

DHAKA TUESDAY FEBRUARY 23, 2010

Stocks	
DGEN	▼ 2.39% 5,622.99
CSCX	▼ 2.36% 10,676.03

Asian Markets	
MUMBAI	▲ 0.28% 16,237.05
TOKYO	▲ 2.74% 10,400.47
SINGAPORE	Flat 2,757.46
SHANGHAI	▼ 0.49% 3,003.40

Commodities	
Gold	▲ \$1,118.90 (per ounce)
Oil	▲ \$80.51 (per barrel) (Midday Trade)

Coca-Cola plans own sales, distribution

BSS, Dhaka
 Soft drinks brand Coca-Cola yesterday announced plans to start its own sales and distribution operations in Bangladesh.

The company earlier submitted a proposal to the government for setting up a manufacturing plant in the country.

Coca-Cola products have been prepared, packaged and sold in Bangladesh for around 50 years. But it has been marketing its products through local representatives.

Now the company will directly market its flagship products -- Coca-Cola, Sprite and Fanta.

Coca-Cola was expecting a positive response shortly to its proposal for setting up the plant jointly with the government.

Tabani Beverage, a state-owned company, used to bottle and market Coca-Cola products in Bangladesh until September last year. But Tabani discontinued when Coca-Cola formed a new partnership with a private company.

The operations will be launched soon in Dhaka and Rajshahi, said a statement of the company.

"The launch of our operations in the districts is a reaffirmation of the commitment," said Debashish Deb, country manager for Coca-Cola Far East Ltd.

The latest move is also expected to generate direct and indirect employment for over 2,500 people.

Stocks suffer biggest fall in years on GP

STAR BUSINESS REPORT

The benchmark index of Dhaka Stock Exchange yesterday suffered the biggest loss since its introduction, as the shares of Grameenphone (GP) and Marico marked a sharp decline in value.

The fall came as a result of the market regulator's effort to rein in the prices of the two stocks by placing them in spot market.

This means investors cannot buy the shares of the two companies on credit. And the settlement period for a share is one day.

The DSE General Index (DGEN), which was introduced in 2001, lost almost 138 points or 2.39 percent before closing at 5,622.99 points. The previous largest fall was 133.13 points on January 11, 2005.

The DGEN was introduced with a base of 817.62 points. The index, which excludes 'Z' category companies, is calculated on the basis of individual stock price movement under 'A', 'B' and 'N' categories.

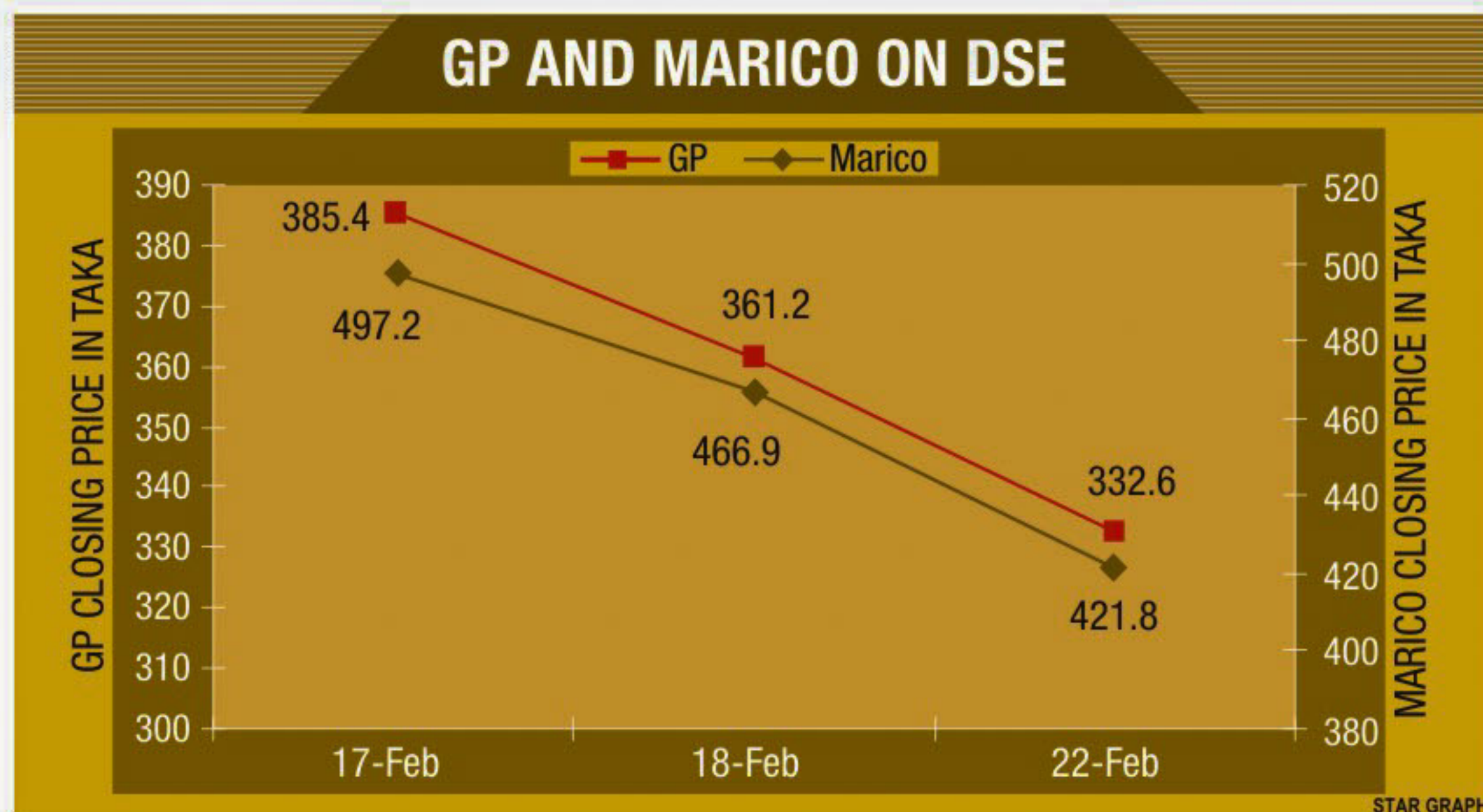
Placing the trading of GP and Marico stocks on the spot market was the main reason behind such a fall, said analysts.

The Securities and Exchange Commission on Thursday announced that the trading of GP and Marico will take place on the spot market, instead of normal trading board, until further order.

Each GP share went down around 8 percent to Tk 332.60 yesterday, while Marico plummeted 9.65 percent to Tk 421.80.

Experts said it seems the regulator's latest move, which came as the previous measures proved futile in controlling the share prices -- especially of GP, worked well.

Shares of the mobile phone operator were trading on the spot market with no margin loan facility as well as no financial adjustment or money-netting facility



as directed by the regulator, BRAC-EPL, an investment firm, said in a daily market analysis.

Trading on the spot market puts impacts in two ways. Firstly, supply of shares increase, as shares are ready for buy and sell on the next trading day, while shares are settled in three trading days in the normal market.

Secondly, liquidity flow to the securities can be controlled, as cash or bank draft has to be deposited to the bourses within one hour after the trading session.

"The fall was mainly because of restriction on trading of GP and Marico shares that impacted other sectors also," said Yawer Sayeed, managing director of AIMS of Bangladesh, an asset management company.

Investors remain jittery when the regulator makes intervention in selective securities, he said.

The broader DSE All Share Price Index also dropped 109.89 points, or 2.32 percent, to 4,609.51.

The losers beat the gainers 169 to 66 with two securities remaining unchanged. A total of 4,40,09,412 shares worth Tk 1,098.94 crore changed hands on the prime bourse.

Chittagong stocks also marked sharp fall yesterday. The CSE Selective Categories Index went down 258.92 points, or 2.36 percent, to 10,676.03. The CSE All Share Price Index dropped 385.9 points, or 2.31 percent, to 16,314.69.

A total of 74,50,922 shares worth Tk 96.53 crore were traded on the Chittagong Stock Exchange. Of the traded issues, 40 advanced, 116 declined and two remained unchanged on the port city bourse.

Ctg ship-breakers protest new policy

STAFF CORRESPONDENT, Ctg

Thousands of workers staged a demonstration in Chittagong yesterday to protest what they said was a national and international conspiracy against the ship-breaking industry.

The workers protested a government decree aimed at improving environmental standards in the industry.

Under a government order issued in late January, ships heading for breaking yards must now be certified as toxic chemical-free before they are imported and scrapped.

The protesters submitted a memorandum to the Chittagong deputy commissioner, seeking the prime minister's intervention in stopping the "conspiracy" hatched by some nongovernmental organisations.

After submission of the memorandum, the workers held a rally at Chittagong Court Building where Chittagong Regional Sramik League President Shafi Bangalee and Jatiya Sramik League International Affairs Secretary Safar Ali spoke among others.

After a High Court order, the commerce ministry amended the import policy on January 28 making it mandatory for ship importers to submit pre-cleaning certificates from the exporters before any ship enters the country's maritime territory.

Chittagong Customs has since barred at least 10 ships from entering the country's maritime territory, as those did not have pre-cleaning certificates.

More textile IPOs in sight

REFAYET ULLAH MIRDHA

The stockmarket braces for initial public offerings from a number of textile and garment companies, which plan to expand business to have a greater pie of the global apparel market.

The people who are at the helm of these companies say they are going public to raise working capital to widen operations.

Envoy Textile, a unit of Envoy Group, is among the companies stepping into the stockmarket, as the Securities and Exchange Commission has already given a go-ahead to the company's move to raise capital.

"We'll float IPO of Tk 40 crore on Dhaka and Chittagong stock exchanges with a face value of Tk 10 next year. The group has already sold a portion of the shares under a private placement," said Abdus Salam Murshedy, managing director of

the group.

Meantime, a unit of Purbani Group, a leading fabric maker, is also in the pipeline to offload shares of approximately Tk 30 crore.

The company is expected to step into the market by year-end, according to Abdul Hai Sarker, the group chairman. However, he added that his firm is now at a preparatory stage for listing on bourses.

"Expanding business operations and raising capital are our targets," Sarker said. Some days back, SQ Celsius, a unit of SQ Group, an apparel giant, announced a plan to offload shares to the tune of more than Tk 150 crore by year-end.

On settlement of the pre-IPO or private placement by June, the formal share trade will debut in September, said Ghulam Faruque, the group's chairman and managing director.

As per the expansion plan, an

SQ Station will be set up at Bhaluka in Mymensingh district where everything required for operating production will be available under one roof. The company has already purchased land for the project.

The SQ boss also said an asset management firm is now conducting the company's asset valuation and credit rating will be completed soon.

SQ Celsius' present paid-up capital is more than Tk 50 crore, while the number of its workers is 7,000. The total number of workers of the entire group is 10,000.

At present, 26 companies in the textile sector are listed on Dhaka Stock Exchange. Of the total scrips in the sector, some under-perform due to delayed annual general meetings and lapses in awarding dividends to shareholders for years.

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Lufthansa asks court to halt pilot strike

AP, Berlin

German airline Lufthansa is asking a court to halt a strike by more than 4,000 of its pilots.

Deutsche Lufthansa AG spokeswoman Claudia Lange told The Associated Press the company hoped for a decision by Tuesday.

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Asadgonj Branch Shifting Ceremony.

Shifting Ceremony of Asadgonj Branch
 M. A. Salam Market (1st Floor), 774, Asadgonj, Chittagong

Guest: Mr. Sheikh Abdul Hye Bacchu

Mr. Sheikh Abdul Hye Bacchu, honorable Chairman of BASIC Bank Limited inaugurating the newly Shifted Asadgonj Branch, Chittagong on 22nd February 2010. Managing Director, Deputy Managing Director & Other executives of the Bank are present in the ceremony.

OLD Address
 ASADGONJ BRANCH
 40/41, Ranjoy Mohajan Lane
 Asadgonj, Chittagong-4000

NEW Address
 ASADGONJ BRANCH
 M.A. SALAM Market (1st floor)
 774, Asadgonj, Chittagong-4000

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