

Stocks

DGEN ▲ 6.18%
3,069.70

CSCX ▲ 3.82%
6,892.50

(Week-on-week)

Asian Markets

MUMBAI ▲ 1.74%
14,913.05

TOKYO ▼ 0.61%
9,816.07

SINGAPORE ▼ 0.91%
2,299.75

SHANGHAI ▲ 0.92%
3,088.37

(Friday closings)

Commodities

Gold ▼ \$932.50
(per ounce)

Oil ▼ \$66.26
(per barrel)

SOURCE: AFP

(As of Friday)

More News

Debunking economic connotations



Amidst the ongoing turbulence in the global financial system, the World Trade Organisation, its members and key international aid and development organisations are scheduled to conduct the Second Global Review (SGR) for the Aid for Trade (AFT) initiative -- aimed at expanding the trade capacity of developing countries -- on July 6-7, 2009, in Geneva.

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International

Malaysia's exports plunge 29.7pc in May

Malaysia's exports slumped 29.7 percent in May from a year earlier, hitting their lowest level since 2001 with demand evaporating, according to official data released Friday. The trade ministry said in a statement that exports plunged to 42.95 billion ringgit (12.19 billion dollars) year-on-year while imports fell 27.8 percent.

British Airways will slash spending

Troubled British Airways said Friday that it would slash capital expenditure by one fifth in the current financial year after posting another sharp drop in monthly passenger numbers. "Market conditions continue to be very challenging with trading at levels well below last year," the struggling airline said in a trading update.

Sri Lanka's need for IMF wanes: Central Bank

Sri Lanka's central bank chief said Saturday that the island could live without a major IMF bailout that had been delayed by the final stages of the government's fight with Tamil Tiger rebels.

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If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Nasir Group plans to build pharma, fertiliser plants

SAJADUR RAHMAN

The diversified Nasir Group has decided to set up three new industrial plants to expand its business activities to a wide variety of areas.

The group, which is one of the largest family-owned business conglomerates in the country, will set up a pharmaceutical plant, a BOPP (plastic material) making unit and a fertiliser factory soon to gear up its businesses.

"We are going fast with the pharmaceutical factory," said Nasiruddin Biswas, managing director of Nasir Group.

"We are trying our best to buy an existing licence to save time to set up the pharmaceutical plant," he told The Daily Star recently.

The pharmaceutical sector is an emerging and prospective industry in Bangladesh. Currently, there are around 250 pharmaceutical companies that meet almost all the domestic demands. The top 10 companies' market share is nearly 70 percent of the Tk 5,000 crore local market.

The group is also working with BOPP, which is a plastic material used in almost all types of packets. The BOPP plant will be the first of its kind in Bangladesh.

"We are talking to the suppliers of machines for the BOPP factory," the managing director said.

He said Bangladesh imports BOPP products worth several hundreds crore taka each year.

The third project that the group is actively considering is a SoP (Sulphate of Potash) fertiliser fac-



The photo taken in February shows construction of Nasir Glassware and Tube Industries going on in Mirzapur. Nasir Group plans to build a pharmaceutical plant, a plastic material making unit and a fertiliser factory.

tory. The government imports SoP and supplies it to the farmers at 60 percent subsidised price.

"We want to set up a SoP fertiliser factory. But we need to talk to the government on price-fixing before undertaking the project," said Biswas. SoP fertiliser is also used in tobacco cultivation to increase thickness of its leaf.

He said SoP helps ensure high quality, size, colour and high yield of crops.

Nasir Group, which started its business in a very small way with biri (traditional hand-made low-cost cigarette) making, now boasts of owning state of the art glass, melamine, printing and packaging, and footwear industries.

The group is now setting up a Tk 600 crore import substitute glassware and tube industry, which will be the first of its kind in the country.

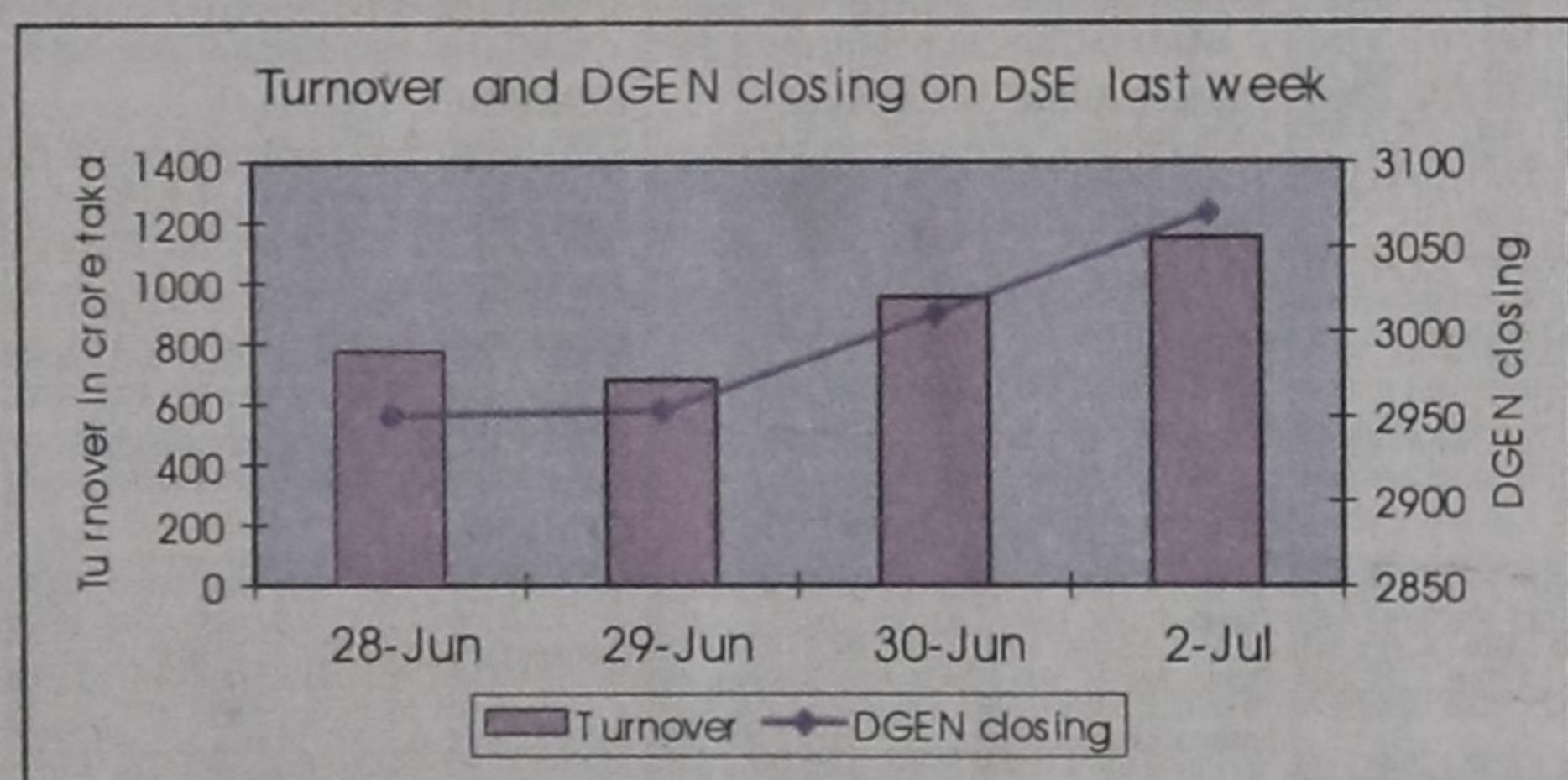
Nasir Group's annual turnover sajjad@thedailystar.net

now hovers around Tk 2,000 crore. It pays on an average monthly Tk 13 crore value added tax to the national exchequer.

Of the three new plants, the group will set up pharmaceutical first, Biswas said.

His daughter who is a foreign-educated pharmacist will lead the pharmaceutical plant, he noted.

Stocks soar on high investor spirits



STAR BUSINESS REPORT

Dhaka stocks soared last week, as investor confidence increased.

Analysts point to multiple factors behind the present market performance.

"Firstly, the presence of an elected government has helped boost investor confidence. Secondly, the scope for investing undisclosed money in the capital market appears to have impacted the market, and thirdly, the huge turnovers in the banking sector can be attributed somewhat to the tax cut of 2.5 percentage points for this sector," said Equity Partners Limited (EPL), an investment bank.

The benchmark index of Dhaka Stock Exchange, DSE General Index, shot up 178.66 points, or 6.18 percent to 3,069.71 on week-on-week basis. The DSE All Share Price Index also went up by 151.67 points, or 6.27 percent to 2,568.78 on Thursday, the week's last trading day.

Pointing to a good presence of both institutional and big individual investors in the market, the investment bank said the government has now focused more on capital market development considering it as a major source of capital for entrepreneurs. "By allowing tax incentives, the government is encouraging new companies to get listed, which will ensure the supply of quality stocks to the market," the EPL said.

For the last couple of weeks, banks, the cheapest and fundamentally strong sector, have been gaining because of the new injection of money into the market.

The gain is likely to continue because investor interests are increasing on a logarithmic scale.

Although turnover of this sector posted a decrease but average daily turnover has increased more than 20 percent, as this was a four-day trading week.

Among other sectors, fuel and power rose but the pace of gaining slowed down as investors were making a strategic shift towards the financial sector, the one that has not been moved much in the last couple of months.

The gain in the fuel and power sector was driven by the initiative taken by the government to improve power supply. "But now investors are waiting to see its implementation," the EPL analysis said.

Cement sector also posted a gain, although it witnessed a profit taking on the last trading day. Two big companies -- Heidelberg and Lafarge -- mainly dominated the sector.

Daily turnover was increasing by heaps and bounds with previous records being broken. On the final day of trade, the single day turnover crossed historic Tk 1,000 crore mark and stood at Tk 1,149 crore. The daily average turnover increased by 20.05 percent to Tk 887.17 crore last week.

The total turnover however declined by 3.96 percent to Tk 3,548.68 crore, as the trading was closed on July 1 because of bank holiday.

A total of 17,26,10,764 shares were traded on the premier bourse, marking a 3.91 percent fall. The advancers beat the losers 192 to 72. Two securities remained unchanged.

The total market capitalisation jumped by 8.08 percent to Tk 1,26,885.25 crore.

Beximco Pharma topped the turnover leaders with 1,45,87,350 shares worth Tk 279.55 crore being traded, which was 7.88 percent of the total turnover. The other turnover leaders were Beximco, Titas Gas, AB Bank, Bextex, Summit Power, Lanka Bangla Finance, Powergrid, Shinepukur Ceramics and Islami Bank.

Chittagong stocks also soared. The CSE Selective Categories Index shot up by 3.82 percent to 6,892.5 points. The CSE All Share Price Index went up by 3.76 percent to 10,642.87 points.

A total of 3,29,74,144 shares worth Tk 507.14 crore changed hands on the Chittagong Stock Exchange. Of the traded securities, 138 advanced, 52 declined and eight remained unchanged.

AB Bank topped the turnover leaders on the port city bourse with 4,58,445 shares worth Tk 47.26 crore being traded.

Marico gets nod to raise Tk 13.42cr through IPO

SARWAR A CHOWDHURY

Marico Bangladesh Limited (MBL), a subsidiary of Indian Marico Limited, has received the green light from the stock market regulator to raise more than Tk 13.42 crore from Bangladesh capital market.

The multinational company will spend the fund, raised through initial public offering (IPO), to repay bank loans, said people close to the issue.

Each of the company's 14.92 crore shares has been fixed at Tk 10 in addition to a premium of Tk 80 per share, Securities and Exchange Commission officials said.

"We have approved the Marico Bangladesh IPO at a meeting," Anwarul Kabir Bhuiyan, executive director of SEC, told reporters after the meeting on Thursday.

The company had sought Tk 100 in premium per share but later revised the figure down to Tk 80 in line with securities rules.

Net asset value per share of MBL is Tk 32.69 and annualised earnings per share are Tk 11.12, according to Bhuiyan.

The SEC approved the Tk 486.08 crore IPO of the country's largest mobile operator on Thursday.

"The approval of MBL IPO, along with Grameenphone, will meet the investors' demand for new and quality shares to some extent," he said.

Market analysts said issues such as Grameenphone and Marico were timely as the market is bullish and investors are looking for new quality shares. The two issues will help boost investor confidence in the market, they added.

According to the MBL website, it holds a leadership position in the fast moving consumer goods (FMCG) space.

MBL's products in coconut oil, hair care and skin care reach out to more than 4.5 lakh outlets in Bangladesh.

The company with Tk 28.35 crore in paid-up capital gen-

MARICO IPO BY NUMBERS



Turnover (2007-08):
about
Tk 26.50 crore

IPO size: **Tk 13.42 crore**
Number of shares: **14.92 crore**
Face value: **Tk 10**
Premium per share: **Tk 80**
NAV per share: **Tk 32.69**
Annualised EPS: **Tk 11.12**
Paid-up capital: **Tk 28.35 crore**

erated a turnover of about Tk 26.5 crore in fiscal 2007-08.

IDLC Finance is the issue manager for Marico IPO.

Starting operation in Bangladesh in 2002, the company markets well-known brands such as Parachute, Aromatic, Camelia, Hair Code and Beliphool with significant market shares.

Ranked sixth most-trusted brand out of 849 across the category by Bangladesh Brand Forum in 2008, Parachute holds a 73 percent market share in the coconut oil category.

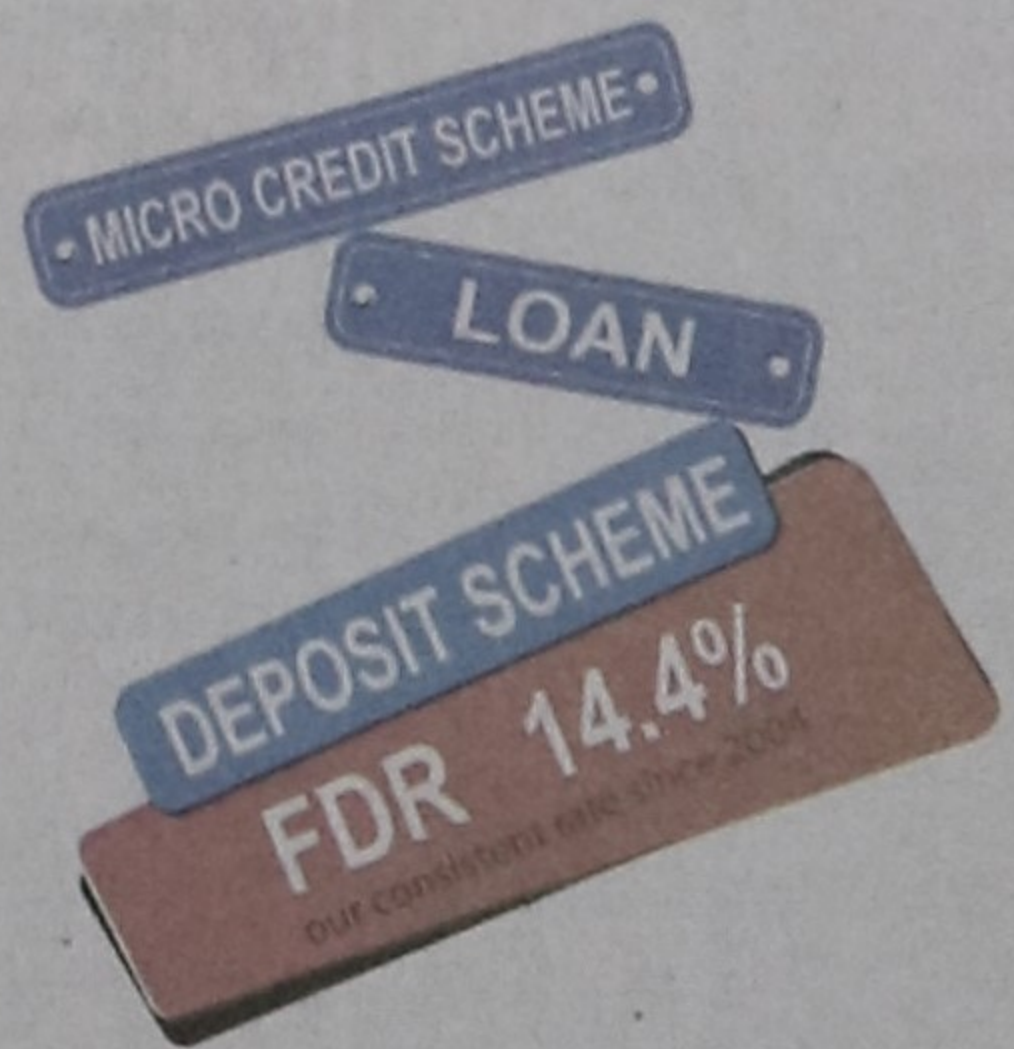
One in every three Bangladeshis is a MBL consumer, while over 0.92 crore consumer packs from Marico reach consumers every month, according to one estimate by the company.

Marico's focus on sustainable profitable growth is manifest through its consistent financial performance, as it has made substantial profit over the last five years. MBL has established its own factory, Corporate Office and depots around the country.

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