Bengal Commercial Bank inks deal with Genex Infosys

STAR BUSINESS DESK

Bengal Commercial Bank recently signed an agreement with Genex Infosys, a business process management (BPM) and IT services company, to provide 24/7 "Call Centre" service to the clients.

Tarik Morshed, managing director and CEO of the bank, and Shahjalal Uddin, managing director and CEO (acting) of the BPM and IT services company, inked the deal at the bank's head office, said a press release.

KM Awlad Hossain, deputy managing director and chief business officer of the bank, Md Rafiqul Islam, deputy managing director and chief technology officer, Vaibhav Kapur, chief service officer of the BPM and IT services company, and Md Rezwanul Haque, general manager for business development, were present.

Tarik Morshed, managing director of Bengal Commercial Bank, and Shahjalal Uddin, managing director and CEO (acting) of Genex Infosys, exchange signed documents of an agreement at the bank's head office in Dhaka recently.

PHOTO: BENGAL COMMERCIAL BANK

China urges deeper trade ties with Russia

REUTERS, *Beijing*

China on Tuesday urged increased cross-border connectivity with Russia and deeper mutual trade and investment cooperation, as both allies vowed ever closer economic ties despite disapproval from the West after Russian forces invaded Ukraine last year.

The Russian minister of economic development held "in-depth" discussions on economic cooperation with the Chinese commerce minister in Beijing on Tuesday, coinciding with a trip by China's top diplomat, Wang Yi, to Moscow for strategic talks that led to the confirmation of Russian President Vladimir Putin's visit to Beijing next month.

Chinese Commerce Minister Wang Wentao said in the Beijing discussions that Sino-Russian economic and trade cooperation had continued to deepen and become more "solid" under the "strategic guidance" of the two heads of state, according to a statement from his ministry.

With the war in Ukraine well in its second year and Russia under Western sanctions, Moscow has leaned on its ally Beijing for economic support, feeding on Chinese demand for oil and gas as well as grain.

In August, Chinese imports of Russian goods rose 3 percent from a year earlier to $11.5 billion, reversing a decline of 8 percent in July, the latest Chinese customs data show.

Beijing has rejected Western criticism of its growing partnership with Moscow in light of Russia's war on Ukraine. It insists the ties do not flout international norms, and China has the prerogative to collaborate with whichever country it chooses.

On Tuesday, Group of Seven ministers reiterated its call, without naming any countries, on third parties to "cease any and all assistance to Russia's war of aggression or face severe costs."

The Russian Far East bordering China as well as North Korea has gained new strategic significance as a zone of cross-border trade and commerce.

Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry, and Abdur Rahim, president of the Switzerland-Bangladesh Chamber of Commerce and Industry, pose for photographs after holding a discussion at the FBCCI office in Dhaka.

PHOTO: SWITZERLAND-BANGLADESH CHAMBER

FBCCI chief meets Swiss delegation

STAR BUSINESS DESK

Swiss foreign direct investments have made a huge contribution towards the economic development of Bangladesh, said Mahbubul Alam, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He made the comment during a meeting with a delegation from the Switzerland-Bangladesh Chamber of Commerce and Industry (SBCCI), led by its president Abdur Rahim, at the FBCCI office in Dhaka, said a press release.

Abdur Rashid, who is also country manager of SGS Bangladesh Ltd, emphasised the presence of Swiss technology in machineries, watches, chemicals, cement, pharmaceuticals and other industries.

Saad Omar Fahim, secretary general of SBCCI and director of Clarichem Ltd, stressed the importance of joint collaboration between FBCCI and SBCCI to take the economy of Bangladesh to new heights.

HN Ashequr Rahman, founder chairman of Meghna Bank, presides over the bank's 10th annual general meeting on Tuesday. Among others, SM Rezaur Rahman, chairman of the audit committee of the bank, Rehana Ashequr Rahman, chairman of the risk management committee, Syed Ferhat Anwar, independent director, and Sohail RK Hussain, managing director and CEO, were present.

PHOTO: MEGHNA BANK

Abul Hashem, chairman of BASIC Bank, presides over the bank's 34th annual general meeting at the lender's head office in Dhaka on Tuesday. Among others, Mafiz Uddin Ahmed, additional secretary to the financial institutions division of the ministry of finance, Nahid Hossain, Md Abdul Khaleque Khan, Shamim Ahammed, Md M Latif Bhuiyan and Md Rafiqul Islam, directors of the bank, Md Anisur Rahman, managing director, and Md Hasan Imam, company secretary, were present.

PHOTO: BASIC BANK

PHOTO: ISLAMI BANK BANGLADESH

Ahsanul Alam, chairman of Islami Bank Bangladesh, presides over a meeting of the board of directors of the bank, which was virtually held yesterday. Tanveer Ahmad, vice-chairman of the bank, Mohammed Monirul Moula, managing director, and JQM Habibullah, additional managing director, along with directors joined the meeting.

China keeps rates unchanged

REUTERS, *Shanghai/Singapore*

China kept benchmark lending rates unchanged at a monthly fixing on Wednesday, in line with expectations, as fresh signs of economic stabilisation and a weakening yuan reduced the need for immediate monetary easing.

Recent economic data showed the world's second-largest economy was finding its footing after a sharp slowdown, while yuan declines have reduced the urgency for authorities to aggressively lower interest rates to prop up growth.

The one-year loan prime rate (LPR) was kept at 3.45 percent, while the five-year LPR was unchanged at 4.20 percent.

Most new and outstanding loans in China are based on the one-year LPR, while the five-year rate influences the pricing of mortgages.

In a Reuters survey of 29 market analysts and traders, all participants predicted no change to the one-year LPR, while a vast majority of them also expected the five-year rate to remain steady.

The steady LPR fixings follow the central bank's decision last week to roll over maturing medium-term policy loans and keep interest rate on those loans unchanged.

The medium-term lending facility (MLF) rate serves as a guide to the LPR and markets see it as a precursor to any changes to the lending benchmarks.

Widening yield differentials with other major economies, particularly the United States, and faltering domestic growth have pressured the Chinese yuan down more than 5 percent against the dollar this year, prompting authorities to ramp up efforts to rein in the weakness.

More attention should be given to the exchange rate of the yuan against a basket of currencies, Zou Lan, a China central bank official said at a news conference on Wednesday.

Zou said China will curb market disruptions, correct one-sided yuan moves and guard against the risk of the currency overshooting.

"Monetary policy rollout maintains its steady pace, and there are still chances for reductions to LPRs next month," said Xing Zhaopeng, senior China strategist at ANZ.

Dollar holds fast

REUTERS, *London*

The dollar remained firm on Wednesday ahead of a much-anticipated rate decision by the Federal Reserve later in the day, while sterling slid on increased bets the Bank of England (BoE) will pause its historic run of interest rate hikes.

The US dollar index, which measures the currency against a basket of rivals, stood firm at 105.10 with traders awaiting the Fed's rate decision.

The pound was volatile, last down 0.26 percent to $1.2360 after touching its lowest in almost four months following data showing UK inflation slowed more than expected in August.

British annual consumer price inflation (CPI) unexpectedly fell to 6.7 percent in August, official data showed on Wednesday, a day before the BoE is expected to raise rates again.

Economists polled by Reuters had forecast CPI would rise to 7.0 percent from July's 6.8 percent.

"A shock deceleration in UK inflation provides good news for the BoE heading into tomorrow's rate decision," said Nick Rees, FX Market Analyst at Monex Europe. But the latest round of inflation data likely comes too late to change many policy makers' minds ahead of the BoE meeting, he added.

Money markets though have started to price in a nearly 50-50 chance the BoE will keep rates on hold on Thursday after 14 back-to-back increases stretching back to December 2021. On Tuesday, they were pricing only a 20 percent chance of a BoE pause.

The UK inflation data "is casting serious doubts about whether the BoE will hike rates tomorrow", ING strategist Francesco Pesole said.

Elsewhere, markets expect the Fed will almost certainly keep rates on hold at 5.25 percent to 5.50 percent, putting the focus on the central bank's forward guidance.

UK inflation drops

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government's plan to lower inflation is "working" but conceded that the rate is "still too high".

It comes one day after data showed eurozone inflation also slowed slightly in August.

"The surprise fall in UK inflation triggered a kneejerk selloff in sterling, as today's data cements the expectation that the Bank of England's next rate hike could also be its last," said Swissquote Bank analyst Ipek Ozkardeskaya.

Despite the drop, British inflation remains the highest in the G7 group of rich nations, after peaking at a 41-year high of 11.1 percent in October last year.

Elevated inflation has prompted almost 18 months of regular stoppages by public and private-sector workers whose pay is failing to keep pace.

In the latest walkout, medical consultants and junior doctors working in England for the country's National Health Service held their first ever joint strike on Wednesday.

The BoE has so far ramped up its key interest rate 14 times in a row to the current level of 5.25 percent in a bid to bring down red-hot inflation.

The data "probably won't be enough to prevent the BoE from raising interest rates... to 5.50 percent tomorrow", noted Capital Economics analyst Paul Dales.

"But it supports our view that that will be the last hike".

The ONS added that food prices rose by less in August than a year earlier. This impact was only partially offset by higher energy costs.

"The rate of inflation eased slightly this month driven by falls in the often-erratic cost of overnight accommodation and air fares, as well as food prices rising by less than the same time last year," said ONS chief economist Grant Fitzner.

"This was partially offset by an increase in the price of petrol and diesel compared with a steep decline at this time last year, following record prices seen in July 2022."

However, economists caution that this week's rebound in oil prices toward $100 per barrel will fuel fresh inflationary pressures.

"The ramping up of crude prices over recent weeks will filter through, but there will be relief that oil prices have also snuck away from the week's highs," said Susannah Streeter, head of money and markets at Hargreaves Lansdown.

Oil prices have jumped largely because of output cuts by key producers Russia and OPEC kingpin Saudi Arabia, which will be in place until the end of the year at least.

Japan's exports extend

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"Therefore...the double-digit decrease in exports suggests that the situation continues to be quite bad, and that the situation does not seem to have bottomed out."

Exports to the United States rose 5.1 percent year-on-year in August, driven by shipments of cars, mining and construction machinery.

Japanese policymakers are counting on external demand to pick up the slack and offset weak consumer spending.

However, the trade data has dashed hopes for prospects of an export-led recovery.

Partly reflecting weak domestic demand, imports fell 17.8 percent, weighed by energy costs. The trade balance came to a deficit of 930 billion yen ($6.29 billion), marking two straight months in the red.