

Industrial stocks show better performance

By Abul Barkat

The industrial sector performed appreciably better in 1990 compared to 1989, while the banking sector's performance was extremely poor. Out of 10 listed banks, only 3 declared dividend in 1990 but the same was interim for fiscal 1990-91. Seven of nine listed banks had declared dividend in 1989.

The banking sector, however, claims there has been no appreciable difference in their operation. But, their profit picture has become devastatingly dismal, as a result of implementation of new bad debt provision requirements by Bangladesh Bank. This has made it impossible for them to pay the shareholders.

An analysis of dividends declared by all listed companies

In 1989 and 1990 also received that the jute sector had not been able to extricate itself from the quagmire it gradually sunk into. None out of 12 listed could declare any dividend in 1990 just as in 1989.

In other sectors including investments (Mutual Funds), 55 out of 93 had declared dividend in 1989. In 1990, 66 out of 105 declared dividend. In percentage terms the ratios of paying securities increased from 59 per cent in 1989 to 63 per cent in 1990 in these

sectors. but new listings of securities like Specialised Jute, Youssuf Flour, Swan Textiles or Padma Printers could hardly be justified. If these "dead wood" are included, a more realistic performance of listed securities would have been available to general investing public. Some operators suggest that the DSE list could be bifurcated with these non-traded or rarely-traded securities relegated to a second list as is done in almost all other exchanges around the world.

Dividend payment performance of listed shares and mutual fund 1989 - 1990

Sector	No. of securities listed	No. of securities paying dividend	No. of securities where dividend INCREASED	No. of securities where dividend DECREASED	No. of securities where dividend UNCHANGED
Banking	9	7	10	3	0
Investment	7	7	7	1	1
Insurance	2	2	2	2	0
Engineering	16	12	18	13	5
Food & Allied	18	8	20	13	8
Power	3	3	3	3	1
Jute	11	0	12	0	12
Textiles	15	8	18	8	5
Others	13	5	15	8	4
Paper & Printing	5	2	6	4	3
Service	2	0	0	0	0
Miscellaneous	12	6	13	7	4
Total	113	62	127	66	35
Total including MFs	93	55	105	66	30

Sharp decline in share prices

Trading at Dhaka Stock Exchange (DSE) on the closing day of the week on Thursday witnessed a major downturn.

Transactions were thin. The Dhaka Stock Exchange All Share Price Index recorded a marked fall to 336.2454 points, losing 1.75 points in a day. This was the heaviest drop in last four months. The index indicates the price movements of the listed stocks in the market.

The DSE sources said that the decline of the index was due to the fall in the price of ICB stocks by Taka 10.00 a share. ICB in the investment sector has its capitalisation at Taka twenty crore, one of the largest among the listed companies with Dhaka Stock Exchange.

In all, 19 stocks were traded. Of them, 12 fell in prices, two rose and five remained unchanged.

A total of 1406 shares changed hands compared with Wednesday's 9481. The traded shares valued Taka 1,13,135.00 against Taka 8,38,930.00.

On the losers side AB Bank and ICB got the major slash. They lost Taka 13.50 and Taka 10.00 to Taka 137.50 and Taka 90.00 respectively at closing.

IFIC Bank, Rupali Bank and 2nd ICB Mutual Fund declined by Taka 5.00 each to Taka 142.50, Taka 85.00 and Taka 175.00 respectively.

Ashraf Textile and Usmania Glass lost Taka 2.00 each to Taka 28.00 and Taka 143.00. Oxygen, Desh Garments, Modern Dyeing, Green Delta and Kohinor Chemical declined in the range of Taka 0.50 and Taka 1.00.

Aftab Automobile and Saham Textile were the only two gainers of the day. They advanced Taka 2.00 and Taka 1.00 to Taka 205.00 and Taka 83.00 respectively.

Turnover in January

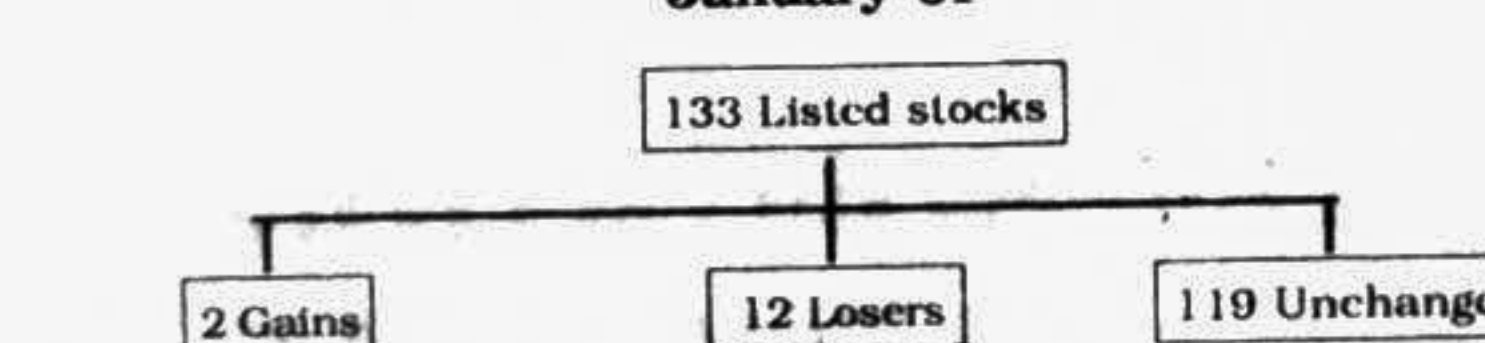
Meanwhile, the figures at the close of trading for January on Thursday showed that 2,37,182 shares were traded during the month. The value of traded stocks in the month was Taka 1,50,06,553.50.

Quoted Prices of Traded Stocks January 31

Bank	Price	Change
All Bank	100/1	990.00
AB Bank	100/5	137.50 (-13.50)
A.F.I.C.	100/5	142.50 (-5.00)
Rupali Bank	100/10	85.00 (-5.00)
Investment	100/5	90.00 (-10.00)
2nd ICB M. Fund	100/5	175.00 (-5.00)
Insurance	100/10	106.00
Green Delta	100/10	108.00 (+0.50)
Engineering	100/5	305.00 (+2.00)
Others	100/5	70.00 (-0.50)
Kohinor Chemical	100/10	61.00
Textile	100/5	28.00
Desh Garments	100/10	97.00 (-1.00)
Modern Dyeing	100/5	33.00 (-1.00)
Others	100/10	83.00 (+1.00)
Miscellaneous	100/5	140.00
Others	10/100	8.50
Others	100/5	143.00 (-2.00)

* FV = Face Value ML = Market Lot
 ** Changes : Plus signs mean gains and (-) signs losses.

Dhaka Stock Exchange Market Profile January 31



* 119 unchanged stocks include five traded on the day at the previous day's quoted prices.
 DSE All Share Price Index = 336.2454
 Issued Capital-Taka 4,602,377,190.00
 Market Capitalisation-Taka 9,608,298,672.00
 Turnover = Taka 113,135.00(Value) 1406 (Volume).

\$298b US budget deficit likely

WASHINGTON, Jan 31, The Congressional Budget Office (CBO) on Wednesday predicted that the US Government would chalk up a record 298 billion Dollar deficit this fiscal year and said the cost of the Gulf war would increase it, reports Reuter.

The non-partisan agency's prediction is slightly less than the White House has projected, but well above last year's shortfall as war costs and recession eat into government revenues.

The key culprit for inflating the deficit projection is recession the first economic downturn in eight years and a massive drag on tax revenues, said CBO Director Robert Reischauer.

As recession bites, tax revenues shrink because consumers cut back and companies post weaker profits. That leaves the government with less money to run the country while spending needs mount.

While recession is chiefly to blame, the budget target could also be skewed by the Gulf war, as Washington runs up a daily bill of 500 million Dollars to one billion Dollars.

Palm oil fuel produced in Brazil

BRASILIA, Jan 31: The government on Wednesday announced that a new alternative energy source would be available to power heavy farm machinery and transport vehicles: palm oil, reports AP.

"Dendiesel", a mixture of 74 per cent Dendee palm oil and 24 per cent diesel oil, has been used to power a test passenger car 50,000 miles (80,000 kms) yielding an average 42 miles per gallon (18 kms per liter), said Agricultural Minister Antonio Cabrera.

A test passenger bus was powered 12,400 miles (20,000 kms) with Dendiesel for a year, with excellent results, Cabrera said. He did not reveal the production costs of the alternative fuel.



Sand being unloaded from a country boat at Aminbazar on the northern bank of the capital for earthfilling and construction works.

6 media firms may dominate world market

GENEVA, Jan 31: Big publishing and media companies are diversifying and spreading so rapidly that about half a dozen groups are likely to dominate the world market by 2000, the International Labour Organisation (ILO) said on Tuesday, reports Reuter.

"Media giants are now involved in not just printed goods, but also film, cinema, video, tape recording and compact discs.

There is also a pattern of vertical linkage forming between industrial producers, the advertising industry and media giants," a new study by the United Nations agency said.

These would include such groups as Time Warner Inc of the United States, the world's largest media conglomerate, Hachette of France, Australian Magenta Rupert Murdoch's News Corp. Canada's Thomson Corporation, and Robert Maxwell's Maxwell Communication Corp. PLC in Britain, the study said.

Industrial output declines Economic activities slow down in Ctg

CHITTAGONG, Jan 31: Economic activities here have slowed down due to the fallout of the Gulf crisis, reports ISS.

A few number of ships are calling at the port. The frequency of arrivals registered a sharp decline. Ten out of 19 jetties remained idle. There is almost 50 per cent fall in the earnings of shipping business, according to shipping circles.

Most ships leaving the port go without export cargo as industries fail to maintain export schedule. The downturn in shipping activities has rendered many port labourers jobless. The unemployed dock workers are facing extreme hardship.

The clearing and forwarding agents, stevedores and other shipping-related organisations are being hit hard. Industrial production in many units are declining because of shortage of imported raw materials, business circles

said. The industries which depend on imported raw materials like chemical and petroleum products are fearful of a more deepening crisis in the coming weeks. Imported supplies from the Gulf areas are totally stopped after the war broke out. Entrepreneurs and employees of many industries are thus facing uncertainty while the war continues.

Sale at the weekly tea auction here also went down in last two sales. Bulk of the teas on offer remained unsold. Foreign buyers from Pakistan, Afghanistan, the USSR, Iran, Poland, the UK, Egypt and others generally participate at the auction. But only Pakistani and Iranian buyers placed orders at the sales after the Gulf war broke out.

Generally, over one thousand five hundred tons of teas are offered on each sale and two thirds of the quantity are sold at every auction.

Snippets

S.Korea trade office in Beijing

BEIJING, Jan 31: A representative office of the South Korean Trade Promotion Corporation (KOTRA) opened for business in Beijing, reports Xinhua.

The China Chamber of International Commerce (CCIC) signed an agreement in Beijing last October with KOTRA to mutually establish representative offices in Beijing and Seoul of South Korea.

The CCIC representative office in Seoul is now under preparation.

Japanese foreign subsidies rise

TOKYO, Jan 31: Turnover of foreign subsidiaries based in Japan rose by 13.9 per cent in fiscal 1989 but represented only 1.1 per cent of Japanese firms' domestic turnover, the Ministry of International Trade and Industry (MITI) said, reports AFP.

In the previous period, the turnover of Japan-based firms at least 50 per cent foreign-owned represented one per cent of the turnover of Japanese-owned businesses, according to a study carried out by MITI.

Indonesian Bank gives interest free loans

JAKARTA, Jan 31: The influential Indonesia Ulema Council (MUI) plans to set up an Islamic Bank that gives interest free loans to small businesses and the poor, the official Antara news agency said Wednesday, reports AFP.

Antara quoted MUI Chairman Hasan Basri as saying that the organisation has already solicited a number of businessmen willing to contribute to the 10 billion rupiah (5.2 million dollars) capital required to start the bank.

"We hope conglomerates will also contribute," Mr. Basri said.

Japanese oil co makes profits

TOKYO, Jan 31: Japan's biggest oil producer Arabian Oil Co. Ltd., one of the first casualties of the Gulf war, said Wednesday its net profit grew 8.7 per cent to 2.63 billion yen (20 million dollars) in the year to December, reports AFP.

The company, whose biggest shareholders are the governments of Saudi Arabia and Kuwait, said sales advanced 18.1 per cent to 249 billion yen (1.9 billion dollars) in the same period.

Singapore busiest container port

SINGAPORE, Jan 31: Singapore became the world's busiest container port last year and also retained its position as the world's busiest harbour in terms of shipping tonnage, reports AP.

Almost 45,000 ships, accounting for 484 million gross registered tonnes, called at this maritime crossroads in 1990 according to Port of Singapore Authority figures.

Ford cuts output

LONDON, Jan 31: Vehicle manufacturer Ford is to reduce output at two factories in Britain because of effects of the Gulf war and of economic recession, the company said on Wednesday, reports AFP.

Output of transit vans at the Southampton factory in the south of England will be halted on Fridays until May, and on 11 other working days during this period.

People assured of essentials in India

HYDERABAD, Jan 31: The Union Minister for Food and Civil Supplies, Mr. Rao Birendra Singh, said here Wednesday that there was no need for panic as far as essential commodities were concerned and shipments of petroleum products and edible oil were on way to India from "different sources", reports PTI.

Inaugurating a container freight station of the Central Warehousing Corporation at Sanatnagar on the outskirts of the city, Mr. Singh said artificial scarcity was being created by hoarders and blackmarketers, and warned them of stringent action.

Surcharges on fares slashed Airlines resume Gulf flights

ABU DHABI, Jan 31: Fears of losing precious market shares prevailed over Gulf war concerns this week as more airlines slashed exorbitant war risk surcharges on fares, reports AP.

Gulf Air the joint national carrier of four regional states, United Arab Emirates, Oman, Qatar and Bahrain, became the latest on Tuesday to halve insurance surcharges imposed since the January 17 start of war between the US-led coalition and Iraq.

"This was meant to match the current rates in the Gulf market," Mashallah Mohammed, the Airline's manager in Abu Dhabi, said. "The Gulf route is very important to airlines."

British airways, Pakistan International (PIA), Air India and Egypt Air, all of which serve large numbers of their countries' expatriate workers in the Gulf announced similar reductions earlier this week.

The decision drastically cuts a special insurance premium surcharge which passengers had to pay for tickets amid a rush on flights out of the region in the past two weeks.

It would mean the surcharge on a 1,000-dollar round trip fare from Dubai to London has been cut from 700 dollars to 300 dollars, a travel agent said.

Many countries' national airlines have resumed Gulf flights that they had suspended for periods of one to a week since January 15, the United Nations deadline

for Iraq to pull out of Kuwait. War broke out two days later.

Mr. Mohammad said Gulf Air was following the example of the foreign national carriers.

Dubai-based Emirates airlines, benefiting from government support, continued flights throughout the month without additional war risk surcharge, posing a strong challenge to other national carriers, an airline industry source said.

Dubai, midway between Europe and South Asia, is seeking to boost its position as a transit point for international air and sea traffic and officials said they hoped the policy adopted by emirates during the war would help this effort.

Journalists' plot to be vacated by stranded Pakistanis

The stranded Pakistanis residing at Mirpur in the city have decided to vacate the plots occupied by camp inmates at the Journalists' Housing Project there, reports UNB.

The decision was taken on Wednesday at their meeting which extended support to Bangladesh Federal Union of Journalists (BFUJ), Dhaka Union of Journalists (DUJ) and the Housing Cooperative Society of Journalists for early vacation of the plots, according to a press release signed by M. Nasim Khan.

The meeting was addressed, among others, by M. Nasim Khan, Chief Patron of Stranded Pakistanis, General Repatriation Committee.

\$700m EC aid for 3 war-hit states

BRUSSELS, Jan 31: The European Community (EC) said here on Wednesday it will provide about 700 million US dollars in financial aid to Egypt, Jordan and Turkey, which are suffering serious losses from the Gulf War, reports Xinhua.

According to a report released by the Commission, Egypt and Jordan will each receive an aid of 210 million US dollars while Turkey will receive 245 million dollars in loans.

Moreover, an EC spokesman said that the above division of aid is based on the negative economic impact on these three countries.

The aid will mainly be used to compensate the three countries' foreign exchange balance, to import necessary equipment and to help settle

refugees, the spokesman added.

The majority of the aid reportedly will come into practice in February.

\$32.5m for Eastern states

Another AFP report adds: The European Community (EC) will devote 25 million ECU (32.5 million dollars) to economic modernisation of Eastern countries in connection with its "PHIARE" programme the EC Commission announced on Wednesday.

An initial programme worth 20 million ECU (26 million dollars) will support establishment of joint ventures between small and medium-sized EC firms and companies in the Eastern countries under the PHIARE programme (involving Czechoslovakia, Poland, Hungary, Yugoslavia, Bulgaria, and Romania).

\$535m Germany aid for UK

Reuter adds from Bonn: Germany will give Britain 800 million Marks (\$535 million dollars) to help finance its costs in the Gulf crisis, Foreign Minister Hans-Dietrich Genscher said on Wednesday.

Genscher, speaking after meeting his British counterpart Douglas Hurd here, said Bonn would also contribute military equipment and material to the British war effort.

Exchange Rate January 31

SELLING AND BUYING RATES, offered by Commercial Banks, for Bank Cheques, (BCs) and Overseas Drafts (ODs) One Unit of Foreign Currencies (FCs) for Taka	Buying	Selling
US Dollar	35.4432	35.9226
UK Pound Sterling	69.5123	70.3290
German Deutsche	23.6841	24.0205
Mark		
French Franc	7.9791	7.0776
Saudi Riyal	9.4819	9.6101
Dutch Guilder	21.0096	21.3064
Pakistan Rupee	1.6008	1.6160
(AMU)		
Singapore Dollar	20.5468	20.8247
UAE Dirham	9.6631	9.8141
Kuwait Dinar	Not available	
Indian Rupee	1.9305	1.9493
(AMU)		
*AMU-Asian Monetary Union		
SECONDARY EXCHANGE MARKET		
Wage Earners Fund/Export Performance Bonus (XPB) Fund		
US Dollar	Buying	Selling
	36.48*	36.53
UK Pound	71.46	71.51
Steele		
* The rates of Pound Sterling are decided every day, based on the cross-rate of New York market		
Source: Sonali Bank		

Wall Street stocks soar

NEW YORK, Jan 31: US stock prices soared on Wall Street on Wednesday on reports of allied gains in the Gulf War and signs that the recession may end relatively soon, reports Reuter.

Gold, meanwhile, tumbled on concern that the cash-strapped Soviet Union may unload bullion to pay for one billion dollars in repairs needed at a key petrochemical plant that was destroyed in an explosion last week.

The Dow Jones Industrial Average rose 50.50 points, or 1.9 per cent, to close at 2,713.12, its highest level since August 15. Advancing issues led losers by more than 3

1 in heavy trading of 226.8 million shares on the New York Stock Exchange.

Analysts said initial enthusiasm came from President George Bush's state of the union speech on Tuesday night.

An unexpected 0.1 per cent rise in the December leading indicators described as "encouraging" by the White House also rallied investors. The index is considered a sign of economic trends six to nine months in the future.

On the commodity exchange, gold for February delivery closed with a loss of 7.60 dollars at 368.80 dollars an ounce, after sinking to an early

low of 365.10 dollars, its lowest level since October 16.

Silver for March delivery closed at 3.827 dollars an ounce, down four cents and just above last week's 15-year low of 3.76 dollars.

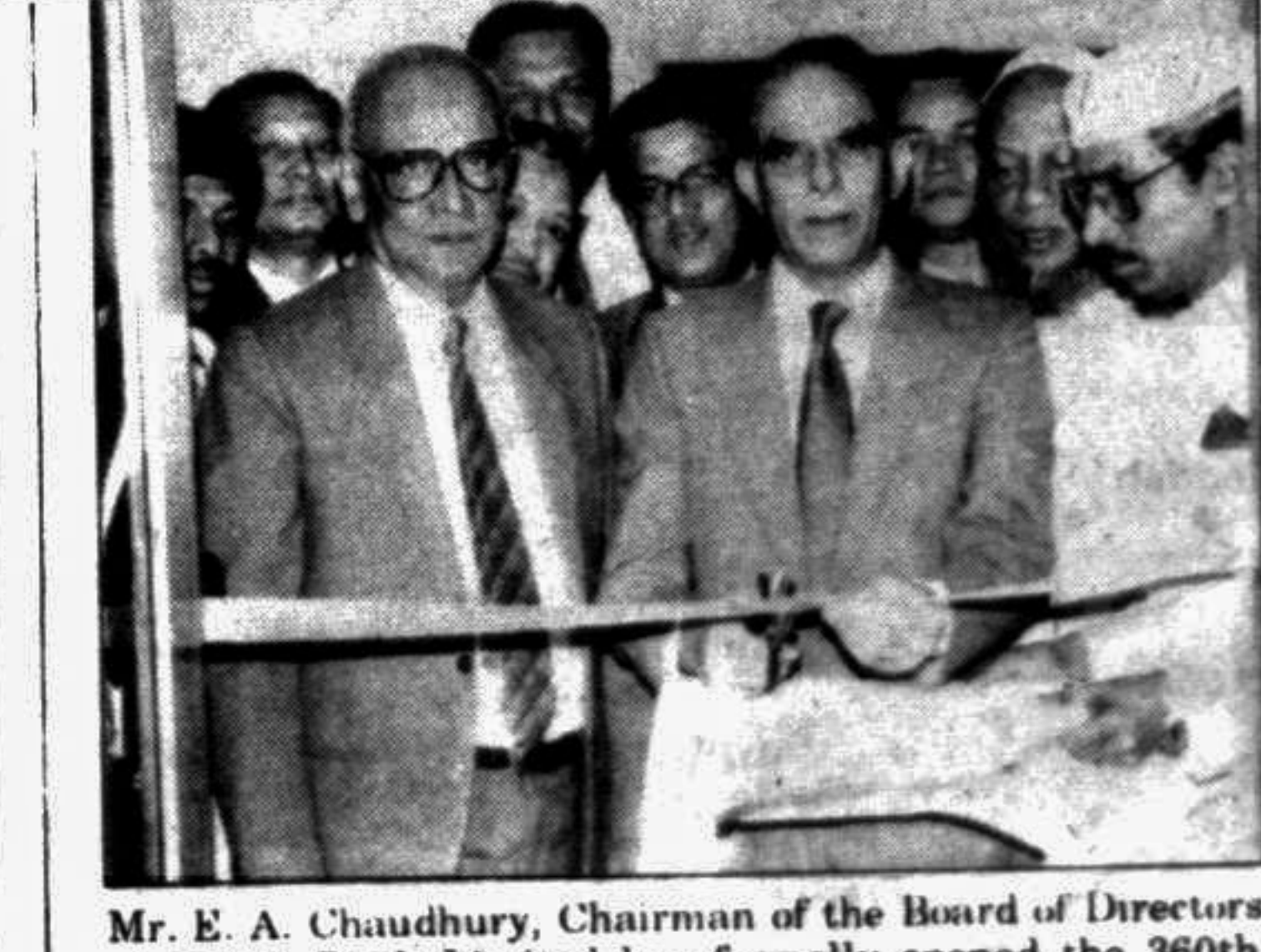
Crude oil on the New York Mercantile Exchange closed down 88 cents at 20.97 dollars a barrel on news of the allied war gains.

The dollar fell to 1.4875 German Marks from 1.4960 Marks at the New York close on Tuesday. A surge of dollar-buying dissipated when the currency could not rally above 1.50 Marks.

The dollar ended at 131.15 Japanese Yen, down from Tuesday's 132.15 Yen.



Dr A R Mallik Chairman Board of Directors National Bank Ltd. inaugurated the 52nd branch of National Bank Ltd. at Savar, Dhaka on Wednesday. Mr. Ali Akbar Khan and Mr. Ahmed Ali Directors of the bank and Mr. R A Howlader Managing Director and Mr. M A Wahhab Deputy Managing Director of the bank are also seen in the picture.



Mr. E. A. Chaudhury, Chairman of the Board of Directors of Pubali Bank Limited has formally opened the 360th branch of the Bank at Hotel Osmani International, 23 Joykali Mandir Road, Dhaka on Wednesday. Mr. A. A. Baze Rabbi, Deputy Managing Director, General Managers and other Bank Executives were present