



**ELECTRO MART**  
Mohammed Nurun Newaz Salim, chairman of Electro Mart Ltd, inaugurates the company's new sales and display centre at Metropolitan Shopping Plaza at Gulshan 2 in Dhaka recently.

# Stocks open flat

**STAR BUSINESS REPORT**  
Dhaka stocks started the New Year virtually flat, with the benchmark index of the prime bourse gaining only 14 points, or 0.17 percent.

At the end of four-hour trading session, the DSE General Index closed at 8,304 points.

Although most major sectors including telecom, fuel and power, pharmaceuticals, insurances and non-banking financial institutions gained; banks finished in the negative territory.

"The index rose 60 points at the opening bell led by the bellwether banking sector that registered robust operating profit growth in 2010," LankaBangla Securities, the leading stockbroker, said in its regular market analysis.

"But the price correction of the banking scrips after consecutive rallies pulled the index down," it said.

The downtrend in the banking stocks

offset the gains in other sectors. Single-day turnover on the Dhaka Stock Exchange however decreased by 9.5 percent to Tk 1,612 crore on a transaction of 12.06 crore shares and mutual fund units on the floor.

Gainers however beat losers 137 to 105, with two securities remaining unchanged.

Bextex topped the list of turnover leaders with 1.24 crore shares worth Tk 97 crore being traded on the DSE.

Chittagong stocks marked a rise, with the CSE Selective Categories Index gaining 100 points, or 0.66 percent to 15,257.

The Chittagong Stock Exchange traded more than 1.93 crore shares and mutual fund units on a value of Tk 187 crore.

Of the traded issues, 101 advanced and 87 declined with two securities remaining unchanged on the port city bourse.

Bextex topped the list of turnover leaders on the CSE too, with 42.19 lakh shares worth Tk 31.27 crore being traded.

# Qubee laptop fair starts Wednesday

**STAR BUSINESS REPORT**

A three-day laptop fair will start on Wednesday at Dhaka Hotel Sheraton.

Thirty-nine companies will showcase products at 18 pavilions and 21 stalls at the Qubee Laptop Fair 2011, organised by Maker Communication. The fair will remain open from 10am to 8pm with an entry fee of Tk 20.

"The objective of the fair is to bring all laptop vendors under one roof to offer consumers the maximum choice and range of prices," said Syeda Farzana Rumpa, coordinator of the fair, at a press conference at Sonargaon Hotel yesterday.

Organisers said they expect to sell over 4,000 laptops at the fair, because everyone is depending on laptop due to the power crisis.

Qubee is the title sponsor of this year's

fair and Asus, Gateway, Samsung, HP and Toshiba are co-sponsors.

"We are proud to be part of this year's laptop fair," said Nehal Ahmed, chief marketing officer of Qubee. "To give our customers high-speed internet services there will be a special offer," he added.

Any customer buying a Samsung laptop at the fair will get a Qubee modem with one-month usage validity for free, said Mahmud B Kaiyum, market communication manager of Samsung Electronics.

The customers will also enjoy a 5-10 percent discount on Toshiba laptops, said ASM Shaikat Millat, product manager of Smart Technology.

The customers will have the opportunities to buy products from Asus, Toshiba, HP, Gateway, Samsung, Lenovo, Haier, Dell, Fujitsu, Apple, Acer, Sony, Compaq, Flora PC and Gigabyte.



**ASIAN TEXTILE**

Commerce Minister Faruk Khan visits the pavilion of Asian Textile Mills at Dhaka International Trade Fair recently. FBCCI President AK Azad and Asian Group Chairman Harun-Ur-Rashid were also present.



**STAR**

Nehal Ahmed, chief marketing officer of Qubee, speaks at a press conference at Dhaka Sheraton Hotel yesterday, on the eve of its laptop fair starting on Wednesday at the same venue. Syeda Farzana Rumpa, fair coordinator, is also seen.

# Citi backs central bank's monetary stance

**STAR BUSINESS DESK**

A leading global financial services company has lauded Bangladesh Bank for its monetary intervention activities last year, terming the central bank's policy proactive.

In conformity with the declared policy stance, BB's monetary policy operations during the early part of the year remained light fingered rather than heavy handed, said Citi in its annual monetary update.

The BB move did not impede pick-up in output, exports and new investment activities, it said.

Purchases of foreign exchange inflows from the market to retain the taka on a slight undervaluation bias for export competitiveness were only partly sterilised by liquidity management operations.

"Besides direct liquidity management operations, the permitted open exchange positions of banks were widened. Sectoral credit flows were promoted or discouraged eclectically, while credit flows to under-served productive sectors like agriculture and SMEs were promoted."

The BB policy also discouraged expansion in credit for unproductive ostentation, conspicuous

consumption and speculative purposes, according to Citi.

However, with the increase in inflationary pressure, the central bank was seen to gradually tighten policy measures. In August 2010, it raised the repo rate from 4.5 percent to 5.5 percent and the reverse repo rate from 2.5 percent to 3.5 percent.

Earlier in May, it raised the cash reserve requirement (CRR) by 50 basis points (bps) to 5.5 percent, for the first time since September 2005, to mop up Tk 20 billion of excess liquidity.

In December, the CRR was further raised by 50 bps to 6 percent for the commercial banks to curb inflationary pressure on the economy, the Citi update said.

The central bank moves also kept the taka under under depreciation pressure.

The BB has regularly intervened in the dollar/taka market to maintain the competitiveness of the exchange rate, curbing tendencies for excessive volatility.

The nominal exchange rate remained below 69.60 level until late August, with the BDT depreciating only 0.48 percent against the dollar from the opening level of 69.27.

However, increased demand of the greenback to meet import payments took the dollar/taka rate to break 70 level during late September. The taka depreciated 1.34 percent in September alone.

With buoyant demand, and the central bank's stance to keep the taka undervalued, dollar/taka rates rose to 70.8450, the highest level during the year, by the end of October.

After a moderation in November, the nominal exchange rate started to rise again in December, and hovered near 70.69 levels in direct trading during the middle of the month, registering a depreciation of 2.05 percent over the year.

Call money rates remained stable during most part of the year due mainly to the excess liquidity in the market, which stood slightly lower at Tk 345.0 billion at the end of June 2010, down from Tk 347.6 billion at the end of June 2009.

However, the CRR hike in May, and increased seasonal demand ahead of Eid festivals during September and November led call money rates to rise to double-digit levels, the update said.

"Although those increases were

corrected within a short span of time, the second CRR hike of the year in December led the overnight rates to soar significantly."

On December 15, the first day of new cash reserve maintenance, call rates skyrocketed when some private commercial banks sought large funds to meet the reserve requirements.

Call money rate rose as high as 180 percent, breaking the earlier record of 150 percent hit on March 30, 2006. However, the rates subsided over the following weeks to settle below 20 percent level.

The downward shift in the yield curve during 2009 was reversed last year due to excess liquidity in the banking system, Citi said.

The yields for government securities of all tenors increased from their December 2009 levels. The yields of short-end bills with 91 days, 182 days and 364 days tenor rose by 225 bps, 120 bps and 89 bps respectively.

On the other hand, rates of mid- and long-end government bonds with 5 years, 10 years, 15 years and 20 years tenor increased by 20 bps, 75 bps, 43 bps and 35 bps respectively. The increase in yield was highest in the 91 days bill, which added 225 bps.

Citi in its update also put focus on international markets and major interest rates.

Central banks of the major economies had slashed rates to historic low levels by the middle of 2009 to push out liquidity to try igniting economic growth, it said.

The Bank of England, European Central Bank (ECB), Bank of Canada, Swiss National Bank, Reserve Bank of Australia, Reserve Bank of India, all cut their benchmark rates by 25 to 175 basis points in 2009.

The Federal Reserve (Fed) and Bank of Japan (BOJ) had already been at their record low levels of benchmark rates at 0 to 0.25 percent and 0.1 percent respectively after their December, 2008 rate cuts.

While the central banks of Australia and Norway started hiking rates from late last year, 2010 witnessed the RBI, the Peoples' Bank of China and the Bank of Canada joining the group.

For most of 2010, the fundamental story behind Euro (EUR), when investors were actually looking at it, was all about sovereign credit risk, Citi said.

**TO BE CONTINUED**

## New president for BIAA

**STAR BUSINESS DESK**

Shahab Uddin Khan was elected president of Bangladesh Indenting Agents' Association (BIAA).

The election took place at the association's 29th annual general meeting at a city hotel in Dhaka.

Khan is the chairman and managing director of Zeeshan International Agencies Ltd.

Muhammad Ayub and AKM Azad were elected senior vice-president and vice-president respectively.



**Shahab Uddin Khan**

## Sluggish NBR irks Muhith

**UNB, Dhaka**

Finance Minister AMA Muhith expressed dissatisfaction over the dillydallying attitude of the National Board of Revenue (NBR) in implementing government decisions.

"NBR is usually very late in implementing various orders and decisions," Muhith noted in a file that was sent to him by NBR for his approval.

He directed the NBR to submit progress reports of November and December by January 5.

"It should mention implemented decisions of various authorities," the minister said in the file.

## National bank gets new additional MD

**STAR BUSINESS DESK**

National Bank Ltd promoted Md Badiul Alam as the bank's additional managing director recently. Prior to his promotion, he was the deputy managing director of the bank, said a statement.

Alam has 33 years of commercial banking experience and started his career as professor of commerce after completing masters from Chittagong University. He joined National Bank in



**Md Badiul Alam**

## Iran says no gap in oil exports to India

**REUTERS, Tehran**

A senior Iranian Oil Ministry official said on Sunday Iran's oil exports to long-time trading partner India had continued despite a dispute over the method of payment, student news agency ISNA reported.

"There has been no disruption in the sale and exports of oil to India in recent days," said Ahmad Qalebani, the head of state National Iranian Oil Company (NIOC).

India buys about 400,000 barrels per day of Iranian crude.

Qalebani said the two countries were determined to carry on cooperating despite problems agreeing a new payment method, after India said last week it would no longer use a regional clearinghouse system which had been criticised for being opaque.

"The economic cooperation between Iran and India in this (oil trade) connection is still continuing," Qalebani said.

## Vietnam opens \$150 million airport

**AFP, Hanoi**

Vietnam has opened a new international airport in the southern Mekong Delta, state media said on Sunday.

The 150-million dollar Can Tho International Airport, built on 20,750 square metres (240,000 square feet) of land, will process up to five million passengers a year, Vietnam News Agency reported.

"The airport provides a big opportunity for Can Tho city in particular and the southwestern area in general to make fast and sustainable development and helps facilitate air travel in the region," Prime Minister Nguyen Tan Dung said at the inauguration on Saturday.

The airport is expected to be a significant boost to the Mekong delta's economy, as well as improving defence, security and international integration,



**AB BANK**

Shamim A Chaudhury, deputy managing director of AB Bank, inaugurates the bank's 81st branch at Chakaria in Cox's Bazar on Wednesday.



**HSBC**

Participants of an HSBC workshop on "time management in treasury world" for inter-bank dealers pose for photographs at a programme in Bandarban recently.