Debt relief gains revive debate over IMF-WB conditions

AFP, *Washington*

While the world's poorest countries are close to savoring the fruits of a debt-relief deal worth billions of dollars, the real impact of the move on the fight against poverty will depend on the conditions attached, activists warn.

The World Bank and International Monetary Fund over the weekend approved a plan to cancel an estimated 40 billion dollars in multilateral debt carried by 18 poor countries, a step hailed by government officials and activists alike as breakthrough.

The initiative was drafted by the Group of Eight industrialized nations, which agreed to finance the deal. About 70 percent of the debt is due the World Bank, with the remainder owed the IMF and the African Development Bank.

The 18 countries included in the initial phase are deemed to have carried out macroeconomic and structural reforms approved by the IMF and the World Bank.

But while debt relief activists gave a cautious welcome to the project, they warned that expanding the initiative will require more countries to submit to what they see as damaging conditions imposed by the two Washington-based lenders.

"A further 40 plus countries need immediate debt cancellation," said Martin Powell of the World Development Movement.

"Those that do become eligible will certainly be forced to implement economic policies like privatization and trade liberalization first. Yet this has been shown often to increase poverty and undermine democracy."

The group cited a study by the UN Conference on Trade and Development, which it said had found that least-developed countries adopting free-market reforms in the 1990s suffered from growing poverty, unemployment, wage inequality and wage reductions.

The fund in a "fact sheet" said, "When a country borrows from the IMF its government makes commitments on economic and financial policies -- a requirement known as conditionality ... a way for the IMF to monitor that its loan is being used effectively."

Even before a loan is approved, according to the IMF, beneficiary countries could be asked to adjust their exchange rates, eliminate price controls and adopt a government budget "consistent with the program's fiscal framework."

PHOTO: EXIM BANK

Managing Director of EXIM Bank Mohammed Lakiotullah speaks at the inauguration of a "Training Course on General Banking and Cash Management" for the officers of cash department of the bank in Dhaka Sunday. Vice President (HRD) of the bank Shah Md Abdul Bari, among others, was present at the function.

PHOTO: AKTEL

Shahiduzzaman MP inaugurates a customer care centre of AKTEL in Cox's Bazar on Thursday. Md Nasir Bin Baharom, managing director of the mobile phone operator, among others, is seen.

PHOTO: GRAMEENPHONE

Faizul Hakim Khan, executive director (Finance) of Evince Group, an export-oriented garment industry, and Tanvir Ibrahim, head of Corporate Sales of GrameenPhone Ltd, pose for photographs at an agreement signing ceremony recently. Under the deal, Evince has become a corporate client of the mobile phone operator.

PHOTO: CONTINENTAL INS

The fifth annual general meeting (AGM) of Continental Insurance Ltd was held recently in Dhaka. Chairman of the company Md Musa Meah presided over the AGM, which was attended, among others, by Managing Director Md Hashmat Ali.

Japanese manufacturers grow optimistic on business

REUTERS, *Tokyo*

Big Japanese manufacturers grew more confident about business conditions in the three months to September, a government survey showed Monday confirming views that the economy was improving amid stronger domestic demand and a pickup in exports.

The business survey index (BSI) of sentiment among large manufacturers in the July-September quarter rose to plus 6.4 from minus 2.4 in April-June. Indexes showing their expectations for coming months were at plus 11.1 for October-December and plus 9.0 for January-March.

Financial markets look to the survey, conducted jointly by the Ministry of Finance and the Cabinet Office's Economic and Social Research Institute, for signs of what to expect from the tankan survey by the Bank of Japan, due on Oct 3.

"The survey shows Japan's recovery is strengthening considerably. It could led to a solid reading in next week's tankan survey," said Hidenori Suezawa, chief strategist at Daiwa Securities SMBC.

G7 worried over sky-high oil prices

AFP, *Washington*

Finance ministers from the world's richest nations expressed their concern over sky-high oil prices during a weekend meeting here and warned fuel costs could derail global economic growth.

Although initial reports suggest Hurricane Rita, which struck the US Gulf coast early Saturday, did not ravage America's oil industry as badly as some had feared, the industrialized countries of the G7 said oil prices have become a mounting worry.

In extraordinary trading, New York's main contract, light sweet crude for delivery in November, was down 1.17 dollars at 63.02 dollars per barrel at 2342 GMT Sunday on the New York Mercantile Exchange after shedding more than 1.20 dollars earlier in the day.

Despite lower prices Sunday, the price of oil has doubled since early 2004 and tripled since 2002. Unrest in the Middle East, supply constraints and rising oil demand from China have stoked the price gains.

"The global economy, as a whole, continues to expand and the outlook is positive for further growth, supported by the containment of underlying price pressures. However, higher energy prices, growing global imbalances and rising protectionist pressures have increased the risks to the outlook," G7 ministers said in a statement on Friday.

The G7 brings together Britain, Canada, France, Germany, Italy, Japan and the United States. G7 finance ministers gathered in Washington this weekend for the annual meetings of the International Monetary Fund and the World Bank.

The G7 statement followed swiftly on the heels of a warning from IMF chief Rodrigo Rato who said Thursday that rising oil prices have become a threat to the world economic growth.

"Oil prices have become certainly a threat to the world economy," Rato said, adding that prices had soared not just because of demand "but also because of supply constraints, especially in refinery capacity."

The constraints are a "worrisome sign regarding the future of world growth", he noted.

Ahead of the meetings this weekend, IMF senior economist Raghuram Rajan warned last week: "Higher oil prices are a clear and present danger."

However, with limited oil production of its own, the G7 has only been able to issue calls for an expansion of global refining capacity and improved market transparency.

CURRENCY

Following is Monday's (September 26, 2005) forex trading statement by Standard Chartered Bank

Sell			Buy		
TT/OD	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
66.8200	66.8500	USD	65.6500	65.6281	65.5844
81.2197	81.2562	EUR	78.1301	78.1040	78.0519
119.3138	119.3674	GBP	115.4718	115.4333	115.3563
51.4314	51.4544	AUD	48.9355	48.9192	48.8866
0.6027	0.6030	JPY	0.5803	0.5801	0.5797
52.1827	52.2062	CHF	50.2218	50.2051	50.1716
8.9180	8.9220	SEK	8.0142	8.0115	8.0062
57.5538	57.5797	CAD	55.4242	55.4058	55.3688
8.6329	8.6367	HKD	8.4430	8.4402	8.4345
40.4651	40.4833	SGD	38.8278	38.8148	38.7889
18.3415	18.3498	AED	17.7303	17.7244	17.7126
17.9604	17.9685	SAR	17.3677	17.3619	17.3504
11.2167	11.2217	DKK	10.1717	10.1683	10.1615
225.3344	225.4378	KWD	223.7382	223.6660	223.5215

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
43.82	59.84	101.455	41.200	6.4905	0.6873	3.77

Local Interbank FX Trading

Local Interbank FX market was subdued. USD remained steady against BDT.

Local Money Market

Money market was active. Call money rate was almost unchanged and ranged between 5.00 and 5.50 percent.

International Market

The dollar briefly spiked to a two-month high against the euro on Monday after Hurricane Rita caused less damage than expected, driving oil prices lower and cementing expectations for further US interest rate rises. Rita spared Texas oil refineries, taking the heat out of prices and easing worries that high energy costs could eat into US consumer spending. Markets were also mindful of developments in Europe, where Fitch Ratings warned of risks to Italian sovereign ratings and Standard & Poor's said there were downside risks to the country's fiscal policy. Sterling also hit a two-month low versus US dollar. The dollar was 0.1 per cent down at 112.35 yen, but still in sight of a two-month high above 112.63 yen.

This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.

STOCK

TODAY'S TRADED ISSUES September 26, 2005

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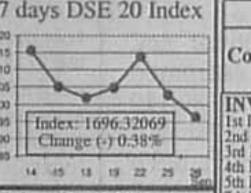
Day's Market - September 26, 2005

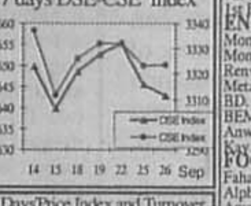
Indicators	DSE	CSE
General / All Share Price Index	1,642.91515	3,323.7025
Change in Price Index	-0.16215%	0.0100020%
Total Turnover (Taka)	211,914,240.30	46,617,256.90
Total Turnover (Volume)	4,590,797	2,360,329
Number of Contract	9,115	2,663
Total Traded Issues	165	64
No. of Issue Gain (Avg. Price Basis)	71	33
No. of Issue Loss (Avg. Price Basis)	88	27
No. of Unchanged Issue (Avg. P. Basis)	6	4
Market Cap. (Taka)	206,958,552,538	204,505,021,598
Market Cap. (US$)	3,560,396,411	3,505,669,633
Total No. of Listed Securities	260	202
Total No. of Listed Companies	242	187
Total No. of Listed Mutual Fund	13	13
Total No. of Listed Debenture	5	2
Total No. of Share & Debenture	525,329,810	414,612,267
Total Issued Capital	52,398,934,360	47,657,260,990
Price Earning Ratio	14.04	14.17
Earning Per Share (%)	31.11	30.13

CSE -30 Index 3127.2828 Change (-) 0.27%

7 days DSE 20 Index



7 days DSE-CSE Index



DSE : Last 30 Days Price Index and Turnover

CSE: Last 30 Days Price Index and Turnover

Turnover Leaders

Company	Vol. (share)	Value ('000Tk.)	% Of Total
Dhaka Stock Exchange			
UCBL**	18,185	16,967	8.01
Fareast Islami Life Insuran*	18,050	15,515	7.32
Meghna Life Ins.**	27,150	15,292	7.22
Keya Cosmetics Ltd.	247,000	11,651	5.50
Beximco Pharma**	135,655	10,167	4.80
Miracle Industries Ltd.	418,500	7,830	3.70
IFIC Bank Ltd.	12,375	6,484	3.06
Square Pharma**	2,201	6,136	2.90
Export Import Bank**	11,891	6,017	2.84
Southeast Bank Ltd.**	11,272	5,859	2.76
Chittagong Stock Exchange			
Beximco Pharma**	99,468	7,454	15.99
Daffodil Computers Ltd.**	463,500	6,586	14.13
Miracle Industries Ltd.	180,000	3,330	7.14
Southeast Bank Ltd.**	4,233	2,193	4.70
Padma Textile Mills Ltd.	87,050	2,181	4.68
Keya Detergent Ltd.	100,000	2,168	4.65
BEXIMCO Ltd.**	34,700	1,845	3.96
UCBL**	1,405	1,352	2.90
Export Import Bank**	2,610	1,322	2.84
Mutual Trust Bank**	2,982	1,322	2.84

Company	Price (+/- %)	Turnover ('000 Tk.)
Capital Gainers		
Dhaka Stock Exchange		
German Bangla Food	10.00	38.50
Sonali Ansh Ltd.	9.86	1.62
Miracle Industries Ltd.	8.21	7,830.14
IFIC Bank Ltd.	6.75	6,484.38
Rose Heaven Ball Pen	6.25	5.95
Chittagong Stock Exchange		
AB Bank Ltd.	12.37	379.78
German Bangla Food	10.00	23.60
Miracle Industries Ltd.	6.94	3330.00
In Tech Online Ltd.**	6.45	1.65
Quasem Drycells Ltd.**	5.47	679.98
Capital Losers		
Dhaka Stock Exchange		
UCBL**	-37.47	16,966.61
Padma Printers Ltd.	-10.34	0.78
BSC	-9.33	1.70
Eagle Star Textile Ltd.	-7.69	1.20
Maq Enterprise Ltd.	-7.41	0.31
Chittagong Stock Exchange		
UCBL**	-36.08	1,351.54
Raspit Inc (bd) Ltd.	-9.09	5.60
National Bank Ltd.**	-6.70	17.72
People's Leasing**	-3.46	21.75
Mona Food Ind. Ltd.	-2.94	4.13

Book Closer/AGM/Dividend/IPO

Company	Closer From	to	Div./B/R	AGM/EGM	Date	Venue, Time
Islami Bank BD Ltd.**	15-Aug		1B:5	AGM	16-Sep	Bangladesh-China FCC 9am
Sandhani Life Insurance**	25-Aug		16%B	AGM	14-Sep	LGED Bhaban,Agargaon,Dhk 10:30am
Purabi Gen. Insurance	31-Aug	14-Sep	10.00%	AGM	14-Sep	LGED Bhaban,Agargaon,Dhk 12:30pm
National Bank Ltd.**	17-Aug		1B:5	AGM	7-Sep	BDR Darbar Hall, Peelkhana 11am
Delta Life Insurance	21-Jul	27-Jul	30%, 1B:5	AGM	Postpond	
AB Bank Ltd.	10-Nov	30-Nov	1B:20	AGM	30-Nov	BDR Darbar Hall, Pilkhana 2:30pm
Federal Insurance	19-Aug	7-Sep	1B:10	AGM	7-Sep*	BIAM Audi, 63 New Eskaton 11am
Sonar Bangla Insurance Ltd.			IPO subscription date		September 11 - 15, 2005.	
Islamic Finance and Investment Ltd.			IPO subscription date		September 25 - 29, 2005.	
Progressive Life Insurance Co. Ltd.			IPO subscription date		October 08 - 12, 2005.	
Bionic Seafood	1-Sep	29-Sep		AGM	29-Sep	Royal Hotel,K.D Avenue 10:30am
The Oriental Bank Ltd.	1-Sep	15-Sep		AGM	10-Oct	BDR Darbar Hall, Dhaka 3pm
Square Pharma**	20-Aug		77%, 15%B	AGM	21-Sep	Darbar Hall, BDR, Pilkhana 11:30am
Apex Spinning Mills Ltd.	1-Sep	22-Sep	18.00%	AGM	22-Sep	Shooting Complex, Gulshan-1 8:30am
Apex Foods Ltd.	1-Sep	22-Sep	15.00%	AGM	22-Sep	Shooting Complex, Gulshan-1 11:30am
Dandy Dyeing Ltd.	15-Aug	14-Sep		AGM	14-Sep	ICAB Bhaban, Kawranbazar 11:30am
Stylecraft Ltd.	2-Sep	22-Sep	25.00%	AGM	22-Sep	BIAM, 63, New Eskaton 7pm
Legacy Footwear Ltd.	7-Sep	29-Sep	5.00%	AGM	29-Sep	Fac. Pre. Gazipur 11:30
Apex Tannery Ltd.	17-Sep	16-Oct	13.00%	AGM	16-Oct	Shooting Complex, Gulshan-1 11am
AIMS First	18-Sep		18.00%			
UCBL**	25-Sep		9B:10	AGM	3-Oct	BDR Darbar Hall, Peelkhana 11am

Non Traded Issues

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*Note: Capital Gainer and Loser tables are prepared on the basis of the average price change of the traded issues. In the trade table price change is calculated between closing prices. CDPS= Cash Dividend Per Share in %, EPS=Earning per Share, CDPS & EPS are corresponding to the last AGM report that held on the date mentioned in the last AGM col. ** CDBL Listed Companies.*