

# Stockmarket hits new records

STAR BUSINESS REPORT

The Dhaka market set some new records last week, as stock prices continued to fly high.

The benchmark index of the Dhaka Stock Exchange and the market capitalisation reached their highest levels.

On gaining more than 70 points or 1 percent week-on-week, the DSE General Index stood at 6,743 points.

At the end of Thursday's trading session, market capitalisation stood at Tk 301,439 crore, up by more than 50 percent since January.

Such capitalisation to GDP ratio also reached the highest level at 43.65 percent, thanks to the bullish trend.

Stockbrokers point out that the increase in the market capitalisation based on share prices is neither a good sign for the market, nor it is sustainable. The growth should be based on the entry of new securities, they said.

"The addition of new shares through entry of new issues, rights offers and bonus dividends to the market capitalisation has so far been very poor," said a stockbroker.

When the market absorbs a new issue or an already listed company offers rights shares or declares stock dividend, the capitalisation goes up.

The stockbroker also said investors have no much options but to put their money on

the existing limited number of stocks, thus making the shares prices overvalued.

Most major sectors except pharmaceuticals and fuel and power ended up as gainers last week.

The most notable gainers of the week were once again the insurance companies, as they continue with their latest rally. General insurance companies gained 6.1 percent, while life insurers gained 1.6 percent.

The telecom sector gained 2.7, tannery sector 4.7 percent and banks and non-banking financial institutions around 0.8 percent.

Among the losers, pharmaceuticals lost 2 percent, while fuel and power lost 0.4 percent and mutual funds 0.8 percent.

Understandably, the volume decreased last week. Having a day shorter than usual because of public holiday, the total turnover recorded at Tk 7,440 crore, down by 25 percent. Average turnover also declined by 6.42 percent to Tk 1,860 crore.

The total number of shares and mutual fund units transactions also slid by more than 22 percent to 29.06 crore.

Advancers beat losers 135 to 126 with two securities remaining unchanged.

Titas Gas, the state-run fuel company, topped the list of turnover leaders followed by Summit Power, Aftab Automobiles, Beximco Ltd and BSRM Steels.

Eastern Housing was the largest gainer, posting a 30.64 percent rise, followed by Pubali General Insurance, Grameen Mutual Fund One, Eastern Cables and Federal Insurance.

The City Bank was the biggest loser, marking a drop of 35.22 percent, followed by Gulf Foods, Beacon Pharmaceuticals, Sixth ICB Mutual Fund and Seventh ICB Mutual Fund.

Chittagong stocks also rose last week, with the CSE Selective Categories Index increasing by 2.07 percent to 12,937.76.

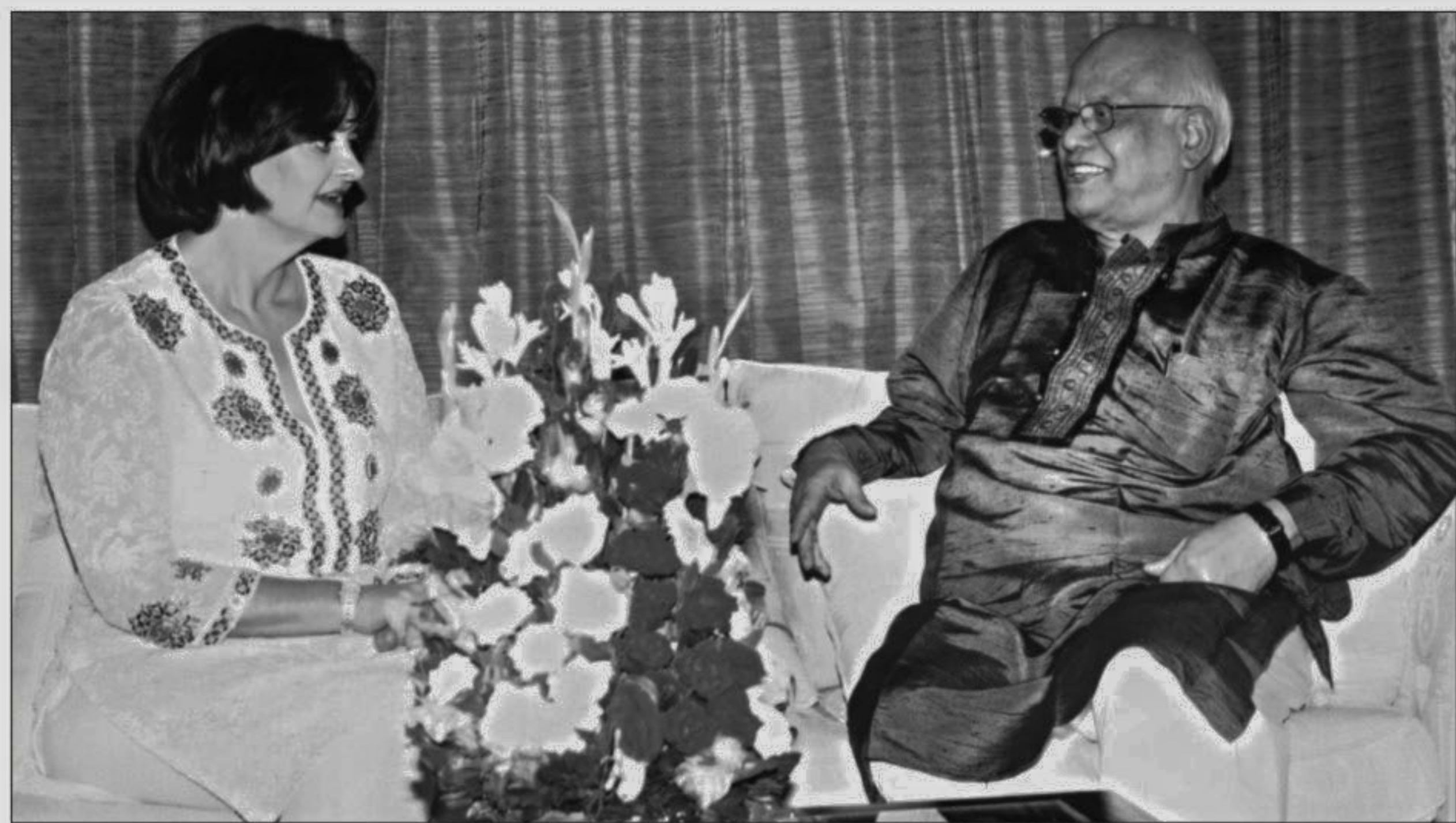
More than 3.16 crore shares and mutual fund units were traded on the Chittagong Stock Exchange on a value of Tk 508.09 crore.

Gainers beat losers 151 to 59, with four securities remaining unchanged on the port city bourse.

Summit Power topped the list of turnover leaders followed by Bexites, Beximco Limited, Titas Gas and Aftab Automobiles.

Eastern Housing, which posted 23 percent rise, was the largest gainer followed by Grameen Mutual Fund One, Eastern Cables, City General Insurance and Jago Corporation.

The City Bank, which declined 34.89 percent, was the biggest loser followed by Gulf Foods, Monno Fabrics, Sixth ICB Mutual Fund and ICB AMCL First NRB Mutual Fund.



Cherie Blair, wife of former British prime minister Tony Blair, meets Finance Minister AMA Muhith at his official residence in Dhaka yesterday.

## UBS hires Bangladesh-born banker for Asia-Pacific

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Swiss bank UBS has appointed Lutefy Siddiqi as its managing director and head of the corporate coverage group for the Asia-Pacific region, according to a statement.

In this role, he will be responsible for the delivery of risk management products across asset-classes to corporate clients in the region.

Starting on September 20 and based in Singapore, he will also join the Asia-Pacific executive committee of the company's fixed income, currencies and commodities division.

Siddiqi, who is concurrently an associate professor (adjunct) at the National University of Singapore, was the managing director of foreign exchange Asia-Pacific at the British bank Barclays.

Bangladesh-born Siddiqi was named a commercially important person by the Bangladesh government in 2009 and again in 2010.

He began his career with BarCap in London, where he was originally head of FX structuring and a member of its Global FX Executive Committee. Before that he was head of FX structuring for Europe at Deutsche Bank.

His appointment marks the latest step in UBS's journey to become more powerful in global fixed income. The bank has aimed to rebuild in fixed income ever since it lured Carsten Kengeter away from co-heading



Goldman Sach's securities division in Asia to become its global co-head of fixed income in 2008.

"Lutfi is a very smart cookie and I'd guess that UBS had to offer him a lot of money to move," said one observer familiar with BarCap and UBS. "He built a successful FX business for Barclays but once the bank acquired Lehman Brothers a lot of new FX managers came in. That made its business a bit top-heavy, and might have affected his interest in moving."

The bank has made 350 hires in FICC globally over the past 12 months, including several prominent people in Asia.

## Gap renews India retail talks

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The San Francisco firm may be buoyed by global rival Zara's initial success in India.

American fashion retailer Gap Inc has renewed interest for a possible foray into India's specialty clothing market with a business development team from the \$14-billion giant visiting several domestic corporates with presence in lifestyle retailing, people who are directly familiar with the development said.

The development comes soon after its global rival Spain's Inditex - which dislodged Gap Inc as the largest international apparel retailer - saw robust opening for its flagship Zara stores in Mumbai and New Delhi.

Zara's large format stores in two of the country's most popular shopping destinations, Palladium Mall in Mumbai and Select City Walk Mall in Delhi, opened with aggressive pricing strategy attracting significant customer interest.

This is a VCCircle.com report taken from Reuters.



Md Abdul Jalil, chairman of Mercantile Bank Ltd, inaugurates the bank's 28th ATM booth at Naogaon recently. Md Shamsul Haque, director of the Federation of Bangladesh Chambers of Commerce and Industry, is also seen.

## Rajshahi-Dhaka air link resumes soon

BSS, Rajshahi

Air communication between Rajshahi and Dhaka is likely to resume very soon under a public-private partnership system.

Galaxy Flying Academy Limited has a plan to carry passengers side by side with training activities at Rajshahi Shah Mukhdum (R) Airport.

The company will also set up workshop for repairing airplane alongside manufacturing necessary instruments and apparatus.

The flight operations from the airport remained suspended since February 20, 2007 due to shortage of passengers.

Galaxy Flying will set up the workshop with assistance from CTRM, a Malaysian aviation company.

Corporate Marketing Divisional Chief of CTRM Adrian Randal Lopez and Managing

Director of Galaxy Flying Academy Masudur Rahman revealed these at a meeting with Rajshahi Mayor AHM Khairuzzaman Liton at the latter's office yesterday.

They added that five ultramodern US Cessna airplanes will be engaged in the passengers carrying service along with imparting training to both the home and foreign trainees.

The mayor lauded the initiatives of the Flying Academy towards various development sectors of Rajshahi including air communication, socio-economic uplift, education and administration.

He, however, hoped that the region would be economically benefited upon resumption of the port.

Assuring his all possible cooperation, Liton expected that the technological activities would be further expanded.

## Workshop on e-govt procurement today

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A government body will organise a workshop on e-government procurement on the Planning Commission campus at Sher-e-Bangla Nagar in Dhaka today.

The workshop titled "Procurement: A way forward to e-GP (Finalisation of e-GP Guidelines)" will be held at the NEC Conference Room at 10am.

Planning Minister AK Khandker will be the chief guest at the inaugural session of the workshop to be organised by the Central Procurement Technical Unit (CPTU) of Implementation Monitoring and Evaluation Division (IMED).

State Minister for Science, and Information and Communication Technology Yeafesh Osman and Country Director of World Bank Ellen Goldstein will attend the inaugural session as special guests with IMED Secretary Md Abdul Malek in the chair.

Director General of CPTU Amulya Kumar Debnath will preside over the technical session of the workshop as part of the process of finalising the draft guidelines for e-government procurement (e-GP) under the Public Procurement Reform Project-II (PPRP-II) supported by the World Bank.

Stakeholders in public procurement from both the public and the private sectors have been invited to the workshop for providing suggestions on the draft e-GP guidelines prepared by CPTU.

The CPTU is implementing the PPRP-II having four components such as capacity building, strengthening procurement management at the sectoral level, introducing e-GP, and communication, behavioural change, and social accountability.

## India festive gold sales look bright, may bolster imports

REUTERS, Mumbai

India's gold merchants are expecting a sustained pick-up in sales for the second round of festivals, as a reviving economy and stable prices may aid sentiment, triggering a reversal in declining trend in imports.

"People have started buying from July for the upcoming weddings, actually they all had money but unwilling to spend it due to recession, now they have started buying," said Justin Varkey, chief executive officer with Jaipur-based Jewel Ace, which sold 25 million rupees worth of jewellery last year.

India is currently hosting Asia's second largest gems and jewellery exhibition in Mumbai, displaying gold ornaments from 700 domestic jewellers and 200 overseas makers.

The five-day fair, which ends on Monday, is considered an indicator of order-book demand ahead of the August to November festival and wedding season, when gold buying tends to spike.

Gold imports in 2009 fell to its lowest level in more than a decade as the worst monsoon in nearly four decades.

## Japan talks to G7 on currencies

REUTERS, Tokyo

Japanese Finance Minister Yoshihiko Noda said on Friday his ministry is communicating with other Group of Seven countries on currencies amid growing concern the strong yen will further dent Japan's export-reliant economy.

Noda said he was watching currency moves with "utmost interest" but declined to comment on intervention, which is seen

unlikely unless the yen strengthens much further beyond the 15-year high hit against the dollar last week.

"I can't comment on what is being discussed, but we are communicating with each other," Noda told reporters when asked whether finance ministry officials were talking with their G7 counterparts about currencies.

"I won't comment on currency intervention."



Sadid Jamil, managing director of The Metal Private Ltd, poses with the participants of the company's yearly conference of service personnel at Spectra Convention Centre in Dhaka recently.

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