

Global stocks rally could be too far too soon: Analysts

AFP, Paris

Global stock markets may have rallied too far too fast over the last five months as they bounce back from a panic plunge provoked by the collapse of Lehman Brothers investment bank a year ago, analysts warn.

Stock markets, already in retreat from the bursting of the US subprime home loan bubble, were thrown into panic when the fall of Lehman Brothers turned a financial crisis into a threat of systemic failure in leading economies.

Leading markets climbed back from the depths in March and April, and then in July and August rallied strongly again, recovering much of the ground lost over 12 months.

But in the last few days they have faltered because of doubts about the underlying dynamics of signs that leading economies are pulling out of recession.

On Wall Street, losses since September 15 when Lehman Brothers collapsed have been reduced to 18 percent, in London to 10 percent, Tokyo 16 percent and Paris 15 percent. The main stock index in Shanghai has jumped by 37 percent.

But these rebounds still leave stock indices far below the high levels attained before the bursting of the subprime bubble marked the beginning of the crisis in August 2007.

"With Lehman, markets factored the end of the world into the price of shares, because the improbable had occurred," said a senior manager at EFG Asset Management in Paris, David

Kalfon.

Since March, when stocks reached a low point, "the markets have realised that it was not the end of the world and this relief has pulled them upwards."

At Turgot Asset Management in Paris, Arnaud de Champvallier said: "The 2009 second-quarter results of many companies and the economic indicators in recent weeks have been better than expected, and this explains the rise of stock markets."

But he also observed: "They cannot go much further for now because the maximum possible gains have been drawn from these second-quarter results."

The head of share portfolio management at Groupama Asset Management in Paris, Romain Boscher, commented: "The good news is that this is not on a solid basis. The economy is emerging from its torpor, but this is still very financial without extension to the labour market or industry."

Boscher said: "The stock market is certainly looking ahead. But here it is anticipating in the space of three or four months the next three or four years. It's excessive. The market is behaving as if everything is over although we have only avoided the Great Depression."

Boscher, in common with the other analysts, highlighted the explosion of debt incurred by states which they said, at worst, could lead to a crash on the government bond market.

The head of strategy at Societe Generale in London, Albert Edwards,

was bluntly pessimistic, saying that stock and credit markets had experienced the biggest bubble in history, and it was not yet over.

He said: "When I look at the 1930s, there were periods when growth improved: at the end of 1929 and then in 1931, but the market collapsed again."

He warned that "the rise since March has just been a very large bid which will unwind."

However some of these experts argue that the recovery is also evident in the volume of trading.

From the summer of 2007 (in the northern hemisphere) to May 2009 investors and small shareholders switched funds from stocks to money markets. Since the end of June, there has been a reversal because interest available on money markets is close to zero.

However, the switch back is gradual. "Some people have been traumatised on stock markets, losing up to 50 percent of their savings invested in shares," Kalfon said. "It will take time for them to regain confidence."

This stock market plunge alarmed investors more than the bursting of the Internet bubble had done in 2001 because it shook the banks, the pillar of the economy, said Fabrice Moulle-Berteaux, another expert at EFG.

These analysts said that badly shaken customers were requiring improved information, explanation, and investment schemes enabling them to withdraw cash easily and quickly.

But Boscher also remarked: "Investors have a short memory and the lure of gains is universal."



Dewan Mujibur Rahman, managing director of Mercantile Bank Ltd, and Syed Abu Naser Bukhtear Ahmed, managing director of Agrani Bank Ltd, exchange documents after renewing an agreement on drawing arrangement in Dhaka recently. Under the agreement, Mercantile bank will disburse inward remittances of expatriates through the selective branches of Agrani Bank.

Currency

Following is Sunday's (September 6, 2009) forex statement by Standard Chartered Bank

Major currency exchange rates		Exchange rate of some currencies	
BC Sell	TT Buy	Per USD	BDT per Currency
US dollar	69.42	68.42	
Euro	101.55	95.85	
Indian rupee	116.03	110.12	48.78 1.81
Australian dollar	60.26	57.20	82.70 0.83
Japanese yen	0.81	0.72	114.80 0.80
Swiss franc	67.21	62.83	34.05 2.02
Swedish kroner	9.74	9.02	19.55
Canadian dollar	64.61	62.40	
Hong Kong dollar	8.97	8.82	
Singapore dollar	48.85	47.35	
UAE dirham	19.06	18.48	68.42 69.54
Saudi riyal	18.66	18.10	68.46 69.66
Danish kroner	13.73	12.90	68.54 69.81
Kuwaiti dinar	238.07	234.52	6.68 6.92 70.49

Local Market FX

Local inter-bank FX market was active Sunday. There was ample liquidity in the market and the USD/BDT rate was similar to the previous working day.

Money Market

Money market was active on Sunday. The market was very liquid, and the majority of the deals traded in the .20-.25 region.

STOCK

Market Highlights

September 06, 2009

DSE All Share Index	2490.35020	(-) 0.78%
DSE General Index	2960.96795	(-) 0.82%
DSE - 20 Index	2133.07257	(-) 0.41%
CSE All Share Index	10392.9671	(-) 0.85%
CSE - 30 Index	7533.2933	(-) 0.38%
CSE Selected Index	6640.9904	(-) 0.88%

Indicators	DSE	CSE
Total Turnover (Taka)	5,828,901,934.00	767,988,930.55
Total Turnover (Volume)	33,442,514	5,555.085
Number of Contract	108,385	12,991
Total Traded Issues	238	164
No. of Issue Gain (Avg. Price Basis)	80	45
No. of Issue Loss (Avg. Price Basis)	156	118
No. of Unchanged Issue (Avg. Price Basis)	2	1
Market Cap (Taka)	978,000,686.000	886,629,292.703
Market Cap (USD)	14,277,382.277	12,943,493.324
Price Earning Ratio	18.26	17.91
Earning Per Share (%)	27.74	27.30

Turnover Leaders

Company	Turnover (Vol.)	(M.Tk.)	(%)	Big Lot Share
Nawana CNG-N	6,104,800	1,230.48	21.1	500
Sumit Power-A	125,920	272.13	4.67	750
BEXIMCO Ltd.-A	879,187	245.58	4.21	7,900
BEXTEL Ltd.-A	2,716,430	166.54	2.86	20,000
Sumit Power-A	118,655	153.24	2.63	1,000
Islamic Finance-A	288,752	147.23	2.53	1,400
Jamuna Oil-A	507,900	137.94	2.37	6,700
Titas Gas TDCO-A	210,850	137.13	2.35	2,000
AIMS First -A	6,460,500	128.18	2.20	10,000
Bearm Pharma-A	746,003	122.90	2.11	13,850

BEXIMCO Ltd.-A	825,448	230.32	29.99	12,000
Bearm Pharma-A	787,872	123.74	16.89	20,000
Nawana CNG-N	294,900	93.34	7.73	500
BEXTEL Ltd.-A	695,500	42.62	5.55	5,000
Sumit Power-A	1,303,000	25.84	3.36	5,000
AIMS First -A	17,562	15.29	1.99	1,000
Sumit Power-A	10,638	13.74	1.79	300
EBL First Mutual Fund	387,500	11.49	1.49	4,000
Islamic Finance-A	21,233	10.89	1.42	550
ICB AMOL 2nd NRB-A	44,700	9.92	1.29	1,000

Capital Gainers/Losers

Company		Price	Chn. (%)	Close	Turnover
		Close	Avg.		M.Tk
Apex Spinning - A	D	12.40	7.61	1,185.50	31,483
Kohinoor Chem - A		9.26	11.40	245.00	1,814
Islamic Finance - A		8.96	7.76	518.75	14,728
Julia Spinning - A		8.52	8.08	1,576.75	2,059
Gemini SeaFood - A		8.20	8.17	1,349.50	2,433
Central Insurance - A	C	25.60	25.60	628.00	0.025
Islamic Finance - A		10.65	7.48	514.50	10.889
Trust Bank - A		10.24	1.09	341.75	3.889
Int. Leasing - A		9.94	3.30	934.50	0.327
Apex Spinning - A		8.89	8.89	1,176.00	0.517
Jamuna Oil - A	D	-8.12	-6.06	817.00	3,269
Savar Refractories - A		-8.06	-4.04	550.75	0.188
Dandy Dyeing - Z		-6.99	-5.95	69.75	10.40
Halkani P&P Paper - B		-6.49	-6.82	66.30	0.332
Gulf Foods - B		-5.06	-3.32	220.50	1.389
JMI-Bank Co. Ltd.	C	-19.19	-19.07	160.00	0.008
Federal Insurance - A		-14.23	-14.21	535.00	0.013
Jamuna Insurance - A		-10.08	-6.15	803.00	0.08
First Lease - A		-9.20	-3.32	590.00	0.118
Asia Pacific Ins - A		-7.63	-6.43	360.25	0.018

Dividend/RD BCP/IPO

Company	R.Day	BC	SP	Div	Meeting Date	Venue, Time
Bangladesh Steel Mills Ltd.-A	14-09	27-04	50.0%	AGM	29-09	13:00
Popular Life Ins.-A	31-Aug	18-09	100%	AGM	29-09	13:00
Progressive Life Ins.-A	1-Sep	18-09	100%	AGM	29-09	13:00
Northern Globe Ins.-A	1-Sep	18-09	100%	AGM	29-09	13:00
Platinum Ins.-A	1-Sep	18-09	100%	AGM	29-09	13:00
Square Pharma-A	1-Sep	18-09	100%	AGM	29-09	13:00
Megha Stamp-Z	1-Sep	18-09	100%	AGM	29-09	13:00
Shylent-A	1-Sep	18-09	100%	AGM	29-09	13:00
Pragati Life Ins.-A	1-Sep	18-09	100%	AGM	29-09	13:00
City Bank-A	1-Sep	18-09	100%	AGM	29-09	13:00
Apex Spinning-A	1-Sep	18-09	100%	AGM	29-09	13:00
Apex Foods-A	1-Sep	18-09	100%	AGM	29-09	13:00
Legacy Footwear-B	1-Sep	18-09	100%	AGM	29-09	13:00
Apex Spinning-A	1-Sep	18-09	100%	AGM	29-09	13:00
Apex Foods-A	1-Sep	18-09	100%	AGM	29-09	13:00
BDCCOM Online-A	1-Sep	18-09	100%	AGM	29-09	13:00
Dandy Dyeing -Z	12-11	01-11	100%	AGM	24-11	13:00
Man Spring-A	14-09	04-10	100%	AGM	29-09	13:00

Apex Spinning-A	1-Sep	18-09	100%	AGM	29-09	13:00
Apex Foods-A	1-Sep	18-09	100%	AGM	29-09	13:00
BDCCOM Online-A	1-Sep	18-09	100%	AGM	29-09	13:00
Dandy Dyeing -Z	12-11	01-11	100%	AGM	24-11	13:00
Man Spring-A	14-09	04-10	100%	AGM	29-09	13:00

News from Trade Servers

Spot Trade Start from 07:09-09: SONARBAINS
Category Change: STANDARDS "B" category from existing "N".
Sponsors Buy/Sell: GLOBALINS Mr. Syed Badrul Alam to sell 4,000 shares.
PRIME LIFE: The company has informed that the Board of Directors of the company has adopted the following decision unanimously that the Ordinary Shares of Tk. 100 (one hundred) only each of the company shall be split into 10 (ten) only each and market lot shall be of 50 (fifty) shares subject to approval of the SEC, Chief Controller of Insurance and Shareholders in the EGM. Necessary amendments to the respective clauses in the Memorandum and Articles of Association of the company shall also be made.
TAKAFULINS: The company has further informed that the 9th AGM of the company will be held on 30.09.09 at 10:00 AM at Windy Town Hall, Bangladesh International Conference Centre, Agrapara, Sher-e-Banglanagar, Dhaka. Other information regarding AGM as announced earlier.
NAVANACNG: As reported by the company, total 83,95,500 shares were sold up to 03.09.09 out of 1,81,50,000 shares.
On the close of operation on August 31, 2009: AIM515TMF NaV = Tk. 3.32 (CMP), Tk. 2.04 (CP), FV = Tk. 1.00, GRAEME2 NaV = Tk. 11.50 (CMP), Tk. 13.04 (CP), FV = Tk. 10.00, GRAEME2 NaV = Tk. 35.36 (CMP), Tk. 20.46 (CP), FV = Tk. 10.00, ISTBSRS NaV = Tk. 89.51 (CMP), Tk. 141.66 (CP), FV = Tk. 100.00, Where, CMP = Current Market Price, CP = Cost Price, FV = Face Value.

TRADED ISSUES SEPTEMBER 06, 2009

Company	CDL	mark	Category	Mark	Face Value	Market Lot	EPS	RV	Latest Dividend	Year End
BANK										
AB Bank -A	10051	89.72	262.16	11.5%	15.9	1208				
D 865.8	0.97%	874.31	871.98	180.0	863.0	872.45				
C 862.3	2.68%	860.00	870.49	895.0	854.0	1756.2				
City Bank -A	10051	25.14	31.03	10.9%	1208					
D 393.0	1.48%	387.31	393.95	400.0	387.0	1657.5				
D 474.8	1.38%	460.51	387.88	400.0	387.0	1657.5				
ICB Bank -A	10051	37.69	118.31	10.9%	1208					
D 874.0	1.89%	857.81	874.04	876.0	855.0	7927.7				
D 860.0	0.93%	858.00	863.74	870.0	855.0	4581.8				
Islamic Bank BD -A	10010	43.12	33.69	19.25%	1208					
D 530.8	0.43%	528.51	531.21	529.0	529.0	2957.8				
C 524.0	0.76%	528.00	528.25	538.0	520.0	4550.0				
National Bank -A	10051	43.83	146.12	10.9%	1208					
D 474.8	0.31%	483.31	483.32	493.0	480.0	8978.0				
C 481.5	0.72%	480.00	483.35	495.0	460.0	4163.6				
Pubali Bank -A	10051	39.61	197.46	30.9%	1208					
D 389.5	0.26%	388.31	389.24	394.0	386.0	1382.0				
C 384.0	0.84%	387.00	386.07	392.0	365.0	878.0				
Rupali Bank -Z	10010	38.11	343.91	30.9%	1208					
D 283.8	0.71%	280.81	280.81	282.0	279.0	1147.0				
C 274.8	2.53%	280.00	280.00	280.0	260.0	1147.0				
Uttara Bank -A	10051	21.28	230.94	10.9%	1208					
D 107.0	1.00%	108.00	107.00	107.0	107.0	1927.1				
ICB Islamic Bank -A	10051	10.71	104.74	10.9%	1208					
D 108.0	0.50%	108.00	108.00	108.0	108.0	1387.2				
Eastern Bank -A	10051	10.71	104.74	10.9%	1208					
D 111.0	0.74%	108.00	110.00	110.0	107.0	1927.1				
C 104.5	0.25%	105.00	105.00	105.0	104.0	1927.1				
Al Arada Islamic Bank -A	10051	37.11	151.40	10.9%	1208					
D 335.5	0.30%	335.31	335.31	340.0	334.0	2023.8				
C 335.0	0.30%	335.00	335.00	340.0	334.0	2023.8				
Prime Bank -A	10051	35.14	188.71	12.5%	1208					
D 403.1	1.54%	403.11	403.11	403.0	403.0	5077.4				
C 403.0	1.54%	403.00	403.00	403.0	403.0	5077.4				
South Bank -A	10051	25.92	119.24	10.9%	1208					
D 265.3	0.09%	265.00	266.69	268.0	264.0	6161.0				
C 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00	263.06	267.0	261.0	922.0				
D 262.0	0.76%	264.00								