed crop, stood at 11.9 million hectares, compared with 11.3 million hectares at the same time in 2018.

Farmers generally start planting rice, corn, cotton, soybeans, sugarcane and peanuts, among other crops, from June 1, when monsoon rains typically arrive in India. Sowing usually lasts until July.



Richard Yu, head of Huawei's consumer business group, unveils the company's new HarmonyOS operating system at the Huawei Developer Conference in Dongguan, China on August 9.

National cricketer Shakib Al Hasan and photographer Prito Reza pose recently at the announcing of Huawei Bangladesh making Reza its photography ambassador.



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