

Stocks	
DGEN	▲ 0.21% 5,594.31
CSCX	▲ 0.20% 10,622.59

Asian Markets	
TOKYO	▲ 1.39% 11,244.40
SINGAPORE	▲ 1.92% 2,943.02
SHANGHAI	▲ 1.23% 3,147.42

Currencies		
	Buy Tk	Sell Tk
USD	68.62	69.62
EUR	91.29	95.44
GBP	102.90	107.21
JPY	0.72	0.77

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▲	\$1,116.03 (per ounce)
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Oil	▲	\$83.77 (per barrel) (Midday Trade)
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Stocks end in the black

STAR BUSINESS REPORT

Stocks finished higher yesterday, guided mainly by telecom giant Grameenphone and power shares as investors looked to profit gains.

But profit-taking and repositioning by investors after dividend postings from different banks pared down much of the gains in early trade that registered a 30-point leap in the benchmark DGEN or DSE general Index.

The banking sector fell along with pharmaceutical and mutual funds. But insurance stocks ended positive.

The DGEN added 11.98 points or 0.21 percent to 5594.31 toward the end of trading. The DSI or All Shares Price Index rose 9.85 points or 0.21 percent to 4583.66. The blue chip or DSE-20 Index however dipped 7.39 points or 0.25 percent to 2944.60.

Turnover dropped to Tk 640.38 crore from Tk 698.39 crore a day ago.

Of the 245 issues traded on Dhaka Stock Exchange, 148 advanced, 95 lost and two closed unchanged.

The telecom sector was the driver of the gain, said Argus Research, part of Race Asset Management, in an analysis.

Market major Grameenphone, securing a second top position on the turnover board, rose for a third day to end at Tk 363.90, up 0.46 percent from a day ago.

Buying into Summit Power shares helped it continue gains following on dividend and preference share issuance announcements. DESCO, Jamuna Oil backed the rise in power and fuel issues.

Summit topped the turnover board and soared 2.20 percent to Tk 1439.25. LankaBangla Finance, Beximco Pharma and IFIC 1st Mutual Fund are other top shares by turnover.

LankaBangla Finance advanced 2.74 percent to Tk 363.40. Beximco Pharma broke its losing streak in the past days and rose 1.48 percent to Tk 185.10.

IFIC 1st Mutual Fund that debuted yesterday surged 65 percent to Tk 16.50 against face value of Tk 10.

Except for the CSE-30 index, other indices closed higher on Chittagong Stock Exchange with gainers beating losers 86 to 75. Seven issues remained unchanged.

Two new players poised for listing

United Airways, Malek Spinning up for expansion

SOHEL PARVEZ

The Securities and Exchange Commission yesterday gave the green light to two companies -- United Airways and Malek Spinning Mills -- to go public to raise Tk 100 crore each.

Both will raise capital, as part of their plans to expand business.

United Airways will be the first local airline to list on stockmarket.

The offer price for a United Airways share will be Tk 100 without a premium. Malek Spinning will offer each share at Tk 25, including a premium of Tk 15.

The regulator's approval comes at a time when analysts favour more quality shares to meet growing demand from investors.

In one year to February 28, 2010, the number of beneficiary owner (BO) accounts -- an indicator of the number of investors -- surged 50.78 percent to 22.12 lakh, according to data shared by the Dhaka Stock Exchange early this week.

"We expect the listing of the two issues will narrow the supply-demand gap in the market," Anwarul Kabir Bhuiyan, executive director of SEC, told The Daily Star.

Referring to the prospectus, officials said United Airways would raise Tk 100 crore mainly to procure a Boeing 767-300ER aircraft, to operate flights on the Sylhet-London-Sylhet route.

The four-fleet carrier also intends to open flights to destinations in the Middle East, including Jeddah and

KEY FACTS

United Airways

- Takes off in 2007
- IPO size: Tk 100 crore
- Face value: Tk 100 each share
- Raises money for procuring Boeing 767-300ER to operate flights to international destinations
- Four-fleet carrier operates on four domestic and five international routes
- EPS: Tk 5.74 in July-October 2009

Malek Spinning Mills

- Established in 1990
- Produces all types of yarn with concentration on knit yarn for export
- IPO size: Tk 100 crore
- Face value: Tk 10
- Offer price: Tk 25 including premium of Tk 15
- EPS (annualised): Tk 2.72 for 2009-10 financial year
- Raises money to set up a subsidiary to make polyester

Bahrain, besides operating flights to existing international destinations, including Dubai and Kuala Lumpur.

"It is a major breakthrough and a matter of pride for us. We are happy that we are going to be the first airline in Bangladesh to go public," said Tasbirul Ahmed Choudhury, chairman and managing director of United Airways (BD) Ltd.

In fiscal 2008-09, United's net profit stood at Tk 4.73 crore, bucking a losing trend. The airline counted Tk 3.91 crore in losses in fiscal 2007-08.

The carrier recorded earnings per share (EPS) of Tk 5.74 in the July-

October period of 2009. Its EPS was Tk 9.48 in 2008-09 from a negative EPS a year ago.

The net asset value per share of the company was Tk 101.58 in the July-October period of 2009, officials said.

Malek Spinning Mills is expected to invest the money raised to establish a subsidiary, New Asia Synthetic, to make polyester, staple fibre and polyester chips.

Officials said the spinners' annualised EPS is estimated at Tk 2.72 for fiscal 2009-10, up from Tk 2.70 a year ago.

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NBR must widen reach to stockmarket

Pre-budget roundtable suggests

STAR BUSINESS REPORT

A pre-budget roundtable yesterday suggested the National Board of Revenue (NBR) expand its reach to stockmarket to bring more people under the tax net.

Former NBR member Zahir Mohammad said: "It's time to impose tax on capital gains in the stockmarket, or to bring individual investors under the tax net."

Currently, stockmarket investors pay only 10 percent tax on cash dividends.

The suggestion came from a discussion on "challenges for direct tax", organised by the NBR at Sonargaon Hotel in Dhaka.

Mamun Rashid, Citi country officer, said: "The capital market is becoming the centre point of investment, which should not be excluded from the tax net."

The discussion focused on collection of more taxes from sectors such as exports, real estate, private education and agriculture.

Some speakers pointed to the government's responsibility to ensure basic utilities such as water, electricity and gas for the people before raising tax rates, if it does not want to invite public annoyance.

AMA Muhith, finance minister, Mashiur Rahman, the prime minister's adviser on economic affairs, Nasiruddin Ahmed, NBR chairman, Samson H Chowdhury, Square Group chairman, Anis Ud Dowla, president of Metropolitan Chamber of Commerce and Industry, Abul Kashem Khan, president of Dhaka Chamber of Commerce and Industry, AM Hamim Rahmatullah, president of Foreign Chamber of Commerce and Industry, and parliament members Professor Ali Ashraf, Golam Dashtagiri Gazi and Farida Rahman also spoke.

The finance minister hinted at reviewing

the tax exemption regime for different sectors to justify their needs and demands in the next budget.

"Also, we're planning to introduce an automated filing system to simplify tax return forms to ensure a hassle-free service for taxpayers, and to widen the tax net," said Muhith.

The minister said some members of parliament did not pay income tax last year, which will not happen again.

Mamun Rashid proposed that real estate, private education and large agriculture enterprises could be good sources of tax collection.

Anis Ud Dowla said a rise in revenue income is unlikely only by enhancing tax rates. "Rather it will make room for tax dodge," the metropolitan chamber chief pointed out, suggesting collection of more taxes from professionals.

Economist Sajjad Zohir linked a better utility service to the rise in tax payment.

"When basic utilities like water, electricity and gas supply is deteriorating day by day, people may react negatively if the government imposes more tax burden at this stage," he said.

The DCCI president proposed that the government introduce TIN cards for taxpayers, enabling them to get special privileges such as express services, priority to utility services and discount rates for bank and insurance.

Mustafizur Rahman, executive director of the Centre for Policy Dialogue, urged the government not to allow black money holders anymore to get into the formal economy.

He also suggested automation in submitting income tax returns, which would encourage general masses to enter a hassle-free tax net.

Planning commission needs more strength

Says economist Nurul Islam

STAR BUSINESS REPORT

Veteran economist Prof Nurul Islam yesterday said politicians were against empowering the planning commission in 1972.

The politicians had vented anger when the planning commission members were given the status of state ministers, Islam told a discussion organised by Bangla daily the Prothom Alo at its office.

About what has happened with the present planning commission, he said, it is almost 'abolished'.

The economist who now resides in the US and works with the International Food Policy Research Institute, cited example of some countries where planning commissions are heavily powerful.

He said planning ministers in Indonesia and South Korea coordinate the activities of finance and commerce ministers.

"There is a value in analysis, but it is not believed in Bangladesh," said Islam.

The economist who served as the deputy chairman of the first planning commission that worked out the country's first five-year plan, was also disappointed to see 'no interest' of the young generation in reading and

knowing about special historic events.

"I wonder whether they care about knowing," he said. "They feel it is enough to hear the leaders."

There may be difference of opinions, but it is necessary to know and read what actually happened in the past, said Islam.

The young people here argue, saying that they are busy with struggle in life, he said.

The economist, who received prestigious Bangladesh Bank Award-2009 on Wednesday, also expressed frustration over poor research works in the country.

"Do the politicians really want researchers?" he questioned. They (politicians) do not want to pay the researchers duly, he said.

"This is why the researchers are engaged in consultancies."

Islam said the educated middle-class should come forward with a sacrificing attitude to bring a change in the society.

Former finance minister M Syeduzzaman, eminent lawyer Dr Kamal Hossain, economists Dr Muinul Islam, Binayek Sen, Abu Ahmed and MM Akash, and Awami League leader Nuh-Ul-Alam Lenin also took part in the discussion, moderated by Prothom Alo Editor Matuir Rahman.



Prof Nurul Islam

Investment proposals rise 22.57pc in Feb

STAR BUSINESS REPORT

Proposed foreign and joint-venture investment in the country declined 33.75 percent in February, compared to the previous month's such investment proposals worth Tk 156.68 crore, according to a statement.

The Board of Investment (BoI) said it registered nine foreign, and joint investment proposals worth Tk 164.82 crore in February, while the amount was Tk 236 crore from investment proposals of 16 such companies in January.

However, the total investment proposals saw a 22.57 percent rise in February compared to January.

A total of Tk 1,800.50 crore worth investment proposals, both foreign and local, were registered with the BoI in February, while the

amount was Tk 1,394.20 crore in January.

In February, 104 industries were registered with the BoI against 111 in January. The investors promised to create over 20,000 jobs in the proposals of February.

Readymade garment sector topped the list, bagging over 28 percent of the total proposed investment amount in February.

Registration of local investment proposals worth Tk 1,643.82 crore from 95 companies also witnessed a 42 percent rise in February, as the amount was Tk 1,157.67 crore in January from the same number of companies.

The number of foreign investment proposals increased 37.11 percent in February, compared to the same month last fiscal year.

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