

Rupee flat, dollar up

REUTERS

The Indian rupee was nearly unchanged on Thursday as dollar demand from local oil companies offset positive cues from a decline in US bond yields and on broad weakness in the dollar.

The rupee was at 83.5925 against the US dollar as of 10:45 a.m. IST compared with its close of 83.5825 on Tuesday. Indian financial markets were closed on Wednesday for a local holiday.

The dollar index was up 0.1 percent after falling to its lowest in four months on Wednesday, pressured by growing hopes of Fed rate cuts and a rise in the Japanese yen on speculation of intervention by the country's authorities.

Most Asian currencies were slightly weaker on Thursday with the Indonesian rupiah down 0.3 percent and leading losses.

The Indian rupee held its ground when Asian currencies were under pressure earlier in the month so it's unlikely to follow gains in the broad Asia pack either, a foreign exchange trader at a private bank said.

The yen has recovered from the 38-year low hit on July 3 and the offshore Chinese yuan has also risen from its lowest levels since November.

US unveils plan to boost semiconductor production

AFP, Washington

Secretary of State Antony Blinken unveiled Wednesday a new plan for countries in the Americas to boost production of semiconductors, which are critical just about everywhere in modern industry and a sector dominated by China.

"This initiative will turbocharge countries' capacity to assemble, to test and to package semiconductors, beginning with Mexico, Panama and Costa Rica," Blinken said as he opened a meeting with counterparts from 11 countries of Latin America.

Blinken said the Americas should play a bigger role in the global supply chain for semiconductors, which these days feature in everything from cell phones to refrigerators to weapons systems.

He also called for more investment in the Americas to promote the energy transition away from fossil fuels, and recalled that it is the previously stated goal of the 12 countries at this meeting to earmark \$3 billion dollars for investment in infrastructure.

Midland Bank awards winners of 'Feedback & Win' programme

STAR BUSINESS DESK

Midland Bank recently awarded prizes to winners of its quarterly online customer service feedback survey programme, styled "Feedback & Win".

Md Ahsan-uz Zaman, managing director and CEO of the bank, handed over prizes to winners as chief guest at the bank's head office in the capital's Gulshan, read a press release.

A total of 12,855 customers were selected randomly and their feedback was sought to assess the bank's service standards and product quality. Of them, the 441 who responded were included in the lottery for taking the time to provide their valuable feedback.

The bank launched the programme on a quarterly basis.

On July 10, the lottery draw programme of the June Quarter Survey was held at the bank's Gulshan branch.

Md Zahid Hossain, deputy managing director of the bank, was also present.

Meghna Bank, Mana Bay sign MoU on services benefits

STAR BUSINESS DESK

Meghna Bank recently signed a memorandum of understanding (MoU) with Splash Works Water Parks Ltd, also known as Mana Bay, a premium water park in the Gazaria upazila of Munshiganj.

Kimiwa Saddat, deputy managing director of the bank, and Salim Khan Suratee, assistant vice-president of the water park, penned the MoU at the bank's head office in the capital's Gulshan.

Under this agreement, the bank cardholders will enjoy 'Buy 3 Get 1' facilities on entry tickets at the water park.

Moksedur Rahman, head of cards (in-charge) of the bank, Sultanul Arefin Sunny, head of alliance, and Arifa Afroz, senior marketing manager of the water park, along with other senior officials from both organisations were also present.



PHOTO: REUTERS/FILE

Workers weigh and pack paddy bags at Sitapur market, in the northern state of Uttar Pradesh, India. New Delhi is expected to lower the basmati rice's minimum export price (MEP) to \$800-\$850 a metric tonne, down from \$950 a tonne, to boost shipments.

India plans to ease rice export curbs as stocks surge to record, sources say

REUTERS, New Delhi

India is likely to cut the floor price for basmati rice exports and replace the 20 percent export tax on parboiled rice with a fixed duty on overseas shipments, government sources said, as rice inventories in the country jumped a record high.

The world's biggest rice exporter imposed various curbs on exports in 2023 and continued them in 2024 in an effort to keep local prices in check ahead of the general elections held in April-May.

New Delhi is expected to lower the basmati rice's minimum export price (MEP) to \$800-\$850 a metric ton, down from \$950 a ton, to boost shipments, said the sources, who didn't wish to be identified as they are not authorised to talk to media.

Lowering the MEP would help India retain its market share against Pakistan, which exported a record amount of rice this year due to New Delhi's export curbs.

India and Pakistan are the leading

exporters of basmati rice. New Delhi exports more than 4 million metric tons of basmati - the premium long grain variety famed for its aroma - to countries such as Iran, Iraq, Yemen, Saudi Arabia, the United Arab Emirates and the United States.

The country's rice stocks at state warehouses have jumped to 48.51 million metric tons as of July 1, the highest ever for the month and nearly 19 percent more than last year, according to Food Corporation of India.

New Delhi is also expected to drop the 20 percent export tax on parboiled rice and introduce a minimum export tax to stop under-invoicing of shipments, the sources said.

The government was examining possibilities of easing rice export curb, including resuming white rice exports,

Reuters reported last month.

Worried over expectations of lower output due to the El Nino weather pattern, India banned overseas shipments of non-basmati white rice varieties in July 2023 and imposed curbs on other grades.

"With rice supplies significantly exceeding local demand, it's crucial to reduce stockpiles to prevent spoilage. The most effective solution is to lift export restrictions," said BV Krishna Rao, president of the Rice Exporters Association (REA).

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New Delhi would also review the export ban on non-basmati white rice after assessing the progress of rice planting, the sources said.

Farmers have so far planted 11.6 million hectares with rice paddy during the current planting, up 20.7 percent on the same period last year.

US industrial output beats expectations in June

AFP, Washington

US industrial production cooled in June but still exceeded analyst expectations, with manufacturing and utilities output both rising, the Federal Reserve said Wednesday.

Total industrial output rose 0.6 percent from the prior month, down slightly from May's 0.9 percent reading, the report said.

Analysts expect that a slump in factory output that started in 2022 appears to now be in the rearview mirror.

The US central bank in 2022 rapidly hiked interest rates, lifting the cost of borrowing as it sought to ease demand and tamp down surging inflation.

Rates have remained high, taking a toll on businesses, as policymakers fight sticky inflation.

Among sectors, manufacturing output rose 0.4 percent in June, down from a 1.0 percent jump in May, the Fed said Wednesday.

This was helped in part by the auto industry even as other sectors saw declines.

Mining gained 0.3 percent, while utilities increased 2.8 percent, with gains in both electric and natural gas, said the Fed.

For the second quarter, industrial output rose at an annual rate of 4.3 percent, up from the first three months this year.

"We doubt that manufacturing will continue to grow as rapidly as it did last quarter, partly because the manufacturing surveys remain so subdued," said Oliver Allen, senior US economist at Pantheon Macroeconomics.

"A continued manufacturing boom probably requires either much lower interest rates or a more significant recovery in external demand, neither of which is materializing just yet," Allen added.

Since late 2023, the Fed has held interest rates at a high level. But inflation readings have edged down, raising the likelihood that the central bank will soon signal the start of rate cuts.

"Lower interest rates as the Fed starts easing policy as well as ongoing investment in domestic manufacturing capacity should provide support to factory activity over time," said economist Rubela Farooqi of High Frequency Economics.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JULY 16, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 78	-4.11	3.70 ↑
Coarse rice (kg)	Tk 50-Tk 54	0	16.67 ↓
Loose flour (kg)	Tk 40-Tk 45	1.01	-10.98 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 155	1.01 ↑	-10.98 ↓
Potato (kg)	Tk 56-Tk 65	5.22 ↑	42.35 ↑
Onion (kg)	Tk 110-Tk 120	35.29 ↑	76.92 ↑
Egg (4 pcs)	Tk 46-Tk 50	-10.28 ↓	0
SOURCE: TCB			



PHOTO: MIDLAND BANK

Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, poses for photographs with winners of the June quarter of the Online Customer Service Feedback Survey Programme, styled "Feedback & Win" at the bank's head office in the capital's Gulshan recently.



Kimiwa Saddat, deputy managing director of Meghna Bank, and Salim Khan Suratee, assistant vice-president of Mana Bay, pose for photographs after signing a memorandum of understanding at the bank's head office in the capital's Gulshan recently.

PHOTO: MEGHNA BANK

US considers China

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American technology, the US government has the power to stop it from being sold - including products made in a foreign country.

The US is presenting the idea to officials in Tokyo and the Hague as an increasingly likely outcome if the countries don't tighten their own China measures, the Bloomberg report added.

ASML declined to comment on the discussions, and Electron said it wasn't in a position to comment on "geopolitical issues", Bloomberg reported.

Tokyo Electron, ASML Holding, and the US Department of Commerce did not immediately respond to Reuters' requests for comment.

US Fed flags

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reporting flat or slight growth, said Wednesday's report.

The Fed has been focused on reining in runaway inflation in the wake of the pandemic, but is now also closely eyeing its mandate of promoting maximum employment, Fed Chair Jerome Powell said this week.

"If we were to see an unexpected weakening in the labor market, then that might also be a reason for reaction by us," Powell said.

On Tuesday, Federal Reserve Governor Adriana Kugler noted that if the labor market cools too much, with layoffs driving a continued rise in unemployment, it might be apt to cut rates sooner.

Oil prices steady

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rates unchanged on Thursday, but it signalled that its next move is likely to be a cut.

However, Chinese economic growth remains a concern. Chinese leaders signalled on Thursday that Beijing would stay the course with economic policy, though few concrete details were disclosed. Together, those helped to check investor hopes of a push to boost consumption in the world's second-largest economy.