

BB streamlines guideline on banks' CSR

BSS, Dhaka

Bangladesh Bank (BB) has streamlined the monitoring system for corporate social responsibility (CSR) to ensure all banks follow a guideline in CSR efforts.

The central bank yesterday asked scheduled banks to submit a half-yearly report on CSR in a prescribed format within 30 days of the end of half-year.

The first statement as of June 30, 2010, for example, must be submitted

by July 31, 2010.

In a directive, the central bank suggested banks provide information in the interest of institutionalising corporate governance framework to safeguard the interests of shareholders and adding value to customers, shareholders, partners and employees.

It also asked for a short description on the initiatives to provide a modern, healthy and safe workplace and development and improvement of employee's competencies and skills by

forming a learning environment.

The central bank also asked for a short description of the actions taken to reduce the bank's adverse impact on the environment due to its operation and business activity.

BB also suggested banks provide information about direct social interventions conducted by the banks in sectors such as education, health, disaster management, environment, sports, art and culture.



Dirk Brower, executive director, and Enamul Haque, chief executive officer of ASA International, meet clients after launching a branch of ASA Microfinance Bank Ltd at Lagos in Nigeria recently.



Prodipto Basu Roy, general manager for systems certification of Intertek, India, poses with the participants of a five-day lead auditor training programme, organised by Intertek, in Dhaka recently.

Stocks finish nearly flat

STAR BUSINESS REPORT

Stocks closed the last trading session of the week nearly flat amid choppy trading, as investors were gripped with volatility fears over the market regulator's latest move on portfolio statements of big individual investors.

The benchmark index of Dhaka Stock Exchange -- DSE General Index -- rose 4.56 points, or 0.07 percent, to 6,309.43.

Stockbrokers and merchant bankers said the Securities and Exchange Commission on Wednesday directed them to send portfolio statements of their top individual clients.

"The direction has dampened investor confidence," said a stockbroker.

The SEC said it was a routine job. The regulator wanted to look at

whether the stockbrokers and merchant bankers complied with rules over the loan margin ratio for their clients.

Starting off with a negative trade, the market ups and downs for five times. However, a late rally pulled the bourses into the positive territory.

Telecom, ceramics and non-bank financial institutions were the major sectors behind the slight rise in the market.

Bank, fuel and power, and engineering sectors led the list of negative performers on the premier bourse.

The daily turnover slipped to Tk 1,248 crore, 21 percent down from the previous day's value.

Losers beat advancers 133 to 108. However, seven securities remained unchanged on the DSE, which traded

more than 5.78 crore shares and mutual fund units.

Titas Gas, the state-run fuel company, topped the turnover leaders with more than 7.92 lakh shares worth Tk 85 crore being traded on the floor.

Chittagong stocks finished nearly flat with the CSE Selective Categories Index edging up 4.14 points, or 0.03 percent, to 11,974.27.

More than 1.25 crore lakh shares and mutual fund units changed hands on the Chittagong Stock Exchange on a value of Tk 144.79 crore.

Losers beat gainers 90 to 74 with nine securities remaining unchanged on the port city bourse.

Beximco Limited topped the turnover leaders with more than 8.28 lakh shares worth Tk 24.33 crore being traded on the floor.

JPMorgan earns \$4.8b in Q2

AP, New York

JPMorgan Chase & Co said Thursday its second-quarter net income soared 77 percent to \$4.8 billion as a slowdown in losses from failed loans helped offset a difficult spring in trading and investment banking.

The strong results offered hope that loan losses at the nation's big banks may have peaked in the first half of 2010, a critical step before banks can become stronger and boost lending to consumers and small businesses.

JPMorgan Chase, the first of the big banks to report earnings for the April-June period, easily surpassed analysts' expectations as it earned \$1.09 a share, up 28 cents a share from a year earlier. Analysts had forecast a profit of 67 cents per share in the just-ended quarter. Net revenue, however, fell nearly 8 percent from a year ago to \$25.6 billion.

JPMorgan Chase has been one of the strongest banks as it weathered the financial crisis and recession, so its performance shouldn't necessarily be taken as a sign of how well other banks did during the quarter. Many financial companies don't have such big investment banking operations, which includes trading of stocks and bonds.

That has allowed JPMorgan, the nation's largest bank by assets, to make up for losses in its consumer lending division.

Yet it was a sharp drop in loan losses, not trading profits, that helped JPMorgan the most in the last quarter. The bank set aside \$3.36 billion to cover bad loans, down a whopping 65 percent from a year ago and 52 percent from the first quarter. The improvements mean the bank is seeing fewer delinquencies in its lending business, though JPMorgan Chief Executive Jamie Dimon said loan losses overall "remain at extremely high levels."

"It is too early to say how much improvement we will see from here," Dimon said. Bankers have been cautious throughout the aftermath of the 2008 financial crisis when reporting progress in their loan businesses. Economists and investors are looking to those loan loss levels as an indicator of how well the economic recovery is faring.

Dimon also warned of possible "unintended consequences" to the bank's business from the financial regulatory overhaul awaiting congressional approval. The new rules would require banks to hold more capital and would restrict their trading of risky but

lucrative securities like derivatives.

In the second quarter, a big drop in the stock market hurt JPMorgan's investment banking unit. Revenue fell 6 percent from a year ago to \$1.4 billion as the bank earned smaller fees on equity and debt underwriting and advising on corporate dealmaking.

The Standard & Poor's 500, considered the best measure of how stocks have fared, fell 11.9 percent from April through June, its worst showing since the financial crisis devastated stocks in the fourth quarter of 2008. All the banks with big trading operations are expected to report a drop in their income from those businesses.

But a drop in loan losses helped the bank make up for the slowdown in investment banking. Revenue in the consumer lending unit jumped 10 percent from a year ago to \$2 billion as the bank saw fewer loan losses across its major consumer businesses including mortgages, credit cards and student loans. However, JPMorgan Chase did report an increase in losses from commercial real estate loans, which have lagged consumer mortgages as they've gone into default.

JPMorgan's shares rose 17 cents to \$40.52 in pre-opening trading.



Sultan Mahmood Chowdhury, chairman of Social Islami Bank Ltd, inaugurates the bank's 43rd branch at Madhabdi in Narsingdi yesterday. Abu Sadek Md Sohel, managing director (current charge), is also seen.

Minister urges crop variety invention

UNB, Dhaka

Planning Minister AK Khandaker said yesterday there is no other alternative to inventing new crop varieties by intensive research to meet up the growing national demand.

"The production of paddy has now increased to 3.5 crore tonnes from 1 crore tonnes in 1972 as the agriculturalists invented new varieties of paddy through research," the minister added.

Khandaker was addressing the ninth founding anniversary of Sher-e-Bangla Agricultural University at its campus in Dhaka.

Chaired by the university's Vice-chancellor Shah-E-Alam, the meeting was also attended by the Chairman of the Parliamentary Standing Committee on Agriculture Ministry Shawkat Momen Shahjahan MP and local lawmaker Asaduzzaman Khan Kamal.

The planning minister also assured the students of taking necessary steps to resolve their problems regarding residential halls, faculty building, auditorium, administrative and residential buildings for teachers, officials and employees.

Global PC shipments up 22pc as businesses spend

AP, Seattle

Market research group IDC said Wednesday that worldwide shipments of personal computers climbed 22.4 percent in the second quarter as businesses replaced aging computers and consumers continued to show interest in inexpensive laptops.

The growth was half a percentage point less than IDC predicted because of slightly lower PC shipments in the US and Asia. IDC analyst Loren Loverde said the group will likely reduce estimates for the current quarter and the rest of the year slightly, but he still calls the industry's performance in the quarter "quite good".

Businesses that stopped buying new technology during the worst of the recession have started replacing PCs, IDC says. That contributed to the rise in the quarter.

But Loverde said that doesn't mean the industry should expect to see a dramatic surge in demand for PCs in the coming months. As PC processors become more powerful, it's not as critical for many businesses to furnish employees with the most up-to-date technology. As a result, more companies are hanging on to older computers longer and replacing them on an as-needed basis, the analyst said.

In all, PC makers shipped 81.5 million computers in the quarter. Hewlett-Packard Co remained the top computer maker in the

world, followed by Dell Inc and Acer Inc. Lenovo Group Ltd, Toshiba Corp and AsusTek Computer Inc rounded out IDC's top-six list.

Consumers still sought out low-end laptops and netbooks -- computers that are even less expensive, but also less powerful. However, Loverde said consumer PC buying seems to be slowing in the US as big business spending picks up.

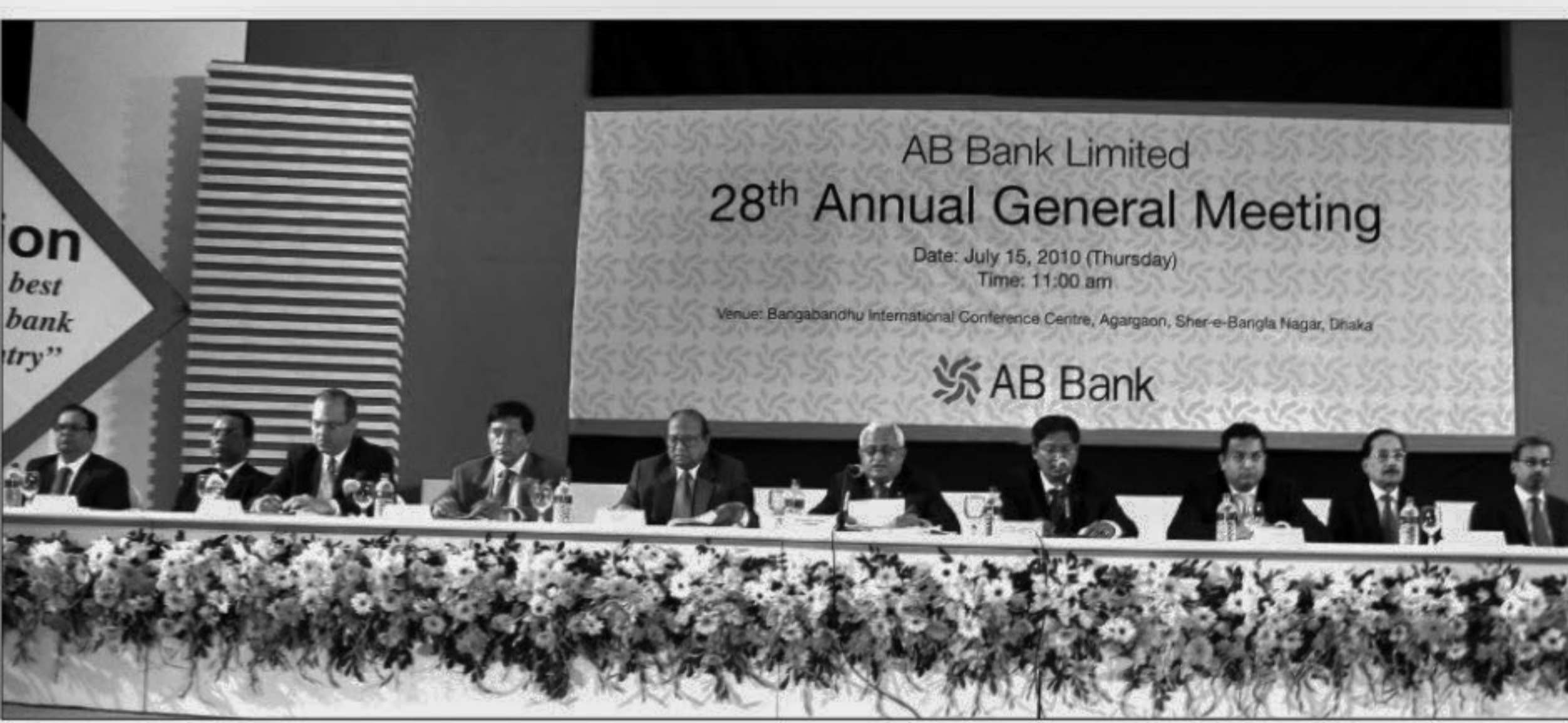
That has helped Dell overtake Acer and reclaim the No. 2 spot. Dell relies on corporations for much of its business, while Acer is more focused on consumers.

In the US, PC shipments rose 12.6 percent. HP, Dell and Acer were the top three. No. 4 Apple Inc. shipped 15.4 percent more of its Mac computers in the quarter. Toshiba was fifth.

Gartner Inc, another research group that tracks computer shipments using slightly different methods, said it estimates worldwide shipments rose 20.7 percent in the quarter to 82.9 million.

By Gartner's count, Acer still shipped more PCs than Dell in the quarter on a worldwide basis, but Dell was No. 2 in the US.

Mikako Kitagawa, a Gartner analyst, said netbook shipments grew at about 20 percent in the quarter -- much less than the 70 percent rate in the two prior quarters.



M Wahidul Haque, chairman of AB Bank Ltd, presides over the bank's 28th annual general meeting in Dhaka yesterday. The bank declared 20 percent cash and 25 percent stock dividend for 2009.

Indian drugmakers to see rupee dent on robust growth

REUTERS, Mumbai

Mid-cap Indian drugmakers are likely to post healthy quarterly earnings on rising sales across geographies but a strong rupee against the dollar through two-third of April-June period might shave off margins for some.

The Indian rupee touched a 19-month high in mid-April before closing at 46.45 on June 30, down 5.13 percent from its mid-April high of 44.18 against the dollar.

Cadila Healthcare, Glenmark

Pharmaceuticals, Lupin and Piramal Healthcare, which rely heavily on domestic formulations and contract research and manufacturing services (CRAMS), are seen posting strong profits on rising sales and new drug launches, analysts said.

While rival firms like Aurobindo Pharma, Aventis Pharma and Jubilant Organosys, for which US generics market is a growth driver, might report a slight dip in net profit, they said.

A Reuters' poll of 14 brokerages forecast four of the 10 mid-cap drug

firms for which estimates are available, seen posting a dip in net profit in April-June.

"Profits for some of the companies would be under pressure due to the rupee appreciation, but otherwise, mid-cap firms are likely to post stable or strong numbers," Sushant Dalmia, analyst, Angel Broking said.

Volume growth from various geographies and a number of US FDA approvals would also help boost profits, he added.



Md Arif Al Islam, managing director and chief executive officer of Summit Communications Ltd (SCL), signs agreements with 12 internet service providers in Dhaka on Tuesday. SCL will provide access to its 100km underground fibre optics network to the internet service providers.