

DHAKA MONDAY MARCH 15, 2010

Stocks	
DGEN	2.26% 5,375.07
CSCX	2.00% 10,248.79

Currencies		
	Buy Tk	Sell Tk
USD	68.62	69.62
EUR	92.39	98.05
GBP	102.14	107.94
JPY	0.74	0.79

Commodities	
Gold	\$1,106.25 (per ounce)
Oil	\$82.42 (per barrel)

## Kuwait's Global reports loss for second year

Global Investment House, a leading Kuwaiti investment firm, which is implementing a debt restructuring plan, said on Sunday it posted a loss in 2009 for the second straight year.

Global said in a statement on the Kuwait Stock Exchange that it posted a loss of 148.8 million dinars (516 million dollars) in 2009 compared to a shortfall of 257.6 million dinars (894 million dollars) in the previous year.

The company has been severely impacted by the global financial crisis and in December 2008 it defaulted on all of its estimated three billion dollars in debt.

## Stocks sputter as confidence at low ebb

STAR BUSINESS REPORT

Dhaka stocks suffered a big jolt yesterday with the highest number of companies losing their share prices in the history of Bangladesh stockmarket, as investor confidence dipped to a new low.

The prices of 89 percent securities declined. Of the 240 traded companies, 214 took a nosedive, while only 24 securities advanced. However, two scrips remained unchanged.

The stockmarket suffered its second biggest jolt on January 19 last year when 210 companies had racked up losses.

The benchmark index of Dhaka Stock Exchange, DSE General Index (DGEN), yesterday lost more than 124 points, or 2.26 percent, before finishing the day at 5,375.07.

The DGEN, introduced in 2001, witnessed the single-day largest fall on February 22, declining by 138 points or 2.39 percent.

Analysts say it is another day of a bearish spell that continued on the bourses for the last three weeks.

They said the participation of investors dropped significantly, as investors remained in panic and adopted a 'wait-and-see' approach.

"This sluggishness in market can be attributed to a reduction in margin loans, controversy surrounding DSE election, action against so-called gamblers, anxiety expressed by the government regarding the overheating of the market and SEC's quashing of stock dividend and right shares declared by AIMS 1st Mutual Fund," AIMS of Bangladesh, an asset management company, said in a market analysis.

Liquidity flow almost halved, compared to the first two months, it pointed out, adding that it is however too early to say whether the current declining trend is a small pullback after a long bullish trend or the market is lurching towards a painful deep correction.

The single-day turnover came down to a six-month low at Tk 623.80 crore on transactions of 2,97,21,669 shares on the prime bourse.

Many investors also said they abstained from trading, as they found the Securities and Exchange Commission's intervention and instruction unnecessary and unexpected.

Chittagong stocks also marked a sharp fall. The CSE Selective Categories Index went down 209.98 points, or 2 percent to 10,248.79. The CSE All Share Price Index dropped 315.96 points, or 1.97 percent to 15,664.



Workers sit idle at a petrol pump in Shyamoli, Dhaka, as Bangladesh Petrol Pump and Tank Lorry Owners and Labour Oikya Parisad called a six-hour strike from 6am yesterday. (Story on page 1)

## Policy on cards for microcredit interest

International conference begins today

STAR BUSINESS REPORT

Microcredit Regulatory Authority (MRA) will frame policy to bring transparency in the process of fixing interest rates by microfinance institutions (MFIs).

Under the policy, announced interest rates to be charged by the MFIs will be published on a regular basis, officials said yesterday.

"We will frame policy relating to interest rate. Based on the policy, microfinance institutions will have to announce their interest rates," said Lila Rashid, director of MRA, at a press conference at Sonargaon Hotel in Dhaka.

MRA arranged the briefing ahead of a three-day international conference on benefits of microfinance regulations.

Around 50 representatives from at least 20 countries are expected to attend the conference that

begins today at Sonargaon Hotel.

Lila said interest rates of the MFIs sometimes go up from 15 percent to 30 percent making it difficult for the poor to afford.

However, she said, operational costs of the MFIs are higher as they provide door-to-door services.

"We need to find a balance," she said, adding that the MFIs offer different interest rates for different products -- for credits and savings -- as well as varied repayment schedules.

Bangladesh Bank Governor Atiur Rahman said microfinance played an important role in retaining domestic demand during the global recession.

"We have been able to face global financial crisis quite well because of the domestic demand boosted by microfinance," Atiur, also the chairman of MRA, said.

He said regulations to monitor

and supervise the activities of MFIs are necessary to avoid any disaster in the sector.

As of June 30, 2008, the sector served over 25 million clients. Of them, 20.4 million borrowed around Tk 11,455 crore.

Savings from them stood at Tk 36.40 billion until June 2008, according to an MRA publication, NGO-MFIs in Bangladesh.

Atiur said Bangladesh is organising the conference focusing on the benefits of regulations in the sector.

At the conference, participants will talk on necessity of regulations and supervision in microfinance sector, and global practices.

Resource mobilisation, sustainability, ownership and governance of microfinance will also be discussed.

Khandakar Muzharul Haque, executive vice chairman of MRA, also spoke.

## BB moves to upgrade fight against financial crimes

STAR BUSINESS REPORT

Bangladesh expects to be a member of a global network of financial intelligence units (FIUs), Egmont Group, by next year to enhance the capacity of combating money laundering, terrorist financing and other financial crimes through international cooperation.

To become a member of the forum, the country sought support from another member of the group, the US, said Bangladesh Bank (BB) Governor Atiur Rahman yesterday.

"We have already applied for membership of Egmont Group in our efforts to fight money laundering," he said at a press conference at Sonargaon Hotel on the eve of a three-day international conference on microfinance.

Established in 1995 to stimulate international cooperation, the present 116-member Egmont Group provides a scope to FIU-members to cooperate and exchange information in the fight against money laundering, terrorist financing and other financial crimes.

Membership will allow access to the international database on anti-money laundering and terrorist financing, said the BB governor.

As required by the Egmont Group membership process, Thailand and Malaysia are sponsors for Bangladesh, he added.

"We sought support from the US and we are hopeful to get their support," said Rahman.

Bangladesh moves to become a member of Egmont Group after it set up a FIU at BB to help the government and policy makers get related information and take appropriate steps.

"We are seeking support from all to strengthen our FIU," the BB governor said, adding that some of the members of the group are reviewing Bangladesh's performance.

"Our prospects to become a member of Egmont Group look bright," said Rahman.

The BB governor, citing his recent visit to Washington, also expected that the US will extend their hands to the government to bring back the money siphoned off the country in the past.

## HSBC Export Excellence Awards 2009

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HSBC Export Excellence Awards 2009 seeks to recognise the business excellence of the exporters of Bangladesh. The Awards will be given in five categories:

- ▶ **Exporter of the Year - RMG & Textiles**
  - Group A: Annual export turnover of US\$ 50 Million or more
  - Group B: Annual export turnover less than US\$ 50 Million
- ▶ **Exporter of the Year - EPZ Enterprises**  
Companies in the Export Processing Zones of Bangladesh
- ▶ **Exporter of the Year - Traditional & Emerging Sectors**  
Companies (Non RMG & Textiles) with an annual export turnover of US\$ 3 Million or more
- ▶ **Exporter of the Year - SMEs**  
SMEs (Non RMG & Textiles) with an annual export turnover less than US\$ 3 Million

Please visit [hsbc.com.bd](http://hsbc.com.bd) website for nomination form and other details. Last date for submission is 31 March 2010. Kindly send completed forms to HSBC's knowledge partner in this programme - Bangladesh Brand Forum, House 20/B, Road 79/82, Gulshan 2, Dhaka 1212, Bangladesh.



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