

Japan wholesale prices seen rising: poll

REUTERS, Tokyo

Japan's wholesale prices likely accelerated in June, a Reuters poll showed on Friday, reflecting a mix of a weak yen, higher commodity import bills and rising transportation costs piling up cost-push inflation pressures on the trade-reliant economy.

Separate data next week is expected to show core machinery orders rebounded in May from the previous month, according to the poll, which would be a source of relief for policymakers worried about the outlook for capital expenditure.

Japan's corporate goods price index (CGPI), a gauge of prices that firms charge each other, likely rose 2.9 percent in June from a year earlier, and accelerated from the prior month's 2.4 percent, the poll of 17 economists showed.

Inflation data will be scrutinised by the central bank, which in March raised interest rates for the first time since 2007, and decided last month to reduce its government debt buying as a step towards normalising monetary policy.

"On top of the yen weakening, crude oil and other commodity prices have rebounded early in spring, which will now heap upward pressure on import prices, spilling over energy and materials-related industrial products as well," said Takeshi Minami, chief economist at Norinchukin Research Institute.

Restrictions on logistics caused by the Middle East crisis and domestic curbs on working hours for truck drivers are also driving up the costs of transportation, Minami said.

Dhaka Bank celebrates 29th anniversary

STAR BUSINESS DESK

Dhaka Bank celebrated its 29th founding anniversary yesterday with the slogan "Maintaining Steady Growth with Excellence".

Abdul Hai Sarker, chairman of the bank, and Mirza Abbas Uddin Ahmed, founder, inaugurated the celebrations at the bank's head office in Dhaka, according to a press release.

A "milad mahfil" was also arranged.

ATM Hayatuzzaman Khan, founder vice-chairman, Mohammed Hanif, current vice-chairman, Altaf Hossain Sarker, Md Amir Ullah and Rakhi Das Gupta, directors, and Feroz Ahmed and Ahbab Ahmed, independent directors, were present.

Emranul Huq, managing director & CEO of the bank, joined the event virtually.

AKM Shahnawaj, deputy managing director, and senior management also attended.

Around 150 branches, sub-branches and SME service centres of the bank across the country also celebrated the anniversary.

Managers from flagship branches along with regional managers also attended the programme.

BRAC Bank, Manu Farms sign deal on financing for poultry farmers



Syed Abdul Momen, deputy managing director and head of SME banking at BRAC Bank, and Muhammad Shahin, co-founder and CEO of Manu Farms, pose for photographs after signing an agreement at the bank's head office in Dhaka recently.

PHOTO: BRAC BANK

STAR BUSINESS DESK

BRAC Bank recently signed a partnership agreement with Manu Farms, the proprietor of the integrated poultry management mobile application "Poultry Manager", to provide agricultural financing to poultry farmers through SME digital microloans.

Syed Abdul Momen, deputy managing director and head of SME banking of the bank, and Muhammad Shahin, co-founder and CEO of Manu Farms, penned the deal at the former's head office in Dhaka, according to a press release.

Under this agreement, the bank will provide financial services to Manu Farms' listed poultry farmers.

The project will initially be launched in Mymensingh, Rajshahi, and Gopalganj, extending banking facilities to farmers and entrepreneurs in these areas.

The 'Poultry Manager' app, fully compliant with Poultry Blockchain and IoT devices, facilitates record-keeping and ensures traceability.

It also assures food safety for customers by providing information on poultry feed details, vaccination, and necessary dates.

Both partners seek to create an

ecosystem for micro, small and medium enterprises (MSMEs) nationwide such as marginal poultry farmers by integrating technology and financial services.

The app, which has 5,000 active users, received the Smart Bangladesh Award 2023 from the prime minister.

Among others, Tapos Kumar Roy, head of MFI and agriculture finance of the bank, and Mohammed Jakirul Islam, head of SME strategy, innovation and new business, along with Alif Binte Shahin, co-founder of Manu Farms, and DSM Weazadul Islam, manager, were also present.



Abdul Hai Sarker, chairman of Dhaka Bank, inaugurates the bank's 29th founding anniversary programmes at the bank's head office in Dhaka yesterday. Mirza Abbas Uddin Ahmed, founder of the bank, among others, was present.

PHOTO: DHAKA BANK

MTB wins award from Global Business magazine

STAR BUSINESS DESK

Mutual Trust Bank (MTB) has been honoured with the "Excellence in Consumer Financing Bangladesh 2024" award by Global Business magazine.

This accolade recognises the bank's commitment to providing innovative and inclusive financial solutions tailored to meet the diverse needs of all segments of Bangladesh's society.

At the core of MTB's success is its "digital-first" philosophy, which emphasises fast, convenient, and cost-effective digital solutions for retail customers.

This approach ensures that MTB remains at the forefront of the banking industry by leveraging technology to deliver seamless and innovative financial services.



From personalised loan products designed to empower individuals and businesses to investment opportunities that foster financial growth, the bank ensures accessibility and reliability across its offerings.

This award solidifies the bank's leadership in consumer financing, reinforcing its reputation as a pioneer in delivering customer-centric banking solutions.

The bank continues to set benchmarks in the industry through its dedication to innovation, accessibility, and customer satisfaction, driving positive impact and contributing to a financially inclusive Bangladesh.

Moreover, MTB owns the highest number of lounges at both international and domestic airports in Bangladesh, providing a cozy and comfortable environment exclusively for MTB credit cardholders.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JULY 7, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 78	0	2.22 ↑
Coarse rice (kg)	Tk 48-Tk 52	-3.85 ↓	2.04 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-20.56 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 155	1.69 ↑	-12.28 ↓
Potato (kg)	Tk 60-Tk 65	8.70 ↑	60.26 ↑
Onion (kg)	Tk 110-Tk 120	39.39 ↑	53.33 ↑
Egg (4 pcs)	Tk 45-Tk 50	-6.86 ↓	-1.04 ↓
SOURCE: TCB			

Barobi Design launches Jomoo's luxury bathware



Barobi Design officials and guests pose for photographs during the launching ceremony of Jomoo products at Barobi's flagship store in the capital's Banani recently.

PHOTO: BAROBI DESIGN

STAR BUSINESS DESK

Barobi Design launched the latest bathware products of Jomoo Group, a Chinese brand, during an event at its flagship store in the capital's Banani recently.

The event attracted industry leaders, designers, and luxury lifestyle enthusiasts, according to a press release.

Alongside Jomoo, Barobi's portfolio includes the UK sanitaryware brand Bagnodesign and the high-end Polish tiles manufacturer Tubadzin.

Jomoo has garnered numerous prestigious accolades worldwide, including the iF Design Award, Red Dot Design Award, and German Design Award. It showcased new products that blend advanced technology with elegant design for a unique experience.

The new collection includes smart restroom fixtures, such as touchless faucets and digital shower systems.

Guests were treated to exclusive previews of the collection, special promotional offers, and the opportunity to interact with Jomoo's design team, who flew in from China.

The evening concluded with a networking session, providing attendees with insights into the future of smart living.

Why AI may fail to unlock

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there is early evidence in its favour. One recent study found that introducing AI-powered chatbots helped customer support functions resolve 14 percent more issues per hour. The caveat is that the likely aggregate impact of such efficiency improvements is surprisingly modest.

Daron Acemoglu of the Massachusetts Institute of Technology estimates that 20 percent of current labour tasks in the United States could be performed by AI, and that in around a quarter of those cases it would be profitable to replace humans with an algorithm. Yet even if this replaces nearly 5 percent of all work, Acemoglu calculates that broad productivity growth would increase by only around half a percentage point over 10 years. That is barely a third of the ground lost since 2008.

Any recovery in economic dynamism would be welcome. The third challenge, however, is that in an important class of cases, embracing AI may send productivity gains into reverse.

Some of the technology's early successes have come in its application to games. In 2017, for example, Google DeepMind's AlphaZero programme stunned the world by demolishing even its most advanced computer rivals at chess. This highlighted the potential to deploy AI's strategic nous in other competitive settings such as financial trading or digital

marketing. The snag is that in real life – unlike in games – the other players can also invest in AI. The result is that spending which may be rational for any individual company is collectively self-defeating. An AI arms race will ramp up costs but leave overall revenues unchanged.

The history of quantitative investing provides a cautionary tale. In the early 1970s, investors first identified systematic factors such as value and momentum, and the few firms willing to spend money on statistical research enjoyed super-normal returns. By the end of the decade, however, their competitors were running the numbers too. The excess returns were competed away, but everyone continued to incur the costs.

The same self-defeating dynamic will apply elsewhere as well. In the analogue world, the dirty secret of advertising was that it is often a race to stand still. In one of Harvard Business School's most famous teaching cases, David Yoffie studied the so-called "cola wars" waged by Coca-Cola and PepsiCo between 1975 and the mid-1990s. Between 1981 and 1984, Coke doubled its advertising spend. Pepsi responded by doing the same. The net result was almost no change in the two companies' relative market share, achieved at higher cost all round. In the age of digital marketing, AI risks bringing the cola wars to every corner of the economy.

US jobs market

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While there is some way to go, these indicators will likely give the US central bank more confidence to begin cutting interest rates – after holding them at a high level in recent months to ease demand and lower inflation.

Rate cuts are expected to, in turn, give the economy a boost.

Rubeela Farooqi, chief US economist at High Frequency Economics, expects the Fed could start talks about cutting rates at their next policy meeting.

They could "lower the policy rate in September, if the data continue to show moderation," she said.

For now, she noted that even though wage growth has decelerated, the rates of change remain elevated compared to pre-pandemic trends.

On the data's bearing on Fed policy, Pollak earlier told AFP: "The trend that matters most is continued disinflation in the various measures of consumer and producer prices."

"The second most important trend is deceleration in wage growth," she said.

REUTERS, New York

The US dollar index stayed slightly lower on Friday after data showed US job growth slowed marginally in June while the unemployment rate rose, underscoring the view the Federal Reserve could begin cutting interest rates in September.

Nonfarm US payrolls increased by 206,000 jobs last month, the Labor Department report showed. Data for May was revised sharply down to show 218,000 jobs added instead of the previously reported 272,000. The unemployment rate rose to 4.1 percent, slightly higher than the estimated 4 percent.

Investors have been watching the labor market and inflation data closely as they try to gauge when the Fed could begin cutting rates from nearly two-decade highs.

The dollar index initially extended declines after the data. The dollar weakened against the

yen before paring losses.

The dollar index, which measures the greenback against a basket of currencies, was last down 0.28 percent at 104.87 and hit a three-week low early. Against the Japanese yen, the dollar weakened 0.34 percent to 160.73. It was near 160.45 just after the US payrolls data.

"We see rates coming down across the curve on confirmation of a moderation in US labor markets. The unexpected rise in the unemployment rate, the deceleration in wage gains and revisions in prior months' headline gains all point to a slowing in labor market conditions," said Karl Schamotta, chief market strategist at Corpay in Toronto.

"This is... raising the likelihood that we do see (Fed) Chair Powell put a September rate cut on the table either at the July policy meeting or at the Jackson Hole conference in August."

Futures markets are now pricing in a roughly

72 percent chance for a 25 basis point rate cut at the Fed's meeting in September, up from a 57.9 percent chance seen a week ago, according to CME's FedWatch Tool.

The euro was last up 0.23 percent at \$1.0835 and on track for its biggest weekly gain of the year against the dollar.

The euro has been bolstered by signs France could be heading for a hung parliament in elections on Sunday rather than a ruling majority for the far-right National Rally.

Marine Le Pen's eurosceptic, anti-immigration National Rally (RN) topped the parliamentary election's first round with a third of the vote, opening the prospect of the far right leading a French government for the first time since World War Two.

The pound firmed as the Labour party secured a landslide victory in the UK general election.

Sterling strengthened 0.46 percent to \$1.2814.