



M Khorshed Anwar, head of retail and SME banking of Eastern Bank Ltd (EBL), and Brig Gen (Retd) Shafiquzzaman, managing director of NAMSS Motors Ltd, the dealer of Italian motor vehicle manufacturer Piaggio in Bangladesh, sign the documents of a deal at the bank's head office in Dhaka recently. Piaggio three-wheeler dealers will get supply chain financing facility from the bank. Hassan O Rashid, the bank's additional managing director, was present.

Indian banks asked to probe alleged data leak of 1.3m cards

REUTERS, New Delhi/Mumbai

The Reserve Bank of India (RBI) has asked banks to ensure customers' debit and credit card data is secure and investigate reports that say data of 1.3 million accounts was available online, a notice seen by Reuters showed.

Banks should secure the customers' data by performing a preliminary analysis of the leaked card information online, the RBI notice said, and cited an article by tech news site ZDNet on Tuesday. Three industry sources confirmed to Reuters the notice had been sent to Indian banks. The RBI did not immediately respond to a request for comment.

"On finding leaked data to be correct and genuine, disable and re-issue the credit and debit cards as per the bank's policy," said the notice dated Oct. 29.

Security researchers at Singapore-based Group-IB had found that card details were being sold at a price of \$100 per card, ZDNet had reported. The value of the leaked database



REUTERS/FILE

A guard stands next to the Reserve Bank of India logo outside its headquarters in Mumbai.

has been estimated by the group at \$130 million (£100 million).

"We do not disclose the names of banks, but can tell that the database held the credit and debit card dumps related to the largest Indian banks," Group-IB said in a statement on Thursday, adding that it had informed authorities about the breach. There were about 51.7 million credit cards and 851.5 million debit cards in circulation as of August, RBI data shows.

"The (RBI's) Department of Banking Supervision has sent out this letter as whenever there are some incidents the RBI alerts the banks and sends them a cautionary note which is sent to all the scheduled commercial banks," said an industry official, requesting anonymity.

Banks have also been asked to inform the government's CERT-In department, which is responsible for emergency response, regarding the steps taken by them.

Regulators have often issued advisories to prevent data breaches which are frequent in India, a country of 1.3 billion people where the use of payment cards and digital wallets is rising rapidly.

Fed cuts interest rates, signals it is on hold

REUTERS, Washington

The Federal Reserve on Wednesday cut interest rates for the third time this year to help sustain US growth despite a slowdown in other parts of the world, but signaled there would be no further reductions unless the economy takes a turn for the worse.

"We believe that monetary policy is in a good place," Fed Chair Jerome Powell said in a news conference after the US central bank announced its decision to cut its key overnight lending rate by a quarter of a percentage point to a target range of between 1.50 percent and 1.75 percent.

"We took this step to help keep the economy strong in the face of global developments and to provide some insurance against ongoing risks," he said. "We see the current stance of monetary policy as likely to remain appropriate as long as incoming information about the economy remains broadly consistent with our outlook."

Powell's comments clash with President Donald Trump's demands that the Fed cut rates even deeper to boost economic growth that ebbed to a 1.9 percent annual rate in the third quarter, well below the 3 percent level Trump pledged would flow from a round of tax cuts and other actions nearly two years ago. But the Fed's new stance also vouched for both the seeming durability of a US economic expansion that is now the longest on record.

In his news conference, Powell



REUTERS

Federal Reserve Chair Jerome Powell holds a news conference in Washington on October 30.

ticked off an extensive list of reasons why he feels the economy is doing well, and likely to continue to do so under the current stance of monetary policy - from robust consumer spending, strengthening home sales, and asset prices he considered healthy but not to a level of excess.

The S&P 500 index closed at another record high on Wednesday.

As well, Powell said, some of the risks that had most unnerved Fed officials, and convinced them lower rates were needed if only as "insurance," have seemed to abate in recent weeks.

The US-China trade war was "a step closer" to resolution, Powell said, and it looked less likely that Britain would crash out of the European Union.

The outlook for the US economy continues to be for "moderate" growth, a strong labor market and inflation rising back to the Fed's 2 percent annual goal, he said, and only "a material reassessment" of that outlook could drive the central bank to cut rates further from here.

In the statement accompanying its decision to cut rates, the Fed dropped a previous reference that it "will act as appropriate" to sustain the economic expansion - language that was considered a sign for future rate cuts.

Instead, the central bank said it will "monitor the implications of incoming information for the economic outlook as it assesses the appropriate path" of its target interest rate, a less decisive phrase.

Kansas City Fed President Esther

George and Boston Fed President Eric Rosengren dissented from the decision. They have opposed all three Fed rate cuts this year as unnecessary.

St. Louis Fed President James Bullard, who had dissented in September because he supported a bigger rate cut then, voted with the majority on Wednesday, an indication that views within the Fed may be coalescing around standing pat for now.

The rate cut was widely anticipated by financial markets, but expectations for additional cuts after October have diminished significantly in recent weeks. Contracts tied to the Federal Funds rate indicate an expectation of perhaps one rate cut next year.

While yields on longer-dated bonds showed little reaction, those on shorter-dated maturities that are more closely influenced by Fed policy expectations initially moved higher. The yield on the 2-year note US2YT=RR rose to the highest since Oct. 1 at about 1.67 percent before settling back to earlier levels as Powell spoke.

"It's pretty much what was expected," said Jim Powers, director of investment research at Delegate Advisors.

"The more important outcome is they removed the phrase 'act as appropriate.' It looks like the market is taking that to mean that there will be a pause in the declining rate path they were on beforehand. That's what was expected, and that's generally a good thing," Powers said.



RUNNER AUTOMOBILES

Reazul Chowdhury, CEO of Runner Automobiles, and Ziauddin Adil, CEO of Melonades, a digital agency, attend a deal signing ceremony at the former's office in Dhaka recently. Melonades will take lead in promoting all digital and social media communications of Runner Automobiles' brands.



FAIR GROUP

Seungwon Youn, country manager of Samsung Bangladesh, and Ruhul Alam Al Mahbub, chairman of Fair Group, cut a cake in the capital's Mirpur yesterday to celebrate five years of Fair Solutions, a concern of the group, running Samsung's service centres.

China's state-run telcos to launch 5G services today

REUTERS, Beijing

China's three state telcos on Thursday announced the roll-out of 5G mobile phone services, marking a key step in Beijing's ambitions to become a technology superpower at a time when it remains locked in trade tensions with Washington.

China Mobile's, China Unicom and China Telecom's said on their websites and online stores that 5G plans, which start from as low as 128 yuan a month, will be available from Friday, allowing Chinese consumers nationwide to use the ultra-fast mobile internet service.

Beijing had originally said it would launch the ultra-fast mobile internet service, which promises to support new features such as autonomous driving, early next year. But it accelerated its plans as tensions with the United States, especially over its boycott of telecoms giant Huawei Technologies, heated up.

"China will have the largest commercial operating 5G network in the world on Friday, and the scale of its network and the price of its 5G services will have a pivotal impact throughout the supply chain," Bernstein said in a report this week.

Authorities have said that they plan

to install over 50,000 5G base stations across 50 Chinese cities in the country by the end of this year, and that big cities, including Beijing, Shanghai, Guangzhou, and Hangzhou, are already covered by the 5G network.

Chinese companies from Xiaomi to Huawei have also unveiled new products in anticipation of the 5G roll out, with Huawei saying that it anticipates to start seeing a revenue uplift from the sector next year. Smartphone maker Xiaomi said earlier this month that it plans to launch more than 10 5G phones next year and that there was a fear in the industry that consumers would stop buying 4G models.

Alibaba to resume Hong Kong listing plans this month

REUTERS, Hong Kong/New York

Alibaba Group Holding Ltd is eyeing a listing in Hong Kong as early as November to raise up to \$15 billion, after political unrest put the move on ice earlier this year, people familiar with the matter said on Wednesday.

Alibaba's listing would boost Hong Kong's status as a major capital markets hub. After topping global rankings in 2018 for funds raised through IPOs, the city's bourse fell behind the New York Stock Exchange and Nasdaq this year amid months of anti-government protests that have roiled the Asian financial hub.

The float would be the world's biggest equity deal for the year if the initial public offering (IPO) for state-owned oil company Saudi Aramco gets delayed to next year. Aramco's IPO could be worth over \$20 billion.

Alibaba plans to seek listing approval from Hong Kong Exchanges and Clearing Ltd shortly after the Chinese e-commerce giant's online retail frenzy Singles Day on Nov. 11, and may list its shares towards the end of November or in early December, the sources said.

The company expects to be in a position to forgo so-called pre-marketing meetings where it meets with institutional investors before a deal launch given its size and that many investors are already familiar with the company, the sources added. It is hoping to raise between \$10 billion and \$15 billion through the listing, Reuters has reported.

The sources cautioned that the plans are still subject to market conditions and requested anonymity as the matter is private.

A spokeswoman for Alibaba, which

is already listed in New York, declined to comment. The company had been preparing to launch the listing in late August, but delayed it due to the lack of financial and political stability in Hong Kong after months of frequently violent anti-government demonstrations.

All the same, IPO activity has picked up since September as typically the last four months of the year are the busiest in Hong Kong for public floats.

Such a large offering from Alibaba, potentially the biggest follow-on share sale in seven years, according to Refinitiv data, could also have implications on liquidity in Hong Kong's financial system and the closely watched Hong Kong Interbank Offered Rate (HIBOR). This is particularly the case given that investors in the Hong Kong market often borrow funds in anticipation of large share sales.

A rise in HIBOR can in turn lift the

Hong Kong dollar HKD=D4, which is pegged to the US dollar at a tight range of 7.75 to 7.85. To defend the peg, the Hong Kong Monetary Authority (HKMA), the city's de-facto central bank, buys local dollars if it gets too weak and sells to curb excessive strength.

Alibaba follows in the footsteps of brewer AB InBev (ABI.BR), which in September raised about \$5 billion by listing its Asia-Pacific unit in Hong Kong. It was the bourse's biggest and the world's second-largest IPO so far this year.

Alibaba holds the record for the world's largest IPO with its \$25 billion float in New York in 2014.

At that time, the company had initially hoped to float in Hong Kong, but its governance structure clashed with the city's listing rules. Hong Kong Exchanges & Clearing loosened its rules last year, specifically to lure overseas-listed Chinese tech giants to float closer to home.



ISLAMI BANK BANGLADESH

Md Shifuzzaman, a lawmaker, and Mohammed Monirul Moula, managing director (current charge) of Islami Bank Bangladesh, open the bank's 349th branch in Langalbandh Bazar of Sreepur upazila in Magura yesterday.



REUTERS/FILE

An employee works at an Alibaba Tmall logistics centre in Suzhou, China.