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Cos will not be allowed to offer more than three rights shares against existing one

SEC frames new rights rules

By M Shamsur Rahman

In the wake of complaints against companies, the Securities and Exchange Commission (SEC) on Thursday adopted a new guideline for a strict regulation of rights share management.

The Rights Share Issue Rules 1998, as the SEC chiefs called it, will replace the existing guideline.

Under the new rule, sources said, companies will be allowed to offer a maximum of three shares for each existing share and the price will be fixed jointly by issue managers and underwriters. The offer will require approval of general shareholders at an annual or extra-ordinary general meeting and the shares have to be delivered within 45 days after the approval.

"In case of premiums on rights shares, the companies' performance in the previous five years will be reviewed and the companies have to make disclosures regarding the previous IPOs (Initial Public Offering) and the rights issue money," one SEC source said, giving details of the new rule.

The laws will take effect following a gazette notification.

SEC rejects Hemayet's appeal

Meanwhile, the SEC Board has temporarily rejected an appeal by Hemayet Uddin Ahmed, now under suspension after complaints from an investor.

An SEC source however said the investigation would continue.

"He failed to submit any document to prove himself not guilty. The board will soon take the final decision," the source said.

The SEC decision has been communicated to DSE. "We have received the letter and the suspension will continue until any further orders from SEC," a DSE official said.

The suspension on the well-known broker, DSE chairman in 1986 and CEO of a securities firm, came as result of a complaint lodged by one of his clients, a former military official who ordered purchase of shares worth Tk 10 lakh in October-November in 1996 when the market was going through the bubble phase.

The complaint was that Ahmed had taken money from the client but bought shares on his own account. And, when asked for, he declined to deliver either shares or money to the investor.

FICCI urges govt

Extend duty-free import of generator by another year

Amidst continued power crisis in the country, the Foreign Investors' Chamber of Commerce and Industry (FICCI) has called for extending the time limit by another year to allow duty-free import of generators, reports UNB.

In a letter addressed to Finance Minister Shah A M S Kibria on Sunday, the chamber appreciated the timely and bold decision taken last year to allow duty-free import of generators in the face of severe power crisis.

"It is needless to say that, inspite of sincere efforts of the government, the crisis still remains and it is unlikely that the situation will prove soon," said the letter, a copy of which was made available to UNB yesterday.

The FICCI said, "In view of the above, this Chamber feels very strongly that the time limit allowing duty free import of generators should be extended by another year."

BCI calls for ban on trade union at Ctg Port

Bangladesh Chamber of Industries (BCI) has called for a ban on trade union in Chittagong Port declaring its activities as "essential services" to resolve the port's staggering problems, reports UNB.

BCI President Sharif M Afzal Hossain in a statement Sunday urged Finance Minister Shah AMS Kibria and Shipping Minister ASM Abdur Rab to take immediate steps in this regard.

They welcomed the Finance Minister's decision to keep the customs offices in port areas open upto 10 pm everyday, including the government holidays.

They also called for opening foreign exchange booths in the port area so that all kinds of business transactions can take place there.

"Chittagong port has been playing an important role in trade and commerce of the country but the situation has not yet improved there," the statement said.

Efforts on to supply gas to N-region from June

The Ministry of Power, Energy and Mineral Resources has been making allout efforts to supply natural gas to the northern region of the country from the day the Bangabandhu Bridge over the river Jamuna will open, reports BSS.

This was disclosed at a high-level meeting of the ministry held in the city Sunday with Energy Minister Noor Uddin Khan in the chair.

The meeting reviewed the overall performances of Petrobangla and decided to expedite the work of various exploration and development projects.

Appreciating the performances of Petrobangla and other organisations under the ministry, Noor Uddin urged the engineers and officials to speed up the installation of pipelines so that natural gas could be supplied to the western side of river Jamuna from the first day of opening of the Bangabandhu Bridge. The bridge is expected to be open to traffic from June this year.

Minister of State for Power, Energy and Mineral Resources Prof Rafiqul Islam, Energy Secretary Dr Tawfiq-e-Elahi, Petrobangla Chairman Mosharraf Hossain and heads of different organisations and high official of the ministry were present at the meeting.

Adaptive research project of IJO starts this month

The first project coordination committee meeting on "Adaptive research on improved fibres and their utilisation for enhanced income generation" was held at the International Jute Organisation (IJO) headquarters in the capital yesterday, reports UNB.

The project is a follow up of some of the completed and on-going projects of the IJO. The estimated cost for implementation of project is US dollar 400,000 and will be entirely financed by IFAD on grant basis.

The project is going to be commenced this month for a period of two years in major jute and allied fibres producing countries — Bangladesh, China, India, Indonesia, Nepal and Thailand.

Inaugurating the two-day meeting State Minister for Jute A K Faezul Huq said with the recent increase of global environmental consciousness, jute is being recognised due to its environment friendly characteristics.

"Stiff and growing competition from synthetics continues to be a major problem for jute which has been passing through a critical period," he told the meeting.

Visiting Japanese delegation led by Takeshi Yagi, Director, Grant Aid Division of Economic Cooperation Bureau, called on Finance Minister Shah AMS Kibria at his office yesterday. — PID photo

US step to improve global financial system stymied

WASHINGTON, Jan 26: A fresh initiative by Washington to improve the global financial system in response to Asia's financial crisis has been stymied by a lack of new ideas and a lukewarm response from some key allies, says Reuter.

Now the pressure is on US Treasury Secretary Robert Rubin to come up with a map for the way ahead.

If he fails, an opportunity to learn the painful lessons that Asia's crisis could teach both governments and private investors may be lost, analysts said.

"They have no ideas whatsoever," said a government official from one of the group of seven industrial nations. "I guess that's why they want to talk about it."

Overwhelmed by the financial crisis that struck Mexico in 1994-95, leaders of major industrial countries agreed at their June 1995 summit to establish a new early warning system.

Critics say the plan was woefully inadequate and failed to forestall current troubles, not much has happened since.

In a speech last week, Rubin again said Washington was seeking to "develop a consensus on further steps" with its G-7 partners and other nations linked to the Asian rescue effort.

But asked what the financial system he envisioned might look like, Rubin admitted with a laugh: "the answer to that I do not know."

Five-year plan to reform BR

The government has plans to reform Bangladesh Railway (BR) to make it more efficient and financially-viable, according to an official document made available to BSS.

A five-year programme laid out within the Jamuna bridge loan agreement and signed between the government and Asian Development Bank (ADB) was approved by the Bangladesh Railway's Board at its meeting in August 1997, the document said.

The milestones for the programme were set for the period July 1, 1996 to June 31, 2001.

The initial tasks of the programme would be reviewing the rules of business and existing corporate entities operating under those rules and summerising the findings of these reviews. Under the programme a report recommending a workable corporate model and course of action will be made by March next.

The programme was taken considering the operation of rail service through the Jamuna bridge from the very first day of opening the bridge for vehicular transport in the middle of this year.

"With the opening of the Jamuna bridge in 1998 traffic patterns in Bangladesh are set to shift in dramatic fashion," the document said adding BR requires an organisational structure which permits it to act incisively in this fast-changing transport sector, a reactiveness not possible within the government establishment.

According to sources, BR deficits have ranged annually between Taka 100 and 150 crore, excluding depreciation and interest charges.

Over the years, BR has steadily lost market share in both Bangladesh's passenger transport and freight transport markets.

BR's share of passenger traffic has fallen from 30 per cent to 12 per cent and freight traffic from 28 per cent to seven per cent between 1975 and 1993, the document said.

BR has seen a steady erosion in its annual passenger volumes to 32.7 million in 1995-96, down from 50 million in 1992-93, according to the document.

However, the freight tonnage has remained somewhat stable over the last ten years, the document pointed out.

BR has bright future to contribute to the economic growth of the nation, but, it requires real authority to pursue a true commercial course to resist any untowards outside intervention to put the right officers and staff in the right positions and to reward innovations and incisiveness.

BR will never provide the nation with the rail service which can potentially be provided and will never eliminate its large deficit as long as it operates as a sub-group within the government ministries and civil service, it maintained.

DCC drive to evict hawkers from footpaths soon

The Dhaka City Corporation (DCC) is going to launch a drive again to clear footpaths and streets of hawkers and other illegal occupants in the Dhaka metropolitan areas.

official sources told UNB that DCC has already instructed the police department to evict illegal occupants from pavements and streets for a clean metropolis.

"The action will start soon, during Eid holidays likely," a senior DCC official said.

Last year, the Corporation made a special drive to evict hawkers from the city footpaths and had designated eight places for them to carry out business.

Because of the drive, the footpaths were free for about six months. But the hawkers again returned to the pavements and streets, obstructing free movement of the pedestrians and also causing traffic jam in the sprawling city.

4 alleged pirates held at Mongla

From Staff Correspondent

KHULNA, Jan 25: Mongla thana police arrested four alleged pirates prior to their preparation for committing piracy in Sundarbans on Saturday night.

Two pipeguns and a Chinese rifle loaded with four bullets were recovered from them.

The arrested were identified as Alamgir, 35, Malek Howlader, 25, Hanif Majumder, 49, and Jahangir Mollah, 27.

Delta Life Insurance Company settled the death claim of Moulana Belayet Hossain, former Superintendent, Singuria Dakhil Madrasha, Tangail, with double benefit for accidental death. The cheque for Tk three lakh was handed over to his nominee by Alhaj Md Saifuddin, Principal, Ibrahim Khan University College. Das Deba Prashad, Deputy Managing Director, DLIC, was also present.

Commodity market : Gold, tea up; oil down

LONDON, Jan 25 : Oil prices slumped below the 15-dollar mark to a four-year low this week, as markets braced for an increase in Iraqi exports while the American Petroleum Institute (API) announced a rise in stocks, reports AFP.

The market, which has been reeling under a crude glut since the 11-nation Organisation of Petroleum Exporting Countries (OPEC) decided last November to bike export ceilings, saw the rise in US reserves as a real danger signal.

All the more so since dealers anticipated an imminent agreement between Iraq and the United Nations to increase the volume of exports from Baghdad.

A decision to bring forward a meeting of OPEC's ministerial monitoring committee to discuss the crisis caused by the low prices failed to lift market sentiment, just three of the cartel members are to attend next week's meeting, OPEC said.

Gold prices meanwhile staged a dramatic recovery on the wings of a technical rally and an announcement that South Africa's second-biggest producer planned to slash output.

Gold : Sparkle-Gold prices burst back above the 290-dollar mark on the London bullion market this week, in the light of technical trades and renewed optimism over the short-term outlook for the market.

The price of an ounce of gold rose by 11.5 dollars to 292 dollars an ounce.

A precious metals analyst at Merrill Lynch trading house, Ted Arnold, said traders were buying up gold contracts even though some producers, and perhaps central banks, have once more started selling in small quantities.

Silver : Up. Silver prices rose slightly after a slump of stocks held on the New York Comex Market.

Prices rose by eight cents to 5.82 dollars per ounce.

Platinum and palladium : Stable. The prices of these two metals clung to recent highs amid fears that supplies of palladium on the London bullion markets would remain scarce in the coming months.

Dealers feared a supply shortfall as Russian shipments failed to materialise. The country in the world's biggest producer of palladium and the second most important platinum producer.

Zinc : Higher. C Zinc prices rose despite a stock build and widespread sales from Asia after an announcement that the worlds' biggest producer, Faro, was to shut down production.

Three-month prices rose by 14.5 dollars to 1,142 dollars per tonne.

The Faro plant in Canada, which has annual capacity of 130,000 tonnes will close immediately.

LME reserves rose by 575 tonnes to 488,150 tonnes.

Tin : Rise. Tin prices rose this week after market reserves fell slightly.

Three-month tin prices rose by 57.5 dollars to 5,230 dollars per tonne.

LME stocks fell by 405 tonnes to 12,670 tonnes.

Copper : Tumble. Copper prices fell after a rise in London Metal Exchange (LME) reserves and continued concern about future demand from Asia, which was a key importer of the metal prior to economic turmoil there.

Three-month copper prices fell by 26.5 dollars to 1,709 dollars per tonne.

Lead : Lift. Lead prices rose slightly on the wings of technical trades, despite the gloomy outlook for the metal in the face of reduced demand from Asia.

Three-month lead prices rose by two dollars to 526 dollars per tonne.

Aluminium : Shine. Aluminium prices rose in the light of predictions that demand would be strong in 1998, despite economic meltdown in Asia, and a sharp fall in LME reserves.

Three-month prices rose by 24 dollars to 1,514 dollars per tonne.

Analysts said that the metal might be long among those traded on the LME to withstand the Asian crisis and post marked gains in the year ahead.

Nickel : Slump. Nickel prices slipped to a four-year low this week in the absence of demand from investors and fears that financial turmoil in Asia would hit demand from the region in the coming months.

Three-month prices ended the week at about 5,500 dollars per tonne, which was 24 dollars lower than last week.

Oil : Slump. Oil prices fell below the 15-dollar mark to their lowest price in almost four years this week in reaction to a sharp rise in US crude stocks and expectations of increased Iraqi oil exports.

The benchmark brent North Sea oil fell to 14.93 dollars a barrel on the International Petroleum Exchange (IPE) from 15.44 dollars a barrel one week earlier, during the week, prices fell to the lowest level since April 20 1994.

Tea : Boiling. High grade Assam leaves continued to command strong demand in the London auction houses.

One consignment was sold at a price of 275 pence per kilogramme, well above last weeks' high point of 204 pence per kg.

Medium grade teas also rose to between 205 pence and 180 pence per kg from 170 to 180 pence last week.

Sugar : Melting. Sugar prices fell amid on-going concern over future demand from Asia's financial turmoil there continued to bite.

May sugar contracts fell by 1.6 dollars to 301.7 dollars per tonne.

The fall came despite strong demand on the physical market from Russia and the Middle East.

Vegetable oils : Warm. Strong demand for soya on the US-market more than compensated for increased supply this week.

Palm oil contracts for delivery in March rose to 2,382 ringgits per tonne from 2,371 ringgits per tonne.

On the Rotterdam market, palm oil contrachs for delivery in February rose by 10 dollars to 630 dollars per tonne.

Rubber : Bounce. Rubber prices bounced back on technical trades ahead of the Chinese new year this week.

Asian consumers were particularly keen to buy up rubber futures contracts. But on the cash market, supply was plentiful and demand scarce.

On the Kuala Lumpur market, the RSS 1 index rose by 200 ringgits to 3,155 ringgits per kg.

In London, rubber prices rose by 22.5 pounds per tonne to 485 pounds.

Wool : Cool. Wool prices fell slightly as producers engaged in fierce competition to bolster sales this week.

In Australia, prices covered by the eastern index fell by 18 Australian cents to 6.55 dollars per kg.

And in Britain, prices fell by two pence to 383 pence per kg.

Grains : Crushed. The US cereals market was undermined by forecasts of a rise in wheat production around the world.

The US Agriculture Department said that output from Argentina would be 13.9 million tonnes, compared with a previous estimate of 12.2 million tonnes.

Cotton : Light. The cotton market continued to suffer the effects of financial turmoil in Asia and hefty sales by producers.

Prices covered by the cotton outlook index fell slightly by less then one cent, to 70.50 cents per pound.

Exchange Rates

Following is the Monday's forex trading statement by **Standard Chartered Bank, Dhaka.**
Central Bank USD/BDT Rate: Buying-BDT 45.30/Selling-BDT 45.60

Selling			Buying		
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
45.6600	45.7000	USD	45.2600	45.0850	44.9866
77.6220	77.6900	GBP	75.1316	74.8411	74.6777
26.2716	26.2946	DEM	25.4556	25.3571	25.2592
0.3706	0.3709	JPY	0.3558	0.3544	0.3537
32.4290	32.4574	CHF	31.2569	31.1361	31.0038
23.1659	23.1862	NLG	22.7323	22.6444	22.5610
26.3778	26.4009	SGD	25.4986	25.4000	25.3018
7.7852	7.7920	FRF	7.6647	7.6351	7.6145
31.6863	31.7141	CAD	30.9788	30.8590	30.7285
5.8240	5.8291	SEK	5.7291	5.7070	5.6923
31.1858	31.2131	AUD	30.0074	29.8914	29.6911
10.4966	10.5057	MYR	9.8391	9.8011	9.7861
5.9069	5.9120	HKD	5.8325	5.8099	5.7995
12.2413	12.2520	SAR	11.9735	11.9273	11.9107

Usance Export Bills

TT DOC	30 Days	60 Days	90 Days	120 Days	180 Days
45.1654	44.8828	44.5057	44.0719	43.6005	42.5444

US Dollar			Libor				
	Buying	Selling		1 Month	3 Months	6 Months	12 Months
Cash Notes	45.20	45.75	USD	5.62109	5.62500	5.62500	5.65625
TC	45.05	45.65	GBP	7.43750	7.60156	7.62500	7.62500

Exchange Rates of Some Asian Currencies Against US Dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringitt	Indonesian Rupiah	Korean Won
38.60/38.90	44.006	54.60/54.90	4.4750/4.4850	12500/13250	1675/1682

Market Commentary

Trading in local foreign exchange market was moderately active Monday as international markets resumed operation, after weekends. US dollar was the dominant foreign currency traded during the day. Demand for US dollar was high due to import payments despite liquidity crisis. In the interbank market USD traded between BDT 45.40 and BDT 45.50.

The local money market was very hectic and call money rate soared to record high of 25pc due to severe liquidity crisis. Commercial banks were forced to borrow at very high rates to meet their customers cash withdrawals. Withdrawal of funds by nationalised bank (major lenders in the call money market) was also attributed to the liquidity shortage. Call money rate ranged between 15pc and 25pc. However, in late working hours the nationalised banks came up with fresh lending which gave some breathing space to the money market players.

In international foreign exchange markets USD posted further loss against DEM, Yen and GBP. USD dropped to 124 Yen level in early trading in Tokyo, but later regained to 125 Yen level after a senior Japanese Finance Ministry official commented that Yen was no longer weak. In European trading at 1050GMT US Dollar traded at 1.7753/58, 125.75/85 against Yen and GBP traded at 1.6713/23 against USD.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 26.1.98

Berth No.	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Sarah-1	GI	Yang	Cross	30/12	26/1
J/2	IbEveregtt	GI	Sing	Everett	15/01	28/1
J/3	Sea Energy	GI	Busa	Prog	08/01	29/1
J/4	Seahorse	GI (Copra)	Sing	Seacm	22/01	31/1
J/5	Norbulk Oak	GI	S.Hai	Prog	01/01	27/1
J/6	Baltimar Neptune	GI (Copra)	Sing	AASS	23/01	29/1
J/7	Krk	GI	Mad	Oil	15/01	29/1
J/8	Dafu	Cont	Sing	Apl(B)	20/01	28/1
J/9	Kota Alam	Cont	Sing	Pil (Bd)	23/01	29/1
J/10	Banglar Robi (Flag)	Cont	Sing	BSC	21/01	26/1
J/11	Leerort	Cont	Sing	RSL	14/01	28/01
J/12	Kota Berjaya	Cont	Sing	Pil (Bd)	19/01	27/1
J/13	Banga Biraj (PRT)	Cont	Sing	Bdship	18/01	27/1
CCT/1	Cape Hatteras	Cont	Sing	RSL	15/01	29/1
CCT/2	Manaslu	Cont	Sing	Baridhi	25/01	29/1
CCT/3	Kota Chaya	Cont	Sing	Pil(Bd)	15/01	29/1
RM/14	Kuryong	Cement	Sing	Delmure	09/12	30/1
TSP	Linghai-18	C.Clink	Sing	MBL	10/12	26/1

Vessels due at outer anchorage

Name of vessels	Date of arrival	L.port call	Local agent	Cargo	Loading port
Padma 19/1	27/1	Sing	RSL	Cont	Sing.
Qc Teal 18/1	27/1	Sing	QCSL	Cont	Sing
Diligence Cont 18/1	26/1	Sing	QCSL	Cont	Sing
Kota Bintang 18/1	27/1	Sing	Pil (Bd)	Cont	Sing
Banglar Kiron	29/1	Mong	BSC	-	-
Banglar Gourab (24) 21/1	02/2	Mong	BSC	-	-
Hector	27/1	Dong	litmond	C.Clink	-
Sotoon	27/1	-	Simni	Scraping	-
Eastern Explorer	27/1	Sing	B.Bay	Survey Purpose	-
Skylark	28/1	-	CTPL	Daphos	-
Sea Bulk Energy	28/1	Sing	B.Bay	Survey purpose	-
New Cygnus	28/1	-	Prog	S.Coil	-
Dewan-1	29/1	Kara	AML	GI/GI	Kara
Josie (48)22/1	29/1	Col	Cla	GI(St.Coil)	-
Myohyang-2	30/1	Sing	PSAL	Cement	-
Seagull	30/1	Sing	B Bay	survey Purpose	-
Xpress Resolve 25/1	30/1	Sing	RSL	Cont	Sing
Banglar Moni 16/1	30/1	Sing	BSC	Cont	sing
M.Regina 19/1	30/1	Sing	Pil (Bd)	Cont	Sing
Sea Harvest	30/1	-	USTC	Cement	-
Gretke Oldendorff	31/1	-	Rainbow	R.Seed	-
Mir Damad 22/1	31/1	-	SSL	Cont	Sing
new Zeland Star	31/1	Sing	UMTL	Scraping	-
Qc Pintail 21/1	01/2	Sing	QCSL	Cont	Sing
Asian harp (roro/24/13/1	4/2	-	BBA	Vehi	-
Ultima 21/1	4/2	Col	Baridhi	Cont	Col
Sin Hai 21/1	5/2	Sing	QCSL	cont	Sing
Haimao	5/2	Mong	MBL	Scraping	-

Tanker due

Bunga Melawis Dua	31/1	-	Seaglory	CPO	-
Neptune Aries	3/2	Kuwa	MSTPL	Sko	-

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Ismaya	-	-	B.Bay	9/1
Orizont	-	Sing	B.Bay	25/2
Seabulk besty	-	-	B.Bay	R/A (5/1)
Seabulk Carol	-	-	Tmil	R/A (23/1)

Vessels at outer anchorage

Ready on

Feng Yang	GI	S.Hai	Baridhi	14/1
Sea Elegance (Cont)	Cont	Sing	Pil(BD)	25/1
Julie-N	HSD	Srira	ECSL	25/1

Vessels not ready

Raffiu	Reice (P)	Kaki	Angelic	14/1
Tempest	Cement	Sing	HSL	R/A (1/1)
Ho Chi Minh	M.Seed	Ukra	AASS	19/1
Freedom-K	Cement	Sing	Jaycee	21/1
Nan Du Jiang	C.Clink	Sing	USTC	26/1

Vessels awaiting instruction

Ya Feng	Cement	Hand	Delmure	R/A(13/1)
Banglar Asha	-	-	BSC	R/A (14/1)
Banglar Jyoti	-	-	BSC	R/A (15/1)
Banglar Shurabh	-	-	BSC	R/A (18/1)
Laut timur	-	Sing	B.Bay	23/01

Vessels not entering

Al Vin	C.clink	Sing	RML	23/1
Cotland	Scraping	Sing	OTL	22/1

Movement of vessels for 27 & 28.1.98

Outgoing	Income	Shifting
27/01:		
J/13 Banga Biraj	J/13 D Container	J/1 Sarauil-1 to RM/8
	J/5 Padma	J/5 Norbulk Oak to Cufl
		J/10 S Elegance to CCT/3
28/01:		
J/2 Ib Everett	J/10 K Kintang	CCJ B. Asha to TSP
J/7 Krk	J/7 Qc Teal	J/5 Padma to /11
J/11 Leerort	Ccj Hector	
J/10 K.Chaya		
RM/6 Julien		

The above were the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by **HRC Group, Dhaka.**