

## Gold rebounds

REUTERS

Gold prices rose on Thursday, a day after US inflation data suggested the Federal Reserve might reduce interest rates next month though the extent of cuts remains uncertain, prompting investors to await further economic indicators.

Spot gold was up 0.5 percent at \$2,460.38 per ounce as of 11:31 GMT, just \$23 shy of the record high of \$2,483.60 reached last month. US gold futures rose 0.7 percent to \$2,497.70.

"Gold continues to find resistance in the \$2,475-80 area with traders increasingly looking for the rate cut cycle to start before potentially adding more exposure," said Ole Hansen, head of commodity strategy at Saxo Bank, adding that the market is torn between whether a 25 or a 50-basis point will be delivered next month.

Markets have priced in a 100 percent chance of a US rate cut in September, according to the CME FedWatch Tool.

Data on Wednesday showed that the US consumer prices rose moderately in July and the annual increase in inflation slowed to below 3 percent for the first time in nearly 3-1/2 years, opening the door wider for the Fed to cut interest rates next month.

Atlanta Fed President Raphael Bostic is open to an interest-rate cut in September, he told the Financial Times, adding the Fed can't "afford to be late" to ease monetary policy.

A low interest rate environment tends to boost non-yielding bullion's appeal.

# Dhaka Bank obtains ISO cybersecurity certification



**AKM Shahnawaj, acting managing director of Dhaka Bank, receives an ISO certification from Mohammad Sirajul Islam, manager of certification at Bureau Veritas Bangladesh, at a function in Dhaka recently.**

PHOTO: DHAKA BANK

### STAR BUSINESS DESK

Dhaka Bank recently achieved a significant milestone by obtaining the ISO certification for advanced cybersecurity standards.

Conferred by the International Organization for Standardization (ISO), this certification provides a comprehensive framework designed to help organisations safeguard their information and digital assets against cyber threats, the bank said in a press release.

The certification was awarded by Bureau Veritas, a globally recognised certification

body, with Iota Consulting Bangladesh serving as the consulting partner.

AKM Shahnawaj, acting managing director of the bank, received the certification from Mohammad Sirajul Islam, manager of certification at Bureau Veritas Bangladesh, at a function in Dhaka.

Dhaka Bank is the first bank in the country to achieve this certification, highlighting its commitment to proactively safeguarding sensitive information, especially in the digital world, the press release also said.

The bank has also previously earned other significant certifications, including

Information security management systems/IEC-27001, the Payment Card Industry Data Security Standard (PCI-DSS), and the TIA-942 B 2017 (rated-3) Data Centre certification.

These achievements underscore the bank's dedication to maintaining high security standards and fostering trust with stakeholders.

AMM Momen Uddin, deputy managing director and COO, and Mohammad Golam Kibria, founder and CEO of Iota Consulting Bangladesh, along with other senior officials from all three organisations were also present.

## Dollar softens against peers

REUTERS

The dollar softened against its major peers on Wednesday, helping the euro to a near eight-month peak, as the US consumer price index showed inflation is subsiding, reinforcing expectations that Federal Reserve interest rate cuts are near.

US CPI rose moderately in July and the annual increase in inflation slowed to below 3 percent for the first time since early 2021, according to expectations for a rate cut next month, though likely less aggressive than markets hoped for.

The report adds to the mild increase in producer prices in July in suggesting that inflation is on a downward trend. This should give the Fed room to focus more on the labor market amid growing concerns of a sharp slowdown.

"It mildly shrank the expectations of targeting a 50-basis point rate cut in September," said Amo Sahota, director, Klarify FX, in San Francisco. "It's been a much quieter reflective approach on the inflation number."

The euro was last up 0.18 percent against the greenback to \$1.1014, surpassing the high hit during the market turmoil last week, and was trading at its strongest level since Jan. 2. The dollar index was slightly lower at 102.57.

Traders had been widely expecting a rate cut in September before the producer price data, and ramped up bets for a 50 basis-point cut after the release to 56 percent from 53 percent a day earlier, according to CME Group's FedWatch Tool.

Sahota thinks the market is still on track for three 25 bps cuts this year from the Fed, rather than 100 bps by the end of the year.

Sterling failed to gain on the weaker dollar and was down 0.29 percent at \$1.2825 after data showed the rise in British consumer price inflation was smaller than expected in July as services prices - closely watched by the Bank of England - rose less rapidly.

The pound did soften on the euro, however, which was up 0.47 percent at 85.87 pence. Financial markets priced in a 44 percent chance of a quarter-point BoE rate cut in September, up from 36 percent before the data was released.

Meanwhile, Japanese Prime Minister Fumio Kishida's decision to not run for reelection in his party's leadership race next month had little effect on markets, analysts said.

# UK growth slows slightly in Q2

AFP, London

Britain's economy grew 0.6 percent in the April-June period, a slight slowdown compared with the first three months of the year, official data showed on Thursday.

The country's economy is growing after it exited a mild recession at the end of last year, helped by inflation falling back from four-decade highs.

Gross domestic product had expanded by 0.7 percent in the first quarter of 2024, the Office for National Statistics said in a statement.

The data covers the period just prior to Britain's general election in early July, which resulted in the centre-left Labour party winning power on a promise to grow the country's economy by a sizable amount.

"The new government is under no illusion as to the scale of the challenge we have inherited after more than a decade of low economic growth and a £22 billion (\$28 billion) black hole in the public finances," finance minister Rachel Reeves said Thursday in reaction to the latest gross domestic product figures.



PHOTO: AFP/FILE

**A woman checks her phone near a closed store on Oxford Street in central London.**

"That is why we have made economic growth our national mission and we are taking the tough decisions now to fix the foundations, so we can rebuild Britain and make every part of the country better off."

The GDP data revealed also that the

economy recorded zero growth in June, or end of the second quarter, owing "to a weak month for health, retailing and wholesaling, offset by widespread growth in manufacturing", noted Liz McKeown at the statistics office.

She added that growth across the quarter "was led by the service sector, where scientific research, the IT industry and legal services all did well".

While the Consumer Prices Index rose back above the Bank of England's target in July to 2.2 percent, according to official data Wednesday, it is way down on the elevated levels seen in the months following Russia's invasion of Ukraine.

As such, the central bank is expected to keep on cutting interest rates in the coming months, according to analysts.

Separate data this week showed Britain's unemployment rate dropping to 4.2 percent and wage growth down to the lowest level in nearly two years.

Prime Minister Keir Starmer's Labour government has said that it plans to boost the economy thanks to mass house-building and by doubling onshore wind energy by 2030.

At the same time, Reeves has warned that the country's public finances face an extra £22-billion hole inherited from the previous Conservative administration that is likely to result in tax rises when she delivers her maiden budget later this year.

## Chinese economist calls for fairer int'l trade environment

ANN/CHINA DAILY

China is proactively expanding imports, encouraging outward investment and broadening institutional opening-up to counter "unfounded" protectionist trading policies and promote win-win globalisation, said a renowned economist and policy researcher.

"We still hope to work with other economies to create a freer, fairer and more just environment for international trade and investment," Jiang Xiaojuan, director of the academic advisory committee of the Chinese Public Administration Society, told China Daily in an exclusive interview.

The CPAS is an academic organisation providing advisory services on government management, under the supervision of the General Office of the State Council. Jiang is also a professor at the University of Chinese Academy of Social Sciences.

While China will continue improving its business environment, Jiang said it is inappropriate to excessively blame China's investment climate alone for the decline in foreign direct investment inflow, which is partially a result of rising geopolitical risks and the growing competitiveness of Chinese industries.

Jiang's remarks came amid an ongoing trade dispute between China and the European Union surrounding Chinese electric vehicles. On Friday, China filed an appeal with the World Trade Organization, challenging the EU's provisional additional tariffs on Chinese EV imports up to 37.6 percent. In early July, the EU imposed the tariffs, claiming that subsidies benefit the Chinese EV value chain, posing a risk to EU producers.

# US consumer inflation sees smallest annual rise since 2021

AFP, Washington

US consumer inflation eased slightly in July, according to government data published Wednesday, its smallest 12-month increase since March 2021 and a positive sign for the Federal Reserve as it weighs cutting interest rates.

The consumer price index (CPI) eased to 2.9 percent last month from a year ago, down slightly from 3.0 percent in June, the Labor Department said in a statement, while a measure that strips out volatile food and energy costs cooled to an annual rate of 3.2 percent.

This was slightly lower than the median forecast of economists surveyed by Dow Jones Newswires and The Wall Street Journal.

The monthly inflation rate picked up by 0.2 percent after declining in June, in line with expectations.

"Today's report shows that we continue to make progress fighting inflation and lowering costs for American households," US President Joe Biden said in a statement.

"We have more work to do to lower costs for hardworking Americans, but we are making real progress, with wages rising faster than prices for 17 months in a row," he added.

But a spokesperson for Donald Trump's presidential campaign team took a different view of the data, seeking to blame vice president and Democratic presidential nominee Kamala Harris for the cumulative rise in prices since Biden took office in January 2021.

"Under Kamala Harris, everything costs 20 percent more than it did under President Trump," Trump Campaign national press secretary Karoline Leavitt said in a statement. "America cannot afford another four years of Kamala's failed economic policies"

Almost 90 percent of the



**A customer shops at a Safeway store in San Francisco, California. The July CPI data are good news for the US Federal Reserve as it weighs the right time to start bringing interest rates down from a 23-year high.**

PHOTO: AFP/FILE

monthly increase was down to a 0.4 percent increase in shelter costs, the Labor Department said. Energy prices remained unchanged, while the index for food rose 0.2 percent.

So-called "core" inflation, excluding volatile food and energy prices, also eased last month to 3.2 percent - its lowest level since April 2021.

The July CPI data are good news for US Federal Reserve as it weighs the right time to start bringing interest rates down from a 23-year high.

The US central bank has been attempting to lower inflation to its long-term target of two percent without crashing the economy or causing a surge in the unemployment rate, known as a "soft landing".

After a small uptick in the Fed's

favorable inflation measure earlier this year - which is calculated slightly different the CPI - inflation is now easing again.

In other good news for the Fed, economic growth remains positive, and the labor market has shown signs of coming into better balance without a dramatic rise in the unemployment rate.

Against this backdrop, Fed chair Jerome Powell suggested last month that the policymakers could cut rates "as soon as" September, if the data continue to come in as expected.

"Today's report will raise confidence within the Fed that inflation is indeed on a sustainable path towards 2 percent," economists at High Frequency Economics (HFE) wrote in a note to clients.

But the rise in shelter inflation

remains "a thorn in the Federal Reserve's side" as it weighs rate cuts, Oxford Economics chief US economist Ryan Sweet wrote in a note published Wednesday, adding that the rise in rents was broad-based.

"Rents tend to be sticky but with the disinflation elsewhere, the Fed has the greenlight to cut interest rates by 25bps (basis points) at its September meeting," he added.

With futures traders overwhelmingly expecting the Fed to cut interest rates in September, according to data from CME Group, the question is how big its first cut will be.

Traders have assigned a probability of more than 55 percent that it will make a quarter-percentage point cut, leaving the chance of a larger, half-point cut at just under 45 percent.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (AUG 15, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 80	0	4.48 ↑
Coarse rice (kg)	Tk 52-Tk 55	2.88 ↑	9.18 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-16.67 ↓
Lentil (kg)	Tk 105-Tk 110	0	13.16 ↑
Soybean (litre)	Tk 145-Tk 152	-1.00 ↓	-5.71 ↓
Potato (kg)	Tk 50-Tk 55	-13.22 ↓	38.16 ↑
Onion (kg)	Tk 110-Tk 120	0	39.39 ↑
Egg (4 pcs)	Tk 48-Tk 50	2.08 ↑	-9.26 ↓

SOURCE: TCB

## Japan's economy

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Possible successors include digital minister Taro Kono and economic security minister Sanae Takaichi, who would be Japan's first female premier and who is popular with the right wing of the party.

Other names floated in local media are Shigeru Ishiba, former party number two, and Shinjiro Koizumi, former environment minister and son of ex-premier Junichiro Koizumi.

On Thursday, the 79th anniversary of the end of World War II, both Takaichi and the younger Koizumi visited the Yasukuni shrine in Tokyo that honours Japan's war dead including convicted war criminals.

Kishida, 67, never went to the site officially as prime minister, but visits by predecessors including Shinzo Abe angered China, South Korea and other countries that suffered under Japanese wartime occupation.

Kishida won plaudits abroad while in office, siding decisively with Ukraine after Russia's invasion.

With US encouragement, Kishida firmed up Japanese defence policy to counter China, hiking spending and moving to acquire "counterstrike" weapons.

His leadership has been "nothing short of historic", US President Joe Biden, who hosted Kishida at the White House in April, said in a statement.

## China's underwhelming

FROM PAGE B4

China's major cities recorded another decline in real estate prices in July, a sign of sluggish demand.

In July, demand for bank loans also contracted for the first time in nearly 20 years, according to official figures published earlier this week.

International challenges are also mounting, with the European Union and the United States increasingly imposing trade barriers to protect their markets from low-cost Chinese products and perceived unfair competition.