

SEC fines 10 Wall Street titans \$1.39b over research scandal

Citigroup, JP Morgan Chase, Lehman Brothers, Merrill Lynch, Morgan Stanley on the list

AFP, Washington

Ten of Wall Street's most powerful firms will pay 1.39 billion dollars in a final settlement of a massive scandal over biased stock research, regulators said Monday.

Financial titans including world number one Citigroup were snared in the scandal, blamed for shattering investor confidence and sending shockwaves around world financial markets.

They were accused of deliberately providing overly optimistic research on stocks to lure investment banking business from the companies involved.

The 10 companies will pay 487.5 million dollars in penalties, return 387.5 million dollars in gains, pay 432.5 million dollars for independent research and pay 80 million dollars for investor education.

World number one Citigroup's brokerage arm, Salomon Smith Barney, took the heaviest blow with a

record fine of 150 million dollars.

In related actions, two star stock analysts during the 1990s market boom -- Citibank's Jack Grubman and Merrill Lynch's Henry Blodget -- were fined and barred for good from the industry.

"I am profoundly saddened -- and angry -- about the conduct that's alleged in our complaints," Securities and Exchange Commission chairman William Donaldson said.

"There is absolutely no place for it in our markets and it cannot be tolerated," he told a joint news conference.

If an analyst signed a research report supporting a stock while privately admitting to doubts, "the only appropriate reaction is outrage," Donaldson said.

Firms were publishing favorable research that had essentially been paid for by the issuer, he said. "We had no choice but to conclude that the research system was broken."

The penalties alone were among the largest ever obtained in civil securities

law actions.

"Although the monetary relief secured in the settlement is substantial, unfortunately the losses that investors suffered in the aftermath of the market bubble that burst far exceeds the ability to compensate them fully," Donaldson said.

As part of sweeping overhaul of the rules:

-- Wall Street firms must separate research and banking operations.

-- Analysts' compensation must be unrelated to investment banking business.

-- Analysts are barred from soliciting investment banking business.

-- Firms must put a warning on all research reports indicating whether firms do investment banking business with the companies they cover.

-- Brokerage firms agree not to divert shares in lucrative initial public offerings (IPOs) to clients in a position to give them investment banking business.

-- Firms must disclose quarterly the price targets, ratings, and earnings per share forecast in its research reports.

-- The firms agree to purchase independent, third-party research for their customers over the next five years.

Besides Citigroup, the firms involved are Bancorp Piper Jaffray, Bear Stearns, Credit Suisse First Boston, Goldman Sachs Group, JP Morgan Chase, Lehman Brothers, Merrill Lynch, Morgan Stanley and UBS Warburg.

"We deeply regret that our past research, IPO and distribution practices raised concerns about the integrity of our company and we want to take this opportunity to publicly apologize to our clients, shareholders and employees, Citigroup's brokerage arm chief executive Charles Prince said in a statement.



PHOTO: LAFARGE SURMA CEMENT

Managing Director of Lafarge Surma Cement Ltd Yong Ngai Chan gives a lecture on 'Gaining Competitive Advantage' held at IBA, Dhaka University recently.

US textile industry condemns pact with Vietnam

REUTERS, Washington

US textile producers reacted angrily Monday to a new US agreement with Vietnam, which they said endangered thousands of jobs in the United States, the Caribbean and Central America.

"This unfortunate agreement is coming at a very difficult time for the American textile industry," the American Textile Manufacturers Institute (ATMI) said in a statement.

By signing the pact, the Bush administration "appears to have abandoned its commitments to the

textile industry and our associates and to textile state representatives," ATMI said.

The Bush administration estimates the new agreement will limit Vietnam's apparel and textile imports to the United States to approximately \$1.7 billion in 2003, compared to shipments of \$950 million in 2002 and just \$49 million in 2001.

But ATMI said the agreement, which establishes quotas on 38 apparel and textile products, would initially allow Vietnam to ship more than \$2 billion worth of product.



PHOTO: SOCIAL INVESTMENT BANK

(From left to right) M Nazrul Islam, deputy managing director of Social Investment Bank Limited, Golam Mustafa, managing director, and Anwarul Haque Qureshi, principal of the bank's training institute, pose for a photograph at the conclusion of a foundation training course for officers of the bank in Dhaka on Thursday.

Lafarge Surma Cement MD gives lecture at IBA

A business lecture on 'Gaining Competitive Advantage' was organised at the Institute of Business Administration of Dhaka University recently, says a press release.

Managing Director of Lafarge Surma Cement Ltd Yong Ngai Chan gave the lecture.

He disclosed that Lafarge is building a \$225 million cement manufacturing plant at Chhatak. The plant has an annual production capacity of 1.2 million ton.

A 17 kilometre long belt conveyor will be constructed to transport raw materials from quarry in Meghalaya in India, he said.

CURRENCY

The following is yesterday's foreign exchange rate statement by Standard Chartered Bank

Selling		Currency	Buying	
TT/OD	BC		TT Clean	OD Sight/Doc
58.9500	59.0000	USD	58.0000	57.8296
65.3520	65.4074	EUR	63.1098	62.9244
94.3141	94.3941	GBP	91.3732	91.1048
37.1208	37.1523	AUD	35.3336	35.2298
0.4947	0.4951	JPY	0.4789	0.4775
43.2883	43.3250	CHF	41.9894	41.8661
7.0887	7.0948	SEK	6.9544	6.9340
40.9916	41.0264	CAD	39.7914	39.6746
7.5659	7.5724	HKD	7.4292	7.4074
33.3975	33.4259	SGD	32.5751	32.4794
16.1813	16.1950	AED	15.6642	15.6182
15.8455	15.8589	SAR	14.3443	15.2993

Exchange rates of some currencies against US dollar

Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Norwegian Kroner	NZ Dollar	Malaysian Ringgit
47.3	57.8	97.02	42.850	7.0583	0.6068	3.80

SHIPPING

Chittagong port

Berthing position and performance of vessels as on 29/4/2003.

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Import disch
J/1	Mongla	Rice	Tugi	Able	25/4	2/5	526
J/2	Rainbow Spring	GI	Sing	ASA	28/4	2/5	500
J/4	Taking	Stag(Bulk) S.Cir(Conf)	Vizh	Move	21/4	2/5	1980
J/6	Zang Sa San Chong Nyon Ho	Rice	Kand	SSTL	17/4	4/5	231
J/7	An Kang Jlang	GI	Huang	BD Ship	23/4	29/4	1846
J/8	Phothae	Rice	Kand	Mutual	15/4	30/4	1938
J/9	Nirint Progress	Vehi	Durb	Royal	27/4	--	1172
J/10	Heng Fu	Wheat	Viza	Uniship	19/4	5/6	712
J/12	QC Lark	Cont	P.Kel	QC SL	25/4	30/4	X
CCT/1	Jaami	Cont	Col	Everbest	25/4	29/4	X
CCT/2	Banga Borti	Cont	Sing	BD Ship	27/4	30/4	259/238
CC/3	Kota Singa	Cont	Sing	Pil (BD)	25/4	30/4	X
RM/15	Banglar Moni	Repair	Sing	BSC	27/2	1/5	
G/SJ	Commander Express	Idle	Hazi	RSA	29/3	10/5	

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Ruhunupura	29/4	Hald	PSSL	Cont	Yang
Sagang	29/4	Yang	Everett	GI	
Banga Biraj	29/4	P.Kel	BD Ship	Cont	Sing
Dae Gak Bong	29/4	Tuti	Uniship	Wheat	
Little Lady	29/4	Krabi	BSL	Gypsum/Stone	
Bambu Kuning	29/4	Indo	OTBL	For Demolition	
Balangan	29/4	Jaka	OTBL	For Demolition	
Rimbun	30/4	Indo	OTBL	For Demolition	
Janis Sudrabkains	30/4	Sing	JF	For Scraping	
Pathain	30/4	Yang	Mutual	Rice	
Oranda	30/4	CBO	ASLL	C.Clink	
Gali-2	1/5	Kaki	Able	Rice	
Mu Du Bong	3/6	Kand	Able	Rice	
Asimont	1/5	P.Kel	Seaborn	Cont	MGL
Banga Bijoy	2/5	Col	Bardhi	Cont	Col
Leo Forest	1/5	Sing	Everett	W/LD	Urea
Xpress Resolve	2/5	Col	Everbest	Cont	Col
Mardios	2/5	P.Kel	RSL	Cont	Sing
Yong Jlang	8/5	--	BD Ship	GI	--
QC Teal	5/5	P.Kel	QC SL	Cont	Sing
Banga Bonik	3/5	Sing	BD Ship	Cont	Sing
Asha Nimani	3/5	Kuchi	TOSL	GI	
Kota Cahaya	5/5	Sing	Pil (BD)	Cont	Sing

Vessels at Kutubdia

Outside Port Limit	P Cargo	Kol	Sakhi	21/2
Barge: S-657	--	--	Arafeen	R/A(29/4)

Vessels at outer anchorage

Vessels ready:				
OH Shan Tok	Fert (BAG)	Zhan	TOSL	24/4
Continent-4	Rice	Bedi	Cla	25/4
Banga Birol	Cont	Col	Cla	25/4
Xpress Manaslu	Cont	P.Kel	RSL	28/4
QC Dignity	Cont	P.Kel	QC SL	

Movement of vessels for: 30/4/2003

Outgoing		Incoming	Shifting
J/8	Pho ThDE	CCT/2 B. Biraj	J/10 Heng Fu
J/12	QC Lark	CCT/3 QC Dignity	RM/3 Vanessa
J/13	B. Birol	J/12 Ruhunupura	
CCT/2	B. Borti	RM/9 B. Jyoti	
CCT/3	K. Singa	RM/6 O. Manta	

The above are Shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Family, Dhaka.

STOCK