Dollar struggles after Benazir assassination

AFP, *Tokyo*

The dollar slipped against the yen in Asian trade Friday as market players reacted nervously to weak US economic data and the assassination of Pakistani opposition leader Benazir Bhutto, dealers said.

They said activity was muted with many market players away for the end of year holidays.

The dollar dipped to 113.48 yen in Tokyo midday trade from 113.67 late Thursday in New York, when the greenback had already weakened.

The euro eased to 1.4607 dollars from 1.4622 and to 165.74 yen from 166.27.

The assassination of Bhutto and weaker-than-expected US manufacturing data sent nervous investors fleeing to safe haven investments, dealers said.

Her death Thursday in Pakistan raised geopolitical concerns about stability in the nuclear-armed country, dealers said.

"Investors feel nervous about (Bhutto's murder) as it added to uncertainty," said Osamu Takashima, chief analyst at Bank of Tokyo-Mitsubishi UFJ.

News of her death weighed on share prices in New York and Asia, but some analysts were hopeful that markets would recover.

"I see the incident as a temporary negative factor for share prices," said Shigeru Nakane, senior chief manager of Resona Bank.

"The biggest concern remains the subprime problem," he added, referring to the credit crunch sparked by a wave of mortgage defaults by American homeowners.

The dollar weakened overnight after US government data showed new orders for US durable goods rose by a much weaker than expected 0.1 percent.

A flurry of Japanese data released on Friday painted a mixed picture of the state of Asia's largest economy, with inflation notably accelerating to the fastest pace in almost a decade.

Core consumer prices climbed 0.4 percent in November from a year earlier, extending a rebound that began in October, when prices snapped an eight-month losing streak.

But the market showed a muted reaction to the data, which were not strong enough to ease worries about the outlook for the economy, nor to encourage the central bank to raise interest rates any time soon, dealers said.

"The CPI rose because of higher prices of raw material," said Resona's Nakane. "This is a bad way for the CPI to rise. The Bank of Japan will not raise interest rates based on this."

Japan's unemployment rate meanwhile dropped to 3.8 percent in November from 4.0 percent the previous month, beating market expectations for no change.

But despite the drop in unemployment, less job offers were available than job seekers last month for the first time in two years.

GLOBAL STOCKS RATTLED

Another report from Tokyo adds: Asian stock markets mostly skidded lower Friday following heavy losses on Wall Street as the murder of Pakistani opposition leader Benazir Bhutto reverberated around the world, dealers said.

Bhutto's assassination, together with weak US economic data, sent nervous investors fleeing to safe haven investments, dealers said.

Her death Thursday in Pakistan raised geopolitical concerns about stability in the nuclear-armed country, they added.

Gold and oil prices rose in Asian trade with crude futures climbing back towards the 100 dollars-per-barrel mark.

"Bhutto's death could raise the geopolitical tension which would sustain the rise in oil prices," said Prayoga Triyono, a fund manager at Henan Putirai Asset Management in Jakarta.

Tokyo closed down 1.65 percent on the final session of 2007, capping a tough year that saw the benchmark Nikkei-225 index slump 11.1 percent as fears over a US housing slump and related credit crunch battered global markets.

Following Bhutto's assassination, "the risk is that geopolitical uncertainty could push oil prices above 100 dollars per barrel," said Mitsushige Akino, chief fund manager at Ichiyoshi Management.

Investors are worried that building inflationary pressures could limit the scope for further US interest rate cuts even as economic growth slows.

"The market ended this year on a pessimistic mood. The new year may start with increased downside risk as investors monitor the release of US economic data during the long Japanese holiday," said Akino.

Elsewhere, Hong Kong dropped 1.1 percent as Shanghai dipped 0.7 percent. Seoul ended 0.6 percent lower and Sydney shed 0.2 percent. Manila slid 1.3 percent and Wellington gave up 0.81 percent.

Pak investors worried

REUTERS, *London*

Benazir Bhutto's killing will boost perceived risk in nuclear-armed Pakistan, analysts warned Thursday, but some said it was not in itself surprising enough to substantially change investor sentiment.

News of her assassination in a suicide gun and bomb attack outside a political rally in the garrison city of Rawalpindi sent global gold and oil prices higher, also unsettling global foreign exchange markets.

"The killing of Bhutto will likely lead to further political and social instability in Pakistan and across the subcontinent," Swiss investment bank UBS said in a research note.

Credit rating agency Standard & Poor's said Pakistan's sovereign foreign currency rating of B+ could be lowered if the assassination was followed by instability, making it more difficult for the country to borrow money in global markets.

"If this assassination ushers in a period of heightened political instability, the ratings will be lowered," John Chambers, chairman of S&P's sovereign rating committee, told Reuters in a telephone interview.

Pakistani five-year credit default swaps, used to insure against restructuring or defaulting debt, widened by around 100 basis points on the news, implying traders felt the country's debt was higher risk.

The attack took place after the Pakistani stock market closed for the day and with little trade reported on the Pakistani rupee PKR. Both were seen potentially falling on Friday.

"Politically it is bad news," said Shanat Patel, global emerging equities strategist at Nomura International in London. "We will have to wait and see what happens but it is unclear whether it will derail the economic reform process."

Pakistani forecasts growth of 7.2 percent in the year to June 2008, with the country classed by some as one of a new breed of lesser-developed "frontier markets" offering better returns than mainstream emerging markets such as Eastern Europe.

But some investors were already starting to worry after President Pervez Musharraf's Nov 3 declaration of emergency rule and another suicide attack on Bhutto on her return to the country killed at least 139.

"I think this is anticipated," said Jennifer Harbison, Asia desk head for London-based consultancy Control Risks.

"It is well within what we expected might happen.... This is not Pakistan itself under threat. This is an assassination in an election campaign and has to be seen in that context."

PHOTO: STAR

San Amalan (C), general manager of The Westin Dhaka, a five-star hotel, speaks at a press conference in the capital yesterday to announce the launch of an Italian restaurant-- Prego-- on the 23rd floor of the hotel building. Calvin Stevenson (L), executive assistant manager, and ATM Hafizullah, director (Sales & Marketing), are also seen.

PHOTO: FIRST SECURITY BANK

First Security Bank Ltd has recently launched SMS (short message service) banking service for its clients. Managing Director of the bank AAM Zakaria inaugurated the service, while senior officials were present.

Weekly Currency Roundup

December 23-December 27, 2007

Local FX Market

The US dollar/BDT market was soft throughout the week, as the markets opened after the Eid vacations. The USD/BDT rate was range bound, but there was ample demand in the market.

Money Market

Overnight money market was a little high at the beginning of the week, but eased as the week progressed and the market became more liquid. In the Treasury bill auction held on Sunday, bid for BDT 8,000.00 was accepted compared to BDT 8,000.00 last week. Weighted average yield remained almost unchanged for categories T-bills auctioned on the day.

International Markets

There was little activity this week in the international market on account of the Christmas holidays. Analysts said that light post-holiday volume was exaggerating price movements, but some traders said that the dollar was starting to look vulnerable again and the currency's broad month-long rebound could be ending. The euro was trading around \$1.43-1.45 and the sterling at \$1.97-1.98. The sterling hit a record low against the euro. The yen hit a one and a half month low against the euro near the end of the week. The Japan's currency often used as proxy for the Chinese Yuan failed to benefit from a jump in the dollar/yuan exchange rate.

On the commodities market, oil was a bit higher at \$96 a barrel and gold was also near a one month high. The equities markets were also doing well.

Once the new year starts, investors' focus may return to US fundamentals and thus to dollar selling. Data showed that October home prices in US posted its biggest annual drop, raising concerns of a broad slide for the US dollar in 2008.

Standard Chartered Bank

PHOTO: PRIME BANK

Prime Bank Ltd has opened its 59th branch at Raozan in Chittagong recently. Former chairman of the bank Md Nader Khan inaugurated the branch, while Managing Director M Shahjahan Bhuiyan and senior officials, among others, were present.

Japan logs fastest inflation since 1998

AFP, *Tokyo*

Japan on Friday reported its fastest rise in core consumer prices in almost a decade as sky-rocketing energy costs help to lift Asia's largest economy out of years of deflation.

Meanwhile the jobless rate fell unexpectedly as household spending and industrial output dropped, according to a raft of data for November that painted a mixed picture of the health of the Japanese economy.

Core consumer prices climbed 0.4 percent in November from a year earlier, the largest gain since March 1998, the government said.

Market forecasts had been for a rise of 0.3 percent after October's 0.1 percent gain, which snapped an eight-month losing streak.

Higher energy prices were largely behind the pick-up in inflation, which is likely to slow as global oil prices stabilise, said Mamoru Yamazaki, chief economist for RBS Securities in Tokyo.

"However, even if the contribution of oil products becomes low I believe that the CPI will remain in positive territory," he added.

Core consumer prices for the Tokyo area -- a leading indicator released a month earlier than the nationwide index -- rose 0.3 percent in December.

Despite the return to positive inflation, economists doubt the Bank of Japan will raise interest rates again until mid-2008 at the earliest given uncertainties about the health of the Japanese and global economies.

"Deteriorating external conditions have virtually exhausted the chances of a rate hike in 2008," Morgan Stanley economist Takehiro Sato wrote in a note to clients.

STOCK

TRADED ISSUES of the WEEK December 26 - 27, 2007

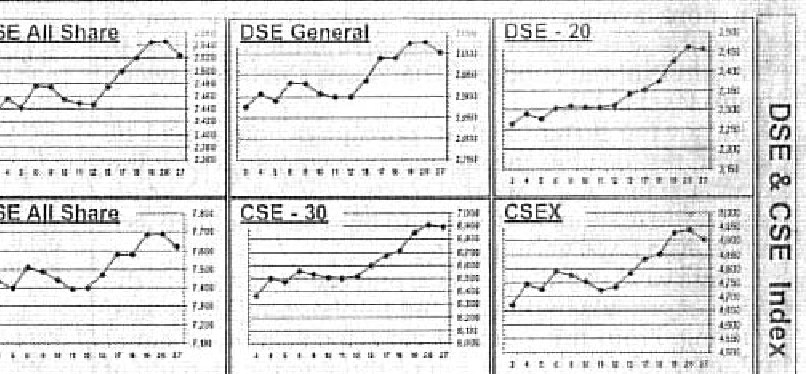
Company	FV/ML (Tk/No.)	DSE Price Closing	DSE Price Chg.(%)	DSE Price Pre.Wk.C	DSE Turnover Share	CSE Price Closing	CSE Price Chg.(%)	CSE Price Pre.Wk.C	CSE Turnover Share	Last AGM	EPS (Tk)	CDPS (%)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

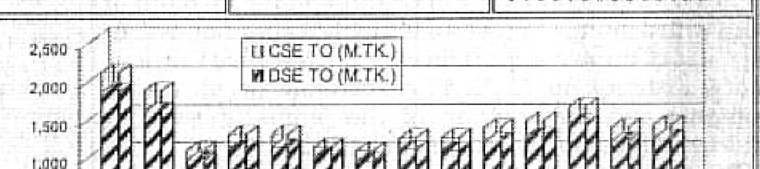
Market Highlights

Week December 26 - 27, 2007

DSE All Share Index :	2523.23390	(-) 0.89%
DSE General Index :	3003.87936	(-) 0.69%
DSE - 20 Index :	2455.77708	(+) 1.18%
CSE All Share Index:	7618.08310	(-) 0.86%
CSE - 30 Index :	6896.30210	(+) 0.59%
CSE Selected Index :	4901.23100	(-) 0.53%

Indicators	DSE	CSE
Total Turnover (Taka)	2,443,577,886.30	371,415,650.50
Total Turnover (Volume)	7,934,591	1,838,101
Number of Contract	62,409	12,006
Total Traded Issues	242	131
No. of Issue Gain (Avg. Price Basis)	111	45
No. of Issue Loss (Avg. Price Basis)	125	85
No. of Unchanged Issue (Avg. P. Basis)	6	1
Market Cap. (Taka)	621,267,113,304	601,770,459,353
Market Cap. (US$)	9,069,592,895	8,784,970,210
Total No. of Listed Securities	284	224
Total No. of Listed Companies	264	208
Total No. of Listed Mutual Fund	14	14
Total No. of Listed Debenture	6	2
Total No. of Share & Deb.	1,995,803,576	414,612,267
Total Issued Capital	100,253,126,150	96,908,874,080
Price Earning Ratio	23.04	22.72
Earning Per Share (%)	34.17	34.04





DSE & CSE Index and Turnover

Turnover Leaders

Company	Turnover (Vol.)	Turnover (M.Tk.)	Turnover (%)	C. Avg. Price
UCBL* - Z	76,953	2,992.28	12.38	3,888.45
Square Pharma* -A	61,603	2,175.36	9.00	3,531.25
Prime Bank Ltd.* -A	206,862	1,880.00	7.78	910.18
Brac Bank* -A	68,280	1,103.28	4.57	1,615.79
National Bank * - A	55,580	806.93	3.34	1,451.88
Power Grid Co. * -A	109,035	738.31	3.06	677.13
Southeast Bank* -A	125,633	727.78	3.01	579.29
Summit Power Ltd* -A	46,242	662.66	2.74	1,433.02
Uttara Bank * -A	13,600	656.87	2.72	4,829.91
Dhaka Bank * -A	90,612	629.45	2.61	694.67
UCBL * - Z	17,271	677.47	18.43	3,922.58
Square Pharma* -A	8,863	313.21	8.52	3,533.90
Prime Bank Ltd.* -A	28,924	266.07	7.24	919.91
Shahjalal Islami Bank* -Z	57,860	211.12	5.74	368.13
Dhaka Bank * -A	20,022	137.64	3.74	687.46
Bank Asia * -A	25,701	134.29	3.65	522.50
IBBLMPB* -N	7,650	109.18	2.97	1,428.92
Islami Bank BD* - A	1,657	109.08	2.97	6,579.92
Brac Bank* -A	6,660	107.60	2.93	1,616.96
Heidelberg Cement* -A	7,530	91.56	2.49	1,215.93

Capital Gainers

Company	Price Chn. (%) Close	Price Chn. (%) Avg.	Close Price	Turnover M.Tk
BD. Autocars -B	41.40	33.18	131.50	1.949
Anwar Galvanizing -B	35.60	27.24	104.75	0.521
BD. Thai Alum. -Z	27.19	24.31	101.75	0.406
Excelsior Shoes -Z	23.66	2?.37	28.75	2.203
Rahman Chemical -Z	18.37	18.76	58.00	0.027
Gachihata Aqua. -Z	18.67	16.92	14.00	0.274
Wata Chemicals -Z	14.11	12.54	93.00	0.112
Aziz Pipes -Z	13.88	19.53	229.75	3.843
Bengal Biscuits -Z	12.24	11.60	41.25	0.053
Paper Processing -Z	12.20	12.73	23.00	0.019
Anwar Galvanizing -B	38.00	33.71	103.50	0.095
Aziz Pipes -Z	19.79	15.93	230.00	0.289
Rangamati Food -Z	15.00	9.31	2.30	0.011
Wonder Land Toys -Z	13.89	13.89	20.50	0.001
Maq Enterprise -Z	10.53	14.74	10.50	0.0496
Meghna Shrimp -Z	10.14	10.14	19.00	0.004
Rahima Food Corp. -Z	9.87	8.24	41.75	0.002
Gachihata Aqua. -Z	9.80	10.58	14.00	0.001
Mita Textiles -Z	8.89	8.89	49.00	0.005
Lexco - Z	8.10	10.19	126.75	0.186

Capital Losers

Company	Price Chn. (%) Close	Price Chn. (%) Avg.	Close Price	Turnover M.Tk
UCBL* - Z	-16.98	-17.48	3,989.00	299.228
Keya Cosmetics Ltd* -A	-6.50	-6.82	37.40	11.738
IFIC Bank* - Z	-6.33	-6.07	2,314.75	51.6778
Quasem Drycells *-Z	-6.08	-6.16	20.20	5.0343
Agrani Insurance* -B	-5.78	-5.78	122.75	0.3502
Metalex Corporation -Z	-4.94	-5.04	154.00	0.003
Daffodil Computers *-A	-4.82	-3.93	19.80	0.993
Phoenix Insurance* -A	-4.77	-3.48	344.25	0.610
Rangamati Food -Z	-4.76	-0.48	2.00	0.012
Beximco Synthetics* -A	-4.16	-4.77	98.00	1.265
UCBL * - Z	-15.87	-16.86	3,993.75	87.7469
BD Luggage -Z	-15.56	-13.08	9.50	0.001
Eastern Insurance -A	-11.76	-11.76	300.00	0.0060
Mona Food Ind. -Z	-7.35	-7.41	15.75	0.0047
IFIC Bank* - Z	-6.55	-6.79	2,308.25	3.609
H.R. Textile -B	-6.19	-6.19	68.25	0.003
Keya Cosmetics Ltd* -A	-5.98	-6.53	37.70	1.713
Berger Paints* -A	-5.10	-5.19	267.70	0.576
Padma Oil Co.* -A	-5.04	-5.28	1,350.50	1.759
Dynamic Textile -Z	-4.76	-4.76	20.00	0.0716

Non Traded Issues

LCP=Last Closing Price, LTD=Last Trading Date

Company	FV/ML (Tk./No.)	DSE LCP	DSE LTD	CSE LCP	CSE LTD	Last AGM	EPS (Tk.)	DPS (%)
BANK								
Rupali Bank - Z	100/10	2904.25	01/11/07	2826.75	31/10/07	12/12/06	28.06	----
The Oriental Bank - Z	1000/5	928.00	21/06/06	Not	Listed	15/09/05	-481.2	----
ENGINEERING								
Monno Jutex -A	100/5	843.00	28/11/07	Not	Listed	14/12/06	47.73	30.0
Monno Stafllers -A	100/5	390.00	17/12/07	Not	Listed	21/06/07	55.05	25.0
BEMCO Ltd -Z	100/10	38.00	12/06/07	Not	Listed	27/12/01	-10.99	----
FOOD & ALLIED								
Fahad Industries Ltd.	10/500	Not	Listed	2.20	10/12/07	26/12/06	0.01	----
Aman Sea Food -Z	100/5	182.50	11/12/07	Not	Listed	31/12/06	-10.17	----
BLTC -Z	100/5	93.25	18/12/07	Not	Listed	20/06/06	-168.4	----
E.L. Camellia	100/5	5787.50	21/06/07	Not	Listed	08/05/07	611.00	25.0
Yousuf Flour -B	10/50	23.80	01/04/04	Not	Listed	26/12/05	0.47	----
Chittagong Vegetable -Z	100/10	23.00	11/12/07	21.50	13/12/07	29/12/05	-4.09	6.00
BD. Plantation -A	100/5	1025.00	22/11/07	Not	Listed	21/12/06	51.50	12.0
Hill Plantation -A	100/5	1100.00	20/05/07	Not	Listed	21/12/06	36.91	12.0
Modern Industries -Z	100/5	22.50	12/12/07	Not	Listed	07/06/07	-3.59	----
JUTE								
Sonali Aush -Z	100/5	210.00	03/12/07	Not	Listed	30/12/06	32.68	----
TEXTILE								
Al-Haj Textile -A	10/50	60.00	29/10/07	Not	Listed	21/12/06	3.49	----
GMG Indl. Corp. -Z	10/50	30.30	19/02/06	81.00	08/03/06	17/12/06	-4.55	----
Quasem Textile -Z	10/500	3.10	06/12/07	Not	Listed	26/05/05	-1.29	----
Stylecraft -A	100/5	915.00	07/05/07	Not	Listed	06/09/07	103.37	25.0
Rahim Textile -B	100/5	176.50	19/12/07	Not	Listed	25/01/07	7.67	5.00
Eagle Star Textile -Z	10/50	10.50	19/12/07	10.30	12/12/07	23/12/06	-2.81	----
Dulamia Cotton Mills -B	100/10	40.00	18/12/07	53.25	11/10/01	14/12/06	-13.67	----
Arbee Textile Mills -Z	10/10	81.00	08/05/99	Not	Listed	29/06/06	-3.75	----
Apex Weaving -B	100/50	120.00	19/12/07	106.50	18/12/07	24/12/06	16.87	7.50
Dandy Dyeing -Z	100/50	22.00	12/12/07	Not	Listed	14/09/05	-24.76	----
Sonargaon Textiles -A	100/50	89.00	19/12/07	72.00	18/12/07	19/07/07	11.57	10.0
Sreepur Textile -Z	100/50	13.00	19/12/07	10.25	11/12/07	27/11/05	-49.11	----
CMC Kamal Tex. -Z	100/50	52.00	19/12/07	94.00	22/10/03	30/06/05	5.75	----
PHARMA & CHEM.								
IMI-Bangla Co. Ltd.	100/50	Not	Listed	40.00	16/09/07	----	----	----
Bangla Process -Z	100/5	200.00	09/12/07	Not	Listed	20/12/06	3.89	----
Petro Synthetic -Z	10/50	6.90	11/12/07	Not	Listed	27/09/07	-1.00	----
PAPER and PACKAGING								
Sonali Paper -Z	10/50	6.30	11/11/07	Not	Listed	20/09/04	0.04	----
Azadi Printers -A	100/10	60.00	08/06/06	80.00	13/05/07	25/12/06	122.50	10.0
Hakkani Pulp & Paper -B	10/500	13.00	06/12/07	12.60	13/12/07	24/12/06	1.21	8.00
SERVICE								
BD.Hotels -A	10/50	0.00	----	Not	Listed	30/11/06	9.78	35.0
BD.Service -A	10/50	11.00	10/12/03	Not	Listed	11/12/05	2.00	----
Samorita Hospital -A	100/50	205.00	19/12/07	140.00	11/09/07	15/03/07	12.41	10.0
MISCELLANEOUS								
Khaza Mosaic Tiles	10/300	Not	Listed	3.00	05/10/05	----	0.78	----
AGO JAGO Corp. Ltd.	100/50	Not	Listed	34.00	24/07/07	26/06/04	2.74	5.00
Phoenix Leather -Z	100/5	360.00	23/01/07	Not	Listed	21/12/06	-219.3	----
The Engineers -A	100/5	111.00	01/12/04	Not	Listed	24/12/05	759.14	25.0
Savar Refractories -Z	100/5	81.25	10/12/07	Not	Listed	28/12/06	0.60	----
Himadri Ltd. -A	10/100	7.20	21/09/04	Not	Listed	16/06/07	1.65	10.0
Standard Ceramic -A	100/50	100.50	17/12/07	144.00	23/10/07	24/12/06	10.30	10.0

*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*