

Star BUSINESS

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DSE turnover hits all time high at Tk158.74cr

Tk49.21cr Brac Bank shares change hands

SARWAR A CHOWDHURY

Turnover on the Dhaka Stock Exchange (DSE) yesterday hit all time high at Tk 158.74 crore with a huge number of Brac Bank's shares worth Tk 49.21 crore changing hands.

Earlier, the turnover hit highest at Tk 141 crore on January 24.

DSE officials said the trading of the huge number of Brac Bank shares contributed to the highest turnover. A total of 992,400 shares of the bank, which made debut on bourses yesterday, were traded on the DSE.

As a single security the Brac Bank also recorded the highest transaction in terms of value on a single day. Earlier on October 9 last year, Power Grid Company of Bangladesh (PGCB) marked the highest transactions in terms of value with Tk 32 crore.

The Brac Bank also topped the turnover leaders followed by PGCB, Dhaka Electric Supply Company, Grameen Mutual Fund One and AIMS First Mutual Fund.

Closing at Tk 531.50, the prices of the Brac Bank's share rose as high as Tk 540 and as low as Tk 460.

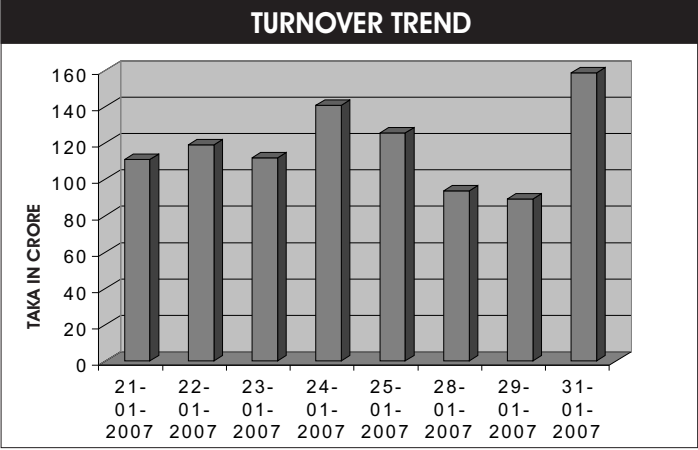
Earlier, the bank floated initial public offering (IPO) with 50 lakh shares at Tk 170 each, including a premium of Tk 70 per share, to raise Tk 85 crore from the capital market.

The DSE All Share Price Index rose by 19.04 points, or 1.3 percent, to close at 1473.61 points while the DSE General Index went up by 29.38 points, or 1.65 percent, to close at 1805.11 points.

But the losers outnumbered the gainers. Of the 205 issues traded, only 47 gained, 140 incurred losses and 18 remain unchanged. A total of 26,064,058 shares were traded on the DSE. The market capitalisation stood at Tk 37,470 crore.

"The retail investors showed a huge interest in Brac Bank shares while the institutional investors appeared less-interested," said DSE Chief Executive Officer Salahuddin Ahmed Khan.

The retail investors are also evaluating the Brac Bank scrip as a



chip with good fundamentals. "Brac Bank was founded by Brac NGO, which is a leading development institution in the world, meaning its ownership and management belong to an organization, not individuals," said Amal Saha, a retail investor.

Rated A in the long term and ST2 in the short term until March 31 of

2006, earning per share of the bank stood at Tk 15.74 while the net asset value stood at Tk 202.31, as per the prospectus.

The third generation bank that started operations in mid 2001 is the 26th listed bank on the DSE and CSE.

Int'l textile machinery show kicks off today

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A four-day international textiles and garments machinery show starts at the Bangladesh-China Friendship Conference Centre in Dhaka today.

More than 450 exhibitors will display wide varieties of machineries in the '4th Dhaka International Textiles & Garments Machinery Exhibition 2007'.

Bangladesh Textile Mills Association (BTMA), ES Event Management SDN BHD of Malaysia and Yorkers Trade & Marketing Service Co Ltd of Hong Kong are jointly organising the exhibition, according to a press release.

Companies from countries including Australia, Austria, Bangladesh, Belgium, China, Denmark, France, Germany, India, Indonesia, Italy, Japan, Malaysia, UK, and US will showcase their latest technologies, organisers told a press briefing on the eve of the show.

The exhibition will also ultimately accelerate the technological advancement of Bangladesh's textile and garment industries, the briefing was told.

BTMA President Abdul Hai Sarker, vice presidents M Jamaluddin and Ahmed Ali, among others, were present at the briefing.

Yunus suggests separate stock market, bank to fund microcredit

PALLAB BHATTACHARYA, New Delhi

Grameen Bank founder Muhammad Yunus has suggested enacting a law to set up a separate stock market and a bank to fund the needs of microcredit.

Addressing the captains of businesses at a luncheon meeting organised here by the Federation of Indian Chambers of Commerce and Industries, the Nobel laureate on Tuesday also proposed the creation of a special social business fund through venture capital whose motive will not be profit maximisation.

"Why don't we enact law to create a microcredit bank? The legal framework is very important because a microcredit bank can mobilise deposits. What is more important than money is the legal framework so that microfinance activities can take place smoothly," Yunus said.

During his nearly hour-long extempore speech, Yunus dwelt mainly on microfinance and later replied to a number of questions.

Yunus said "The moment you create a microcredit bank, you need a regulatory body because you are raising money."

He said while conventional banks raise deposits in rural areas, they channelise the funds to metropolitan cities and mega projects whereas the deposits

mobilised by the Grameen Bank are ploughed back locally to develop the local economies in villages. Reiterating that the poor are bankable, he said microcredit is a small tool to help the poor people to "unwrap and discover their entrepreneurial skills".

In this context, he pointed out how 8,000 of the 85,000 beggars to whom the Grameen Bank had extended loans came out of begging and switched over door-to-door sales in rural areas.

Yunus said there should be a separate stock market for microcredit with the orientation of welfare of street children.

The conventional stock markets are aimed at making big money and maximising profits but there can be a separate bourse with shares for raising money for microcredit, he said.

Reiterating his concept of social business based on no-loss basis, Yunus said there should be a social business fund through venture capital.

"It is a challenge how we can create social business," he said and cited in this context the alliance by Grameen Bank and French food and beverage retail major Danone in October 2005 for producing yogurt with micro nutrients for malnourished children of Bangladesh.

The Grameen Bank chief suggested free market economy

and businesses based on profit maximisation and social business can co-exist and said even microcredit business can be run to both maximise profit as well as help people to come out of poverty.

Asked how India can grapple with the problem of farmers committing suicides under debt burden, he said borrowers should never be made to feel the guilt if they cannot repay the loan but should be helped by rescheduling their debt over a long time so that they do not feel the pressure. This is what the Grameen Bank is doing, he added.

Asked about the Transparency International rating Bangladesh as the most corrupt country, Yunus said only a very small segment of the people in his country is corrupt and the common and poor people are honest and an example of this is the 99 percent repayment of Grameen Bank loans.

Yunus said while market economy was fine "I find it humiliating that only profit-making is the sole driving force of business because profit-maximisation is just one part of human beings and you have to think of the whole human being".

Regarding Grameen Bank's plans in India, he said his bank is in talks with Assam government to set up Grameen Trust Bank model for microcredit and run it for two years before handing over to local authorities.

Tata outbids CSN in Corus auction

AP, New Delhi

India's Tata Steel said Wednesday it outbid Brazilian rival CSN to take over European steelmaker Corus Group PLC, offering \$11.3 billion for the biggest-ever acquisition by an Indian company.

The winning bid values shares of London-based Corus at 608 U.K. pence each, 5 pence higher than the final offer made by CSN, said a statement from Tata Steel Ltd., which is part of the Tata Group a sprawling business conglomerate with interests spanning salt to software.

The new offer represents a 22 percent premium of the \$9.2 billion Tata Steel had offered in October. That offer was later trumped by CSN, sparking a bidding war.

Corus said its board of directors met and decided to recommend the sale to its shareholders, the company said in a statement to the London Stock Exchange.

"Tata and Corus are stronger together and will be able to compete effectively in an increasingly global environment. This combination creates a strong and robust platform for growth that will benefit all stakeholders," said Jim Leng, chairman of Corus.

The acquisition will help expand Tata Steel's reach into Europe and propel the company currently ranked 56th in the world in output into a global player in the metal business, Ratan Tata, chairman of the Tata Group, told a news conference in Mumbai.

He characterized the acquisition as "very positive" for Tata and for Indian corporations in general.



PHOTO: BANK ASIA

Syed Anisul Huq, president and managing director of Bank Asia Ltd, and Habibur Rahman Sikder, managing director of National Life Insurance Ltd, exchange documents after signing an agreement recently. Under the deal, MasterCard brand credit card holders of the bank will be insured to their outstanding amounts subject to permanent disability and death. Erfanuddin Ahmed, deputy managing director, and Nazneen Sultana, first vice president of the bank, and Quamrul Hasan, deputy managing director of the insurance company, among others, were present.

Asian air passenger traffic up 4.5pc in '06

AFP, Singapore

Airlines operating in the Asia Pacific region carried 134 million international passengers in 2006, up 4.5 percent from the previous year, an industry association said Wednesday.

Traffic measured in revenue passenger kilometres rose 3.9 percent and airlines filled an average 75.6 percent of available passenger seats, up from 73.4 percent in 2005, the Association of Asia Pacific Airlines (AAPA) said.

"Careful capacity management was rewarded with the average load factor increasing to a new high of 75.6 percent," said AAPA director general Andrew Herdman.

International freight traffic,

measured in freight tonne kilometres, expanded 5.2 percent in 2006, with airlines filling up an average 66.9 percent of available cargo space.

"The outlook for 2007 remains positive, with strong regional economic growth underpinning travel demand," Herdman said.

AAPA is a trade association of 17 international airlines based in the region, including Air New Zealand, All Nippon Airways, Asiana Airlines, Cathay Pacific Airways, Singapore Airlines and Malaysia Airlines.

The other members are China Airlines, Dragonair, EVA Air, Garuda Indonesia, Japan Airlines, Korean Air, Philippine Airlines, Qantas Airways, Royal Brunei Airlines, Thai Airways and Vietnam Airlines.

Bank Asia, Nat'l Life sign deal for credit card insurance coverage

Bank Asia Ltd recently signed an agreement with National Life Insurance Ltd for providing SafetyNet service for its clients having credit cards, says a press release.

Syed Anisul Huq, president and managing director of the bank, and Habibur Rahman Sikder, managing director of the insurance company, signed the deal on behalf of their sides.

Under the agreement, MasterCard brand credit card holders of Bank Asia will be insured to their outstanding amounts subject to permanent disability and death.

Bank Asia has recently launched a broad range of products and services in the retail banking sector including the MasterCard brand credit card. Its delivery channels encompass 24-branch network, shared and proprietary ATM (automated teller machine), mobile phone banking and internet banking.

Erfanuddin Ahmed, deputy managing director, and Nazneen Sultana, first vice president of Bank Asia, and Quamrul Hasan, deputy managing director of National Life Insurance, were also present at the signing ceremony.

Compliance policies to up productivity, export

Roundtable told

STAR BUSINESS REPORT

Speakers at a seminar yesterday stressed the need for implementing compliance policies in all industrial units of the country including readymade garment (RMG), shrimp and pharmaceutical sectors to enhance productivity and export.

Through carrying out the compliance policies, production as well as export of manufactured products can be increased by several folds, they said at the roundtable on 'CSR Practices and Challenges in Bangladesh'.

Bangladesh Enterprise Institute (BEI) organised the seminar at Corporate Social Responsibility (CSR) Centre of BEI in Dhaka as part of a dialogue series on 'CSR in Action', initiated by the BEI.

"Your business, export and productivity depend on practising CSR," said BEI President Farooq Sobhan.

"Complying with CSR is a way that reflects commitment, social responsibility and sensitivity for employers," BEI president said referring to RMG, shrimp and pharmaceutical sectors.

He also told the roundtable that BEI has prepared a code of conduct regarding CSR for banking sector while the CSR policies for the RMG and shrimp sectors are under process.

Three different papers on CSR issues and its practices were presented at the seminar, which was participated by some 30 representatives who have expertise in practice and implementation of CSR issues.

New DMD of Dutch-Bangla Bank



Ghulam Kabir has recently been appointed deputy managing director of Dutch Bangla Bank Ltd (DBBL), says a press release.

Prior to his new assignment, Kabir served various senior positions in commercial banking during his 37-year career. He joined DBBL in 1996 as executive vice president.



PHOTO: BEI

(From left to right) Edward Probrir Mondol, faculty and coordinator, College of Business Administration, International University of Business, Agriculture and Technology (IUBAT), Ronald E Berghuys, chief technical adviser to International Labour Organisation (ILO), Bangladesh, Farooq Sobhan, president of Bangladesh Enterprise Institute (BEI), and Muhammad Abdul Moyeen, director of Pride Group, are seen at a roundtable held yesterday in Dhaka.

EU proposes cuts in sugar quotas

XINHUA, Brussels

The European Commission proposed to cut the sugar production quotas for the 2007-2008 marketing year by 12 percent to avert a significant surplus in the European Union (EU).

European Agriculture Commissioner Mariann Fischer Boel said Monday that a failure to reduce production quotas under the terms of last year's reform made a output reduction of at least two million tons, or 12 percent of the quota, necessary.

"I have been quite clear that unless much more quota was renounced, the consequences would be serious for everyone," she said.

Such a cut means that part of the sugar produced in the 2007-2008 marketing year will either have to be counted against the quota for 2008-

2009 or be sold as out of quota sugar for industrial use, including bioethanol and chemical industry.

The commission will make a proposal in February for such a provisional quota reduction. A definitive figure will be set later this year towards October, once the commission has a clearer picture of the harvest and production of sugar.

The EU executive said it is important to announce this initiative to sugar producers and beet growers at this early stage so that the industry can plan for the coming growing season and the contracting process.

For over 40 years before last July, the EU had been paying out generous subsidies to sugar beet growers and sugar exporters that resulted in high sugar price without the EU and meanwhile a flood of cheap EU sugar into world market.

NYSE, Tokyo bourse to announce alliance

AFP, New York

The New York Stock Exchange and the Tokyo Stock Exchange, the world's top two equity markets, were set to unveil a strategic alliance Wednesday spanning three continents and the world's largest economies.

NYSE chief executive John Thain and TSE head Taizo Nishimuro will hold a briefing in New York at 8:30 am (1330 GMT) "to announce the strategic alliance between the world's financial market leaders," an NYSE statement announced.

Nishimuro told reporters in New York Tuesday that the two bourses

were "very close" to reaching an agreement on an alliance, Kyodo News reported.

Asked about the benefits of a partnership, Nishimuro said the "biggest merit will be that the alliance will make it easier for users to use the bourses through an increased variety of products and information."

"We can say that (a) global alliance between stock exchanges is an inevitable trend," Nishimuro said during a forum, the news agency reported.

In June, the NYSE announced a 10-billion-dollar merger with pan-European exchange operator Euronext to create the world's first intercontinental market.

Citibank's web-based trade seminar for customers

Citibank, NA Bangladesh recently organised a trade webinar (web-based virtual training session) on "Understanding the Risks of Standby Letters of Credit" for customers, says a press release.

As part of Citigroup's global trade initiatives and client education, the webinar was arranged to update and discuss the recent product trends and services affecting the trade environment.

Dan Fan, trade adviser, and Pamela Woon, trade specialist from Citibank Regional Trade Processing Center in Penang, Malaysia, were the instructors for this one-hour online presentation followed by live question and answer session.

Participants from 12 other countries including 20 senior officials from both nationalised and private commercial banks of Bangladesh attended the session.

Oil prices drop

AP, Vienna

Oil prices fell Wednesday as the market adjusted to a spike the day before and awaited the weekly U.S. inventories report, which was expected to show higher gasoline stockpiles but a drop in distillates such as heating oil.

Still, the market remained poised for upward movement, with Opec powerhouse Saudi Arabia and other members of the oil-producing organization seemingly ready to pay more attention to agreed-on production constraints.

Expectations of cold weather also kept a relatively high floor under prices.

Light, sweet crude for March delivery fell 33 cents to \$56.64 by midday in Europe in electronic trading on the New York Mercantile Exchange. Brent crude for March delivery dipped 41 cents to \$55.98 a barrel on the ICE Futures exchange in London.

Oil and natural gas prices jumped Tuesday on expectations of more cold weather in the United States and renewed concerns about Opec production cuts. Oil traded as high as \$57.05 before falling back to settle at \$56.97 a barrel, a gain of \$2.96.

Colder-than-normal temperatures are expected through mid-February in the U.S. Northeast, which is responsible for 80 percent of the country's heating oil consumption.

Heating oil was down almost a cent at \$1.6302 a gallon. Natural gas, meanwhile, dropped 7.9 cents to \$7.661 per 1,000 cubic feet. A day earlier, it had soared more than 80 cents, or 11.6 percent, on forecasts that predict temperatures will dip below freezing in the U.S. Midwest, the heart of the natural gas market.