

Budget boosts stocks

STAR BUSINESS REPORT Budgetary expectations drove the Dhaka stock market last week amid increasing participation of investors.

Finance Minister AMA Muhit presented a Tk 113,819 crore budget to the nation for 2009-10 fiscal on Thursday.

The benchmark index of Dhaka Stock Exchange, DSE General Index (DGI), rose by 63.79 points, or 2.38 percent to 2,747.27 on week-on-week basis. The DSE All Share Price Index also gained by 53.82 points, or 2.41 percent to 2,288.24 on the last trading day of the week.

The expectations of allowing investment of undisclosed money in the market, corporate tax cut especially for banks and non-banking financial institutions and emphasis on power sector were retained in the new budget proposals.

People will be able to invest undisclosed money for three years from July 1 in the share market and several other sectors. The government however did not reduce corporate tax.

Fuel and power was the best performing sector. The government has identified energy sector as the prime sector to ensure significant improvement since its assumption of power.

Prior to the budget announcement, the government promised an additional 2,500MW power generation in a span of five years, which made investors very much optimistic about fuel and power sector, pointed out Equity Partners Limited (EPL), an investment bank. It said the investors were expecting a significant amount of budgetary allocation for the sector.

On the first day of the week, banking sector gained about 4 percent. "Investors' interest has also increased

toward the sector, as the market was expecting a corporate tax cut for the financial sectors, but the government at last denied any corporate tax cut," the EPL remarked.

The optimism about the upcoming budget also spurred a massive fund flow in the market with the premier bourse experiencing a single-day highest turnover of Tk 7.82 crore on last Sunday.

Both the total and daily average turnovers jumped by 11.35 percent to Tk 3,189.09 crore and Tk 637.81 crore respectively.

A total of 14,71,73,646 shares were traded on the premier bourse, a 3.27 percent fall. The losers beat the advances 113 to 146. Five crips remained unchanged.

Total market capitalisation rose by 2.78 percent to Tk 1,12,103.40 crore.

Summit Power topped the turnover leaders with 12,53,950 traded shares worth Tk 187.03 crore, which was 5.86 percent of the total turnover. The week's other turnover leaders were Beximco Pharma, Titas Gas, Powergrid, Summit Alliance Port, LankaBangla Finance, Bextex, Beximco, AB Bank and DESCO.

Chittagong stocks however fell last week. The CSE Selective Categories Index declined by 0.84 percent to 6,124.39. The CSE All Share Price Index also slid by 0.6 percent to 9,444.65.

A total of 2,60,76,466 shares worth Tk 401.79 crore changed hands on Chittagong Stock Exchange. Of the traded securities, 76 advanced, 100 slipped and 49 remained unchanged.

AB Bank topped the turnover leaders on the port city bourse with 4,58,760 shares worth Tk 35.74 crore. Other turnover leaders for the week were Beximco Pharma, Bextex, Bextex, Titas Gas, Summit Power, LankaBangla Finance, Eastern Housing, Shipekum Ceramics-N and National Bank.

Oil prices extend rally

Oil prices struck eight-month highs this week on higher demand for commodities as the global economy makes progress in pulling free of recession.

OIL: New York crude hit 73.23 dollars on Thursday - the highest level since last October - while London Brent oil surged to a similar pinnacle at 72.27 dollars a barrel.

The peaks were hit after the International Energy Agency (IEA) raised projections for world oil demand by 120,000 barrels a day to 83.3 million in 2009, up from its 83.18 million forecast in May.

"Crude oil rose above 73 dollars following an upward revision in global oil demand by the IEA in their monthly report and following some positive US data which boosted sentiment," said Sueden analyst Nimit Khata.

"US data showed a better than expected rise in retail sales and a slowdown in initial jobless claims, which continued to fuel the appearance of an economic recovery."

There was also upbeat news from China, which is the second-biggest energy consuming nation after the United States.



Zafar Osman, president of Dhaka Chamber of Commerce and Industry, and Ram Bhatnagar, vice-president for international business of Raymond Ltd, inaugurate Raymond Flagship Store in the capital's Banani area recently.

WTO plan not 'new start' to talks: Russia

Russia's change of tack on joining the trade body. Russian Prime Minister Vladimir Putin surprised the WTO on Tuesday by announcing that Moscow would seek membership as a single customs block together with its former Soviet neighbours, Kazakhstan and Belarus.

Shuvalov called for a "smooth transition" from Russia's long-running accession talks to the three-country bid for WTO membership together.

"We are not talking about some kind of trilateral structure, but, actually, of a united team that will act with one voice," he clarified.

"Our lawyers are already working on the question."

Weekly Currency Roundup

June 7th-June 11th, 2009 International Markets Currencies experienced extreme fluctuations this week. The US dollar gained at the start of the week on positive US jobs report. Dollar continued to rise till Tuesday on expectations of US yields rising. The dollar index rose to 81, its highest since late May. Dollar fell from Wednesday against the higher yielding currencies as risk sentiment improved. The euro edged up, shaking off weak French output data, and positive UK industrial output lifted the sterling. The dollar edged lower against a basket of currencies on Thursday, erasing some gains made after benchmark US Treasury yields rose to eight-month highs, as caution set in ahead of another US government debt auction.

Local Money Market The call money rate was in a downward again this week and traded in the range of .25-1.0 percent. Excess liquidity was the cause of such low rates.

Local Market FX The USD remained steady against the BDT throughout the week. The market was active and there was ample liquidity.

James Blewett, general manager of Katalyst, Carmen Z Lamagna, vice-chancellor of American International University Bangladesh, and Rahim B Talukdar, vice-chancellor of Eastern University, exchange documents during signing a memorandum of understanding in Dhaka on Tuesday. Under the MoU, Katalyst and the two universities will develop relevant modules, build capacities of the faculty and facilitate linkages with various other stakeholders.



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Weekly Market Highlights

Table with 2 columns: Indicator and Value. Includes DSE All Share Index, DSE General Index, DSE 20 Index, CSE All Share Index, CSE 20 Index, CSE Sected Index, and various indicators like Total Turnover, Number of Contract, etc.

Weekly Turnover Leaders

Table with 4 columns: Company, Turnover (Vol), (M.Tk) (%), and Closing Price. Lists top performing companies like Summit Alliance Port, Beximco Pharma, Titas Gas, etc.

Weekly Capital Gainers/Losers

Table with 4 columns: Company, Price Chn. (%), Close, and Turnover. Lists companies with significant price changes like Small Paper, Meghna Life Ins, etc.

Weekly News Highlights from Trade Servers

Multiple news snippets from various trade servers including SPARTO, BEXIMCO, and other market-related updates.

Weekly TRADED ISSUES

Large table listing traded issues with columns for Bank, Price, and other details. Includes entries for various banks and financial institutions.

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Source: Capital Gainer/Losers tables are prepared on the basis of the close price of the traded issues. EPS-Earning per Share; BV-Book Value per Share; ...