



Jaya Ahsan and MA Quader, deputy managing director of DBL Ceramics, exchange documents after signing a deal at a Dhaka hotel on Thursday making the actress and model its brand ambassador. Md Bayazed Bashar, deputy general manager for planning and development, and M Abu Hasib Ron, head of sales, were present.

As Fed policymakers comb data, few decisive signals on outlook

REUTERS, San Francisco/ Washington

Federal Reserve policymakers on Friday signaled they are on high alert for signs that uncertainty over trade policy and slowing global growth are beginning to hold back the broader US economy, but so far they have flagged little in the data that is pointing one way or the other.

A report on Friday showed jobs growth slowed down in September and wage growth stalled, even as unemployment dropped to a 50-year low. Surveys released earlier in the week showed factory activity is contracting and growth in the services sector is stagnating.

Each report sent traders scrambling to bet on how the Fed might react: on Friday, they pared bets from only days earlier that the Fed would deliver two more rate cuts this year, and they now expect it to stop at just one.

But for their part US central bankers, a few of whom opposed the Fed's two interest-rate cuts so far this year and two of whom wanted even bigger rate cuts, generally stuck to their scripts, some more literally than others.

"While not everyone fully shares economic opportunities and the economy faces some risks, overall it is — as I like to say — in a good place," Fed Chair Jerome Powell said in brief remarks in Washington. "Our job is to keep it there as long as possible."

Powell and Fed Vice Chair Richard Clarida have repeatedly used "in a good place" to describe the economy, even as the central bank delivered rate cuts in both July and September designed to keep growth on track.

As Fed policymakers sift through the economic data ahead of their next interest-rate setting meeting on Oct. 29-30, they remain divided as they assess the downside risks of the trade dispute and of geopolitical tensions to the economic outlook.

September's rate cut drew three dissents out of 10 votes; at least two non-voters have since said they too disagreed with the decision.

Policymakers are "wrestling with" figuring out if the US economy is headed for a "soft landing" or a "steep decline," Atlanta Fed President Raphael Bostic said during a moderated

discussion at Tulane University in New Orleans.

Prolonged US trade tensions with China are causing some businesses to sit "on the sidelines" and have the potential to affect consumers, he said. Still, he projects that the economy will grow above-trend in 2019, lifted by a tight labor market with an unemployment rate at 3.5 percent. "There are lots of reasons to be optimistic about this economy," Bostic said. "But also we need to recognize that there's a lot of uncertainty out there."

US President Donald Trump said on Friday there is a "very good chance" of a trade deal with China emerging from next week's scheduled talks, though he has made similar pronouncements ahead of past negotiations.

Bostic's counterpart at the Boston Fed, Eric Rosengren, who opposed the central bank's two rate cuts this year, said he too was parsing the data, and had an "open mind" on policy ahead.

US employment growth is getting to what he "would expect in kind of a stable economy," Rosengren told CNBC in an interview. "I think the bigger question is whether it ends up being weaker from here and that depends importantly on what happens on the consumer side of the economy."

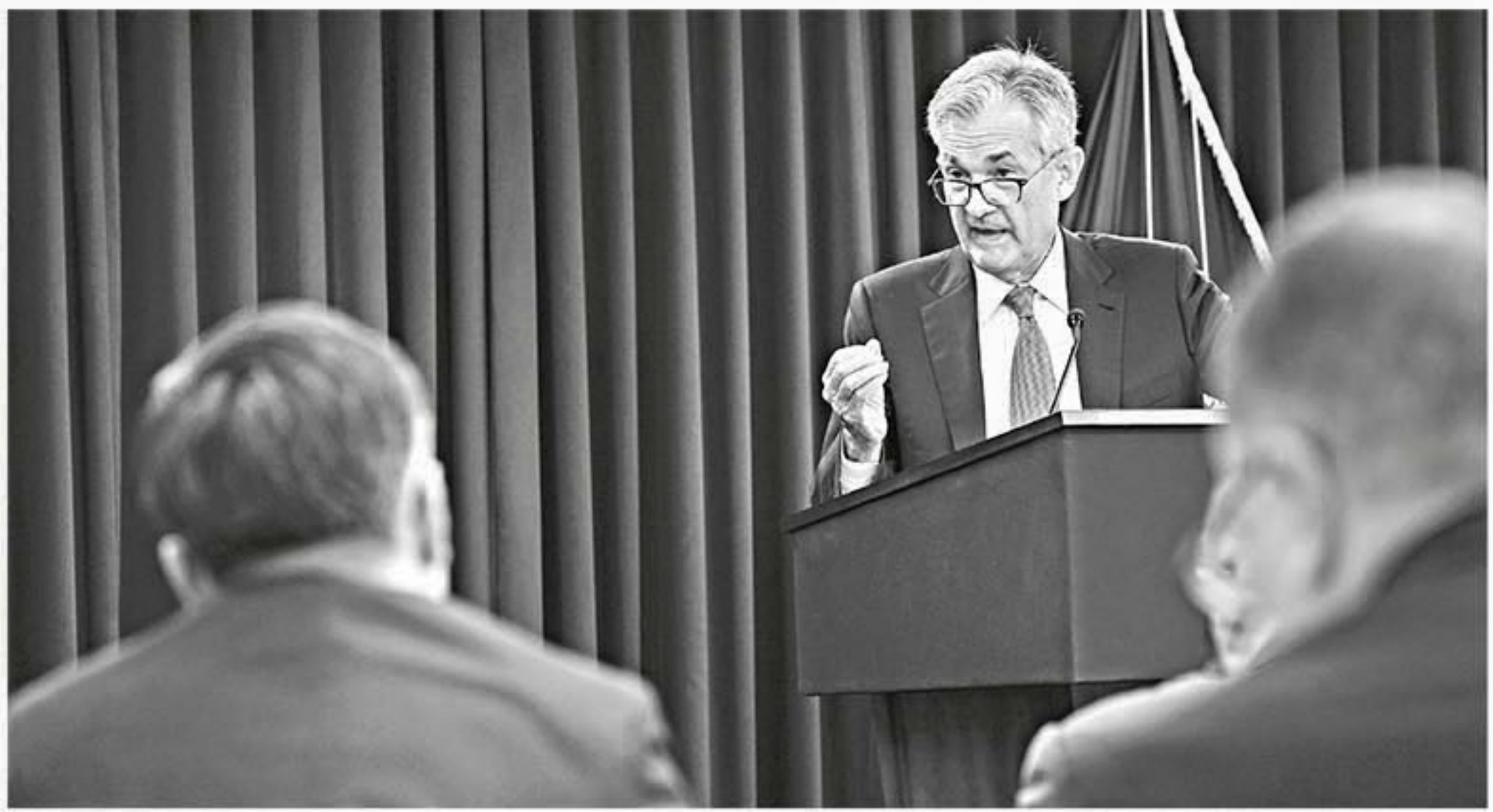
The Labor Department report Friday showed the unemployment rate fell to 3.5 percent last month as US employers added 136,000 jobs, down from 168,000 jobs created in August but still plenty to keep up with labor market growth.

Cleveland Fed President Loretta Mester, interviewed later in the day on CNBC, said that so far she is not seeing signs that weakness in manufacturing is spilling over to consumer spending, which has been strong and accounts for about 70 percent of the US economy.

Still, she said, trade spats and slowing global growth are a headwind on US exports and that she takes those risks seriously.

Asked whether she would support a rate cut if she had to decide today, Mester took issue with the very question.

"I don't have to say today," she said. "In fact, I really think it's important that we really look at the incoming information that we are going to get as we work up to the end-of-the month meeting."



Federal Reserve Chairman Jerome Powell holds a news conference following a Federal Open Market Committee meeting in Washington.

Japan's Uniqlo takes plunge in uncertain Indian retail market

AFF, New Delhi

Japanese clothing giant Uniqlo on Friday opened its first store in India, one of its largest worldwide, becoming the latest global retailer to plunge into the huge but tough developing market.

The South Asian nation, with its 1.3 billion population and a burgeoning middle-class, is viewed by global brands as a major prize but weak consumer demand has hit the economy in recent months.

The Uniqlo outlet, one of more than 2,000 across the world, is spread over 3,250 square metres (35,000 square feet) -- and almost next to global rival Sweden's H&M in an upmarket mall in New Delhi.

"I'm not worried," the billionaire founder of Uniqlo's operator Fast Retailing, Tadashi Yanai, told AFP

Thursday ahead of the opening, the first of three planned in and around the Indian capital. "Fast Retailing has long wished to open stores in India, in view of the tremendous potential of a nation of 1.3 billion people... (with) an average age of 27," he added in a speech.

Uniqlo is among more than 300 international fashion brands expected to open stores in India in the next two years, according to a November report by consultancy McKinsey and the Business of Fashion trade publication.

McKinsey said that the vast nation's apparel market was forecast to be worth \$59.3 billion in 2022, making it the sixth-largest in the world.

However, India is notorious for its price-sensitive consumers, while ethnic wear still infuses much of local fashion, particularly among women.

Uniqlo is attempting to address the second point by including for the

Indian market a "Kurta collection" created in collaboration with an Indian designer.

But on price, Uniqlo so far appears to be selling its clothing at similar levels as in the United States and Australia, and more expensive than in Malaysia. One signature item, a women's ultra light down vest for women, retails at 3,490 rupees (\$49.10) compared to \$49.90 in the US and 149.90 ringgit (\$35.80) in Malaysia.

"India is a highly competitive market, and a lot of global brands are already here, along with many successful home-grown brands," Edelweiss Securities analyst Abneesh Roy told The Print news website.

"Uniqlo is definitely entering late, and it will not be easy." On Friday around 500 shoppers of a mix of ages queued up to enter the new store when it opened, with Yanai there to welcome them.



This photo shows the newly opened Japanese retail store Uniqlo, the company's first Indian store, in New Delhi on Thursday.

Hong Kong's wealthiest man donates \$100m to local businesses

AFF, Hong Kong

Hong Kong's wealthiest man will donate more than US\$100 million to local businesses, his foundation said Friday, as Asia's once-calm financial hub was roiled by fresh protests.

Li Ka-shing's announcement came shortly before the city's chief executive Carrie Lam announced a law banning face masks in public, the latest move from a government that has struggled to control four months of increasingly violent pro-democracy demonstrations.

The 91-year-old billionaire said small and medium-sized businesses would benefit from the fund, worth HK\$1 billion (US\$128 million), which will be distributed in

partnership with the government.

It comes as Hong Kong's economy faces "unprecedented challenges", Li's foundation said in a statement.

This summer's protests, sparked by rising public anger towards Beijing's rule, has battered the economy which was already struggling with the US-China trade war fallout.

Figures released this month showed retail sales declined by a record 23 percent year on year in August, compounding an 11.5 percent slump the month before.

Li was criticised by China's Central Political and Legal Affairs Commission last month "for harbouring criminality" after he published a series of prominent adverts advocating for peace.

Comments from him at the time

also appeared to suggest he felt the mainly young protesters had some legitimate grievances.

Li's remarks contrasted starkly with many fellow tycoons who had published full-throated support for the city's embattled pro-Beijing leaders.

But he later said his remarks had been misinterpreted, and condemned any actions that would violate the city's rule of law.

The billionaire is among the huge influential coterie of Hong Kong's twentieth-century oligarchs.

He invested heavily in China in the 1990s, initially courting Beijing's Communist leaders but later enduring thorny periods after his moves to offload major mainland property investments irking Chinese critics.



Rezaul Karim, managing director of Kohinoor Chemical Company (Bangladesh), attends the company's "Annual Sales and Marketing Conference-2019" at Hotel Sea Palace in Cox's Bazar last week.

PayPal becomes first member to exit Facebook's Libra Association

REUTERS, Washington

US payments processor PayPal Holdings Inc said on Friday it was leaving Libra Association, the entity managing the Facebook-led effort to build global digital currency Libra, making it the first member to exit the group.

PayPal said it would forgo any further participation in the group and would instead focus on its own core businesses.

"We remain supportive of Libra's aspirations and look forward to continued dialogue on ways to work together in the future," PayPal said in a statement.

In response, Geneva-based Libra Association said it was aware of the challenges lying ahead in its attempts to "reconfigure" the financial system.

"The type of change that will reconfigure the financial system to be tilted towards people, not the institutions serving them, will be hard. Commitment to that mission

is more important to us than anything else. We're better off knowing about this lack of commitment now, rather than later", Libra Association said in a statement. Facebook Inc declined to comment.

Facebook announced plans to launch the digital currency in June 2020 in partnership with other members of Libra Association but the project quickly ran into trouble with skeptical regulators around the world.

Reuters reported last week that Facebook could push back the launch of Libra to tackle regulatory concerns.

Visa and Mastercard Inc are also reconsidering their involvement in Libra as they do not want to attract regulatory scrutiny, the Wall Street Journal reported earlier this month.

France and Germany last month pledged to block Libra from operating in Europe and backed the development of a public cryptocurrency instead.



Jamaluddin Ahmed, chairman of Janata Bank, and Md Abdus Salam Azad, managing director, attend a conference for the bank's Barishal division branch managers on Friday.

US unemployment rate hits 3.5pc

REUTERS, Washington

The US unemployment rate dropped to near a 50-year low of 3.5 percent in September, with job growth increasing moderately, suggesting the slowing economy could avoid a recession for now despite trade tensions that are hammering manufacturing.

The Labor Department's closely watched monthly employment report on Friday, however, contained reminders that the risks to the longest economic expansion on record remained tilted to the downside. Wage growth stagnated and manufacturing payrolls declined for the first time in six months. The retail and utilities sectors also continued to shed jobs.

The report followed a string of weak economic reports, including a plunge in manufacturing activity to more than a 10-year low in September and a sharp slowdown in services industry growth to levels last seen in 2016, that heightened fears the economy was flirting with a recession.

"The unemployment rate usually rises ahead of a recession, so a fresh decline pushes out the timeline for any potential recession into late 2020 at the earliest," said Josh Wright, chief economist at iCIMS in New York.

The two-tenths of a percentage point drop in the unemployment rate from 3.7 percent in August pushed it to its lowest level since December 1969. The jobless rate, which had been stuck at 3.7 percent for three straight months, declined even as 117,000 people entered the labor force last month.

Nonfarm payrolls increased by 136,000 jobs last month, the government's survey of establishments showed. The economy created 45,000 more jobs in July and August than previously estimated. Economists polled by Reuters had forecast payrolls would increase by 145,000 jobs in September.

September's job gains were below the monthly average of 161,000 this year, but still above the roughly 100,000 needed each month to keep up with growth in the working-age

population. The smaller household survey from which the unemployment rate is derived showed a jump of 391,000 in employment in September.

With signs that the Trump administration's 15-month trade war with China is spilling over to the broader economy, continued labor market strength is a critical buffer against an economic downturn. The trade war has eroded business confidence, sinking investment and manufacturing.

There is also political uncertainty in Washington after the Democratic-controlled US House of Representatives launched an impeachment inquiry against President Donald Trump over accusations he pressed Ukrainian President Volodymyr Zelenskiy to investigate former US Vice President Joe Biden, a leading candidate for the 2020 Democratic presidential nomination.

These factors, together with benign wage inflation, are likely to prompt the Federal Reserve to cut interest rates at least one more time this year, economists said.