

## Asia's forex reserves fall in Nov

REUTERS, Singapore

Asian foreign exchange reserves, excluding China, fell for the third straight month in November as funds fled Malaysia on disappointment over the appreciation of the country's currency. Barring China which reports its holdings quarterly, Asia's reserves slumped by \$2.2 billion to \$1.87 trillion in November, data published by central banks shows. If China's holdings were taken

into account, Asia's reserves probably rose in November because China's trade and current account surpluses would have forced the central bank to buy dollars, analysts said. Malaysia's reserves dropped by \$4 billion to \$73.1 billion in November, the second straight month of decline, as investors were discouraged by a meagre appreciation in the ringgit. The ringgit has gained 0.6 percent to about 3.7785 per dollar since the country abandoned a

dollar peg on July 21. Funds had poured into Malaysian bonds since 2004 on expectation the currency would be allowed to rise by as much as 10 percent. Japan's reserves the world's biggest, rose for the first time in three months increasing by about \$1.5 billion to \$843.3 billion, as foreign investors poured money into local stocks. South Korea, Hong Kong, Thailand and Indonesia also reported gains in reserves in November. Reserve holdings

declined slightly in the rest of Asia. China last published reserves figures for the end of September totaling \$769 billion. Including China's end-September reserves, Asia's total holdings would be \$2.64 trillion, a rise of \$194 billion this year. China's reserves rose by \$159 billion in the first nine months of the year. More than half of Asia's reserves are now parked in US dollar assets, most of them in US treasury bills.



PHOTO: AKTEL  
Ahmad Bin Ismail, managing director of mobile phone operator AKTEL, and Tahamina Khanam, director of Shore To Shore (BD) Ltd, a sister concern of Yunusco Group of Companies, pose for photographs at an agreement signing ceremony on Tuesday in Dhaka. Under the deal, Shore To Shore has become a corporate client of AKTEL. Other senior officials from both the sides are also seen.



PHOTO: CITYCELL  
Chye Hoon Pin, chief operating officer of Pacific Bangladesh Telecom Ltd, the owning company of mobile phone operator CityCell, and Syed Almas Kabir, president of American Alumni Association, an association of graduates of American colleges and universities living in Bangladesh, exchange documents after signing an agreement recently. Under the deal, American Alumni Association has become a corporate client of CityCell. Other senior officials from both the sides are also seen.

## Dulamia Cotton okays 7.5pc dividend

Dulamia Cotton Spinning Mills Ltd has declared a 7.5 percent dividend for its shareholders other than sponsors for the year 2004-05. The dividend was approved at the 18th annual general meeting (AGM) of the company recently in Feni, says a press release. Abdur Rob, managing director of the company, presided over the AGM, which was attended, among others, by AMM Zeaul Haq and Md Nuruzzaman, directors of the company.

## Beximco Pharma posts 23pc sales growth

Beximco Pharmaceuticals Limited posted a 23 percent sales growth in 2005, says a press release. This was announced at the company's Annual Sales Conference-2005 held on Wednesday at Bangladesh-China Friendship Conference Centre in Dhaka. More than 1000 members of the field sales force of the company attended the daylong conference. Besides, high officials of the company's overseas partners from Sri Lanka, Nepal, Myanmar and Kenya joined the sales conference. According to a report of information medical statistics (IMS), the total sales growth in Bangladesh drug market is 8.4 percent in 2005, the conference was told. Among others, Beximco Group Deputy Chairman Salman F. Rahman and Beximco Pharma Chief Executive Officer Nazmul Hassan were present at the conference.

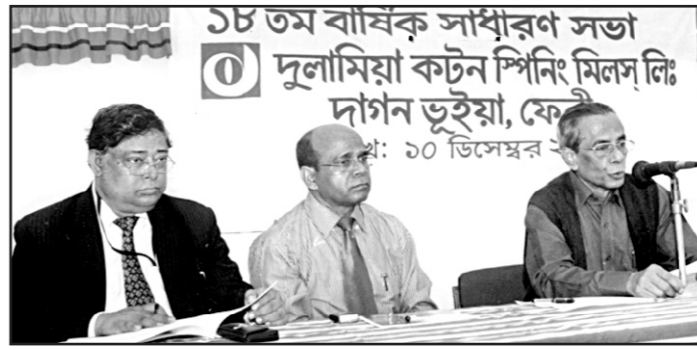


PHOTO: DULAMIA COTTON SPINNING MILLS  
The 18th annual general meeting (AGM) of Dulamia Cotton Spinning Mills Ltd was held recently in Feni. Abdur Rob, managing director of the company, presided over the AGM, which declared a 7.5 percent dividend for its shareholders other than sponsors for the year 2004-05.

## Britain sees 'best chance' of striking EU budget deal

AFP, Brussels

Britain warned its EU partners that a deal to break their budget deadlock was only possible if all sides were prepared to compromise, as summit talks in Brussels entered a critical phase.

"This would be a deal which would be nobody's ideal deal, and that includes ourselves," Prime Minister Tony Blair's spokesman told a news conference here Friday, "but let's see if we can reach a realistic deal."

"We don't believe the issues are going to get any easier," he said, adding that "this is the best chance to try and get a deal."

He said leaders of the 25-country bloc would meet again over lunch after a series of bilateral meetings during the morning, during which Blair met twice with French President Jacques Chirac and German Chancellor Angela Merkel.

The spokesman said Blair would use the lunchtime session to report back on the talks and "set out where we are."

"The issues are difficult. We have to adopt a very realistic approach," he added. "We are prepared to pay our fair share of enlargement, but equally we have to recognise that the budget situation is tight."

Britain, which holds the EU presidency, is under strong pressure to draw up a new proposal including a further cut in its long-cherished budget rebate - something Blair has

said he can only agree to if there is a reform of the EU's generous farm subsidy system, which benefits French farmers the most.

## Lafarge Surma Cement to start production in early 2006

Lafarge Surma Cement is expected to start production early next year. The construction of the fully integrated cross-border cement project of the company is nearing completion, says a press release. Limestone quarry in India has been fully developed and is ready for export to the cement plant in Bangladesh. Having successfully completed no-load tests, load test and trial runs of crushing plant, the 17-km long belt conveyor started functioning recently. In this process, limestone was crushed at the crushing plant and crushed limestone was loaded on to the long belt conveyor and exported to the cement plant in Bangladesh. In Bangladesh part of the project, the commissioning of the power plant is in progress and that of the cement plant is expected to start soon.



PHOTO: NATIONAL POLYMER INDUSTRIES  
The 18th annual general meeting (AGM) of National Polymer Industries Ltd was held recently. Shamsul Abedin Akhand, chairman and managing director of the company, presided over the AGM, which was attended by other senior officials.

## Weekly Currency Roundup

Dec 11-Dec 15, 2005

### Local EX Market

Demand for US dollar was high in this week and USD remained bullish against taka.

### Money Market

In the Treasury bill auction held on Sunday, bid compared with total of BDT 16,296.00 million was accepted, compared with total of BDT 6,398.00 million in the previous week's bid.

Overnight call money market was bullish this week. The rate ranged between 7.00-7.50 percent in the beginning of the week. The rate continued to increase throughout the week and ended the week at 9.00-10.00 percent.

### International FX Market

The dollar lost more than half a percent against the euro in early European trade on Monday as investors trimmed holdings of greenback ahead of a Federal Reserve key monetary policy meeting this week. Comments from an adviser to the Chinese central bank that Beijing is dangerously exposed to the dollar and needs to work with other East Asian economies to slow rate of accumulation also dragged the greenback lower. The market expects the Federal Reserve to raise its key rate for a 13th straight time to 4.25 percent at a policy meeting on Tuesday, but markets are speculating that the central bank will tweak its language and provide clues on the pace of future rate hikes. Weighing on the yen were expectations for more selling by Japanese investors, namely individual investors putting winter bonuses to work in high yielders such as the Australian dollar.

The dollar slid to a six-week low against the euro and more than 1 percent versus the yen in the middle of the week after the US Federal Reserve made a small change in the wording of its statement on credit-tightening policy. Following its 13th straight interest rate rise on Tuesday to 4.25 percent, the Fed removed its reference to policy "accommodation," which was taken as a signal the central bank was making an initial move toward bringing its 18-month cycle of interest rate rises to an end. A slightly weaker-than-expected Bank of Japan tankan survey of business confidence gave the dollar a slight boost in Asian trade overnight, but investors stepped in to sell, particularly against the yen. Sterling moved to a six-week high, before UK data showed that annual pay growth in the three months to October slowed to its weakest rate in more than two years. The pound then slid to some extent. US trade data due at 1330 GMT are expected to show the country's massive trade deficit narrowed slightly to \$63 billion in October from \$66.11 billion in September.

The yen forged a six-week high against the US dollar on Thursday as investors took profits on bets against the currency before the year end, while the dollar struggled after diving a day earlier on a record US trade gap. The yen built on gains after enjoying its biggest one-day rise in nearly 44 years on Wednesday, and a warning on volatility from Japan's Ministry of Finance on Thursday only briefly stemmed the currency's rally. Traders said selling of the dollar against the yen had prompted unwinding of carry trades that had helped to hammer the Japanese currency to multi-year lows against high yielders such as the Australian and New Zealand dollars this year.

- Standard Chartered Bank

## STOCK