



**Aziz Al Kaiser, vice-chairman of Partex Star Group, recently inaugurated a new home care products brand "STARKING" of Star Adhesive Limited, at an event. Mostafa Kamal Ahmed, chief financial officer of Partex Star Group (complex-1), and Miran Khan, head of business of Star Adhesive Limited, were present.**



**Nur Mohammed, chairman of Jamuna Bank Foundation, recently inaugurated the bank's foreign currency exchange booth at International Arrival Concourse Hall of Hazrat Shahjalal International Airport (Terminal-1) in Dhaka. Md Sirajul Islam Varosa, chairman of Jamuna Bank Capital Management Limited, Md Ismail Hossain Siraji, director of the bank, and Md Fazlur Rahman Chowdhury, Md Abdus Salam, Md Atiqur Rahma, Noor Mohammed and Fazle Quayum, deputy managing directors, were present.**

# Energy price spike adds market risk as earnings arrive

REUTERS, New York  
US stock market investors are gauging whether more volatility is ahead because of surging global energy prices, which could drive up inflation, erode profit margins and pressure consumer spending.

Stocks rebounded this week after Monday's losses left the S&P 500 down 5.2 per cent from its record high hit in September.

A truce in the US Congress to avoid a debt default provided some relief, but investors remain worried about inflation, higher US Treasury yields and the Federal Reserve's plan to unwind its easy money policies.

Energy costs are a major factor for inflation, and will be a key topic as companies report third-quarter results in coming weeks.

Oil prices have surged more than 25 per cent since late August, with Brent topping \$80 a barrel and hitting three-year highs. Natural gas prices in Europe have rocketed, causing alarm among political leaders.

Oil prices have a "roughly neutral" affect on overall corporate earnings, according to Goldman Sachs strategists, with every 10 per cent increase in Brent prices boosting S&P 500 earnings per share by 0.3 per cent.

crude prices climbed, yet higher prices could weigh on companies ranging from transportation to consumer discretionary firms.

"We are going to find out if this piece of the inflation puzzle is the straw that breaks the camel's back and actually starts cutting into margins," said Art Hogan, chief market strategist at National Securities. "There are incremental costs to everything when energy prices go up."

Despite September's pullback, the S&P 500 remains up about 17 per cent so far in 2021. Even as investors swooped in to buy the market's latest dip, some Wall Street strategists are pointing to risks that could come with jumping into equities.

Analysts at Capital Economics said in a note that rising energy prices could put more upward pressure on bond yields. A jump in yields roiled stocks in recent weeks, particularly tech shares.

If oil prices keep rising toward \$100 a barrel, that "could continue to weigh on sentiment," said Michael Arone, chief investment strategist at State Street Global Advisors.

"If we break that barrier, I think it will influence how people are forecasting economic growth and inflation and interest rates, which has broad implications for sectors and



**US stock market investors are gauging whether more volatility is ahead because of surging global energy prices.**

industries and markets," Arone said.

As oil gained since late August, the S&P 500 energy sector has increased 25 per cent against a 1 per cent drop for the overall index. Energy was the lone sector to post positive performance in September.

The energy sector comprises less than 3 per cent of the weight of the S&P 500, however, and rising oil prices can raise fuel and other costs for companies such as transportation firms, while also threatening demand by leading consumers to pay more, such as for

gas at the pump.

JPMorgan strategists in a note this week outlined a basket of stocks negatively impacted by oil at \$100 a barrel, including package delivery company FedEx, discount retailer Dollar Tree and auto parts retailer O'Reilly Automotive.

In a note last week, US economists at Deutsche Bank said the 101-cent increase in gas prices from a year earlier would be expected to lead to a reduction in income that can be spent on non-energy items of about \$120 billion.

# Delta wave tosses wrench into US job market

AFP, Washington

The US economy was predicted to add hundreds of thousands of jobs last month but instead gained only 194,000 as the Delta variant of Covid-19 again denied President Joe Biden the soaring labor market he is banking on -- at least for now.

Schools shed jobs, and the bars and restaurants that have become a barometer of the virus' threat to business added barely any positions in the Labor Department's September employment report released Friday, which at best presented a mixed verdict on the state of the world's largest economy.

On a more positive note, the unemployment rate ticked down more than expected to 4.8 per cent, and the last two months' jobs gains have been revised upwards, underlining that the United States has come a long way from the devastating weeks last year when Covid caused tens of millions to lose their jobs.

Biden has been banking on an economic revival to build support for his presidency-defining spending bills while also fending off the Republican opposition's attempts to use the country's debt limit to force a retreat on his ambitious agenda.

The data underscores how the virus's fast-spreading variant has complicated those plans, though cases have declined nationwide since the cutoff for the report's data, in the first half of September.

Biden called the drop in the unemployment rate "a significant improvement from when I took office, and a sign that our recovery is moving forward, even in the face of a Covid pandemic." "But the Republican National Committee was

scathing, tweeting: "Joe Biden has failed Economists."

Economists view the data as likely enough for the Federal Reserve to begin slowing its massive purchases of bonds and securities meant to help the country through the pandemic, as they signaled they could do later this year.

"With debt ceiling shenanigans pushed back until December 3, the road is clear for an announcement at the November meeting of the Fed's policy committee, Lydia Boussour of Oxford Economics said.

The monthly employment data have become progress reports for the United States' bounceback after more than 20 million jobs were lost to the pandemic, and the latest report showed the economy had regained 17.4 million positions since the downturn's nadir in September 2020.

However there were still five million positions missing, with job growth averaging 561,000 per month this year and fluctuating significantly.

In July, the economy added an upwardly revised total of nearly 1.1 million positions. But that was before Delta struck, slashing job down to 366,000 in August, according to revised data from Friday's report.

Industries that bore the brunt of the pandemic suffered in September, with food and drinking places adding barely any positions for the second straight month after averaging gains of 197,000 between January and July.

Overall leisure and hospitality sector employment rose 74,000 positions, professional and business services added 60,000 jobs, retail trade gained 56,000 and transportation and warehousing rose 47,000.



**Mohamed El Emam, country manager of Qatar Airways, and Syed Rafiqul Haq, additional managing director of Mutual Trust Bank Limited, recently exchanged signed documents of a memorandum of understanding at the bank's corporate head office in Gulshan 1, Dhaka enabling MTB Visa, MasterCard and UnionPay credit and debit cardholders to enjoy 10 per cent discount on base fare of business and economy class tickets of the airline. Syed Mahbubur Rahman, managing director of the bank, and Bakhshi Mohd Tayab, commercial manager of Qatar Airways, were present.**



**M Kamal Hossain, managing director of Southeast Bank Limited, and Md Forkan Hossain, general manager of Accounts and Budgeting Department at Bangladesh Bank, recently exchanged signed documents of an agreement on an "Automated Challan System" enabling customers to deposit taxes, VAT, passport fees and other government fees through all branches and sub-branches of the private bank. Ahmed Jamal, deputy governor of Bangladesh Bank, was present.**

# UK calls on ex-Tesco boss 'Drastic Dave' to fix supply chain

REUTERS, London

Boris Johnson has turned to former Tesco boss Dave Lewis to fix supply chain problems that have hit the British economy and sparked criticism of the Prime Minister's response.

Lewis, who was nicknamed "Drastic Dave" after fixing businesses at consumer goods group Unilever through cost cutting and innovative marketing and led Britain's biggest retailer Tesco for six years, was named on Friday for a three month stint as the government's supply chain adviser.

A post-Brexit shortage of workers, exacerbated by the global strains of the Covid-19 crisis, has hobbled Britain's supply chains for everything from fuel and pork to poultry and bottled water, putting any recovery from the pandemic under threat.

After Johnson faced industry criticism for his response to the crisis, the appointment of the well-respected Lewis may be seen as an olive branch to the business community. The government said Lewis, who starts

the role on Monday, will advise both Johnson and Cabinet Office minister Stephen Barclay on both immediate improvements and any necessary long-term changes to the country's supply chains for goods. He will also work with government officials to quickly resolve acute, short term issues.

"This includes both identifying the causes of current blockages and preempting potential future ones, and advising on resolutions either through direct government action or through industry with government support," the government added in a statement.

Lewis will also work closely with Britain's finance ministry and co-chair the government's new Supply Chain Advisory Group, made up of external experts, and the new Industry Taskforce.

"There are currently global supply issues which we are working with industry to mitigate and Dave brings a wealth of experience which will help us continue to protect our businesses and supply chains," Johnson said.

# Australia sees trade deal with EU by end-2022

REUTERS, Rome

Australian Trade Minister Dan Tehan said on Friday he expected to finalise a free trade agreement with the European Union by the end of next year, despite the EU's anger over Canberra's cancellation of a submarine contract with France.

Brussels postponed the latest round of talks, which were due to start on October 12, until November in solidarity with France after Australia scrapped the multi-billion dollar deal that Paris considered the cornerstone of its Indo-Pacific policy.

Instead, it secretly negotiated to build at least eight nuclear-powered submarines with US and British technology as part of a trilateral security pact between the three countries announced last month.

Tehan, in Italy for a meeting of the Group of 20 developed countries, told Reuters in an interview he was not concerned by the delay in the talks, and reaching an agreement was strongly in the interests of both sides.

Asked when he expected it would be finalised, he said: "I suggest it's likely the end-game will take some time and we'll be looking towards the end of next year to conclude negotiations."

He played down the damage to EU-Australian relations over the submarine dispute, and said he had "very good discussions" with seven EU ministers at a meeting this week of the Organisation of Economic Cooperation and Development in Paris.

It will be more difficult to mend ties with France, which described Australia's actions in walking away from the naval deal as a "stab in the back" and has so far declined any talks to patch things up.

Tehan said Australia had issued an open to France.

"The most important thing is that we sit down so Australia can fully explain the decision we took because it was in our national interest," he said.

France said on October 6 week it would send its ambassador back to Australia to help redefine relations after recalling him for consultations in

protest. Turning to the environment, Tehan rejected criticism of Australia for not having produced updated targets on reducing carbon emissions ahead of next month's United Nations climate talks, COP 26, in Glasgow.

He said the plan Canberra presents in Glasgow to achieve net zero carbon emissions "hopefully" by 2050 was more detailed than those of many countries that had ambitious goals but did not explain thoroughly how they would achieve them.

Tehan said Australia was pushing to have the major contribution of farm subsidies in carbon emissions addressed by the G20 and the World Trade Organization.

He said agriculture and land use accounted for 25 per cent of emissions and it was recognised it would be impossible for countries to meet their Paris agreement climate goals unless the question was tackled.

"So when it comes to issues that will help us reduce climate change we are in the forefront of pushing for action," he said.