Dhaka bourse, merchant bankers move to prop up investor spirits

STAR BUSINESS REPORT

The premier bourse authorities sit with merchant bankers today to discuss ways of rebuilding investor spirits.

"We will discuss the current market situation," said an official of the Dhaka Stock Exchange yesterday.

The merchant bankers sat with the Securities and Exchange Commission yesterday to review the market situation, which remained volatile since the second week of this month.

With the volatility continuing, retail investors were getting nervous which intensified selling pressure yesterday.

The investors' frustration cast a shadow on the day's turnover, which slipped 27 percent to Tk 848 crore compared with the day before.

The General Index of the DSE (DGEN) was down by more than 57 points, or 0.76 percent, to 7,377.

Market insiders said the retail investors were losing confidence in the market without witnessing anything positive movement toward the much-talked-about liquidity easing.

Although the regulator hiked the margin loan ratio to 1:2 to increase liquidity flow, the credit providers are yet to provide share credit in line with the ratio, the insiders said.

Most sectors declined yesterday: banks, non-bank financial institutions, general insurers and life insurers were down.

The day's positive performers, however, were pharmaceuticals, fuel and power sectors.

Losers beat gainers 177 to 67 with four securities remaining unchanged on the prime bourse, which traded more than 6.01 crore shares and mutual fund units.

Chittagong stocks, however, rose slightly with the CSE Selective Categories Index increasing 11 points, or 0.08 percent, to 13,567.

Chittagong Stock Exchange traded more than 79.11 lakh shares and mutual fund units on a value of Tk 83.53 crore.

Decliners, however, beat advancers 121 to 53, with seven securities remaining unchanged on the port city bourse.

Meanwhile, a new company -- Deshbandhu Polymer -- made its trading debut yesterday; its price appreciated 640 percent from the offer price of Tk 10 to close at Tk 74.

Airtel signs deal with Singaporean company

STAR BUSINESS DESK

AIRTEL

Airtel's Chief Sales and Marketing Officer Abhay Seth and Thakral Group's Chief Executive Officer Shahzaman Mozumder sign a deal at the mobile operator's Gulshan office in Dhaka on Thursday. Thakral Group will enjoy customised call tariff and value-added services of Airtel.

Airtel Bangladesh teamed up with a Singaporean IT company, Thakral Group, on Thursday to provide all sorts of voice and non-voice services to meet their day-to-day communication needs.

Thakral Group will enjoy customised call tariff and value added services of Airtel in line with the corporate deal signed by the organisations at Airtel's Gulshan office at the Pink City in Dhaka.

"Airtel is honoured to be the corporate partner of the renowned IT Company. This is only the first step to build a long lasting relationship between these two organisations," said Chris Tobit, chief executive officer of Airtel Bangladesh.

Tobit hopes users in Thakral will enjoy the mobile operator's best-in-class services at a very competitive price.

"We are truly excited to have the partnership with leading global telecommunications service provider Airtel. Its cutting-edge technology, innovative services and affordable tariff inspired us to sign the deal," said Shahzaman Mozumder, chief executive officer of Thakral Group Bangladesh.

Abhay Seth, chief sales and marketing officer for Airtel; Nauman Fakhar, head of marketing, and Adil Hossain Noble, head of corporate and SME sales, were also present with Thakral Group's Basab Bagchi, chief operating officer.

Airtel Bangladesh is a concern of Bharti Airtel Ltd, a global telecommunications company with operations in 19 countries across Asia and Africa and it started Bangladesh operations on December 20, 2010.

Thakral Group is operating in over 30 countries and has consolidated revenues in excess of $2 billion throughout

5,270 bales of Indian cotton enter Bangladesh

STAR BUSINESS REPORT

A total of 5,270 bales of Indian cotton entered Bangladesh in the last three days through Benapole Land Port after the Indian government temporarily withdrew a ban on cotton exports on January 11.

Such exports under the new quota system will continue until February 25, and India will export 2.5 million bales during this one and a half months.

The Indian government has already set an export ceiling of 5.5 million bales for the ongoing season from October 2010-September 2011.

India imposed the ban for the second time in a year on December 15 to boost its stocks for the local market. In 2010, the first ban came on April 21 and continued till October 31.

However, Bangladeshi textile millers said they would not be benefited much for such a lift of the export ban.

"I opened LC (letter of credit) of Tk 60 crore yesterday, but I am afraid whether I would get the quantity I asked, as my trade partners in India got fewer quota," said MA Awal, chairman and managing director of Prime Group, one of the leading textile manufacturers.

He said the duration for opening LCs was also very short as it ended yesterday.

Awal, also the former president of Bangladesh Textile Mills Association, said the cotton now entering Bangladesh was booked much before.

"In the present situation, the number of cotton importers from India is higher as the country is offering competitive prices," he said.

Awal said India now offers $1.55 per pound, while the rate is $2.1 in CIS countries and US.

"This is an unrealistic allocation of quota by the Indian government because the real exporters got fewer quotas than those who are not involved in such exports," he said.

Mohammad Ayub, president of Bangladesh Cotton Association, also said majority of the LCs opened from Bangladesh may be cancelled for the new quota system.

BANK ASIA

A Rouf Chowdhury, chairman of Bank Asia, inaugurates the bank's 50th branch in Moulvibazar yesterday. Erfanuddin Ahmed, managing director, was also present.

Wal-Mart gets nod for South African retailer

REUTERS, *Johannesburg*

Wal-Mart on Monday won shareholder approval to acquire a majority stake in South Africa's Massmart, setting up the world's largest retailer for a potential battle with powerful local unions.

Massmart shareholders met in suburban Johannesburg to vote on the $2.3 billion offer. More than 97 percent of those present at the meeting approved the deal, bringing total shareholder approval to nearly 79 percent, according to Massmart Chairman Mark Lamberti.

COSATU, South Africa's largest labor federation threatened the "mother of all boycotts" in opposition to the deal. While Wal-Mart has long tussled with organized labor in the United States, in South Africa, unions wield enormous power over politics and the economy.

"We urge shareholders to vote against this deal. If the deal goes through, COSATU will do what it does best. We will organize a mother of all boycotts against Massmart," COSATU's first deputy president, Tyotyo James, told shareholders immediately before the vote.

Wal-Mart has said it will honour Massmart's existing agreements with unions. It has also said Massmart would retain its South African management if the deal goes through.

Analysts have said keeping local expertise would be critical to avoiding a bruising fight with unions. COSATU is in a governing alliance with the ruling ANC and wields enormous power over politics and the economy.

GMG and City ink deal

STAR BUSINESS DESK

GMG Airlines recently signed a deal with City Bank American Express, under which American Express card holders will get special travel facilities from the carrier, said a statement.

Michael Moriaty, chief financial officer of GMG, and Sohail RK Hussain, deputy managing director of City Bank, signed the deal on their company's behalf.

According to the agreement, corporate and consumer card holders of the bank will enjoy 7 per cent discount on the base fare if they buy tickets from GMG sales counter. A free ticket will also be issued to card holders with the purchase of every 10 tickets for any routes.

The offer began in October last year and is valid till October 8 this year. Tickets must be claimed and utilised within January 8 and taxes are applicable on the free ticket.

BRAC BANK

Syed Mahbubur Rahman, managing director of BRAC bank, and Y Sudhir Kumar Shetty, chief operating officer of Xpress Money, exchange documents of agreement on real-time account credit and instant cash product services in Dhaka recently.

Jacky's Gulf opens new printing windows

STAR BUSINESS DESK

Jacky's Gulf FZE, a UAE-based authorised HP business partner, has held its first open house at Dhaka Sheraton Hotel.

Targeting large-format professionals, Jacky's Gulf and HP highlighted trends in graphics, point of purchase, and outdoor advertising through a series of presentations, according to a statement released yesterday.

Introducing new printing technologies, HP illustrated it has taken a leadership role in having the "most environmentally friendly large-format" printers on the market.

Organisers showcased new ideas to corporate clients in how brands can advertise themselves in their own way using HP latex and UV printers.

Ashish Panjabi, chief operating officer for Jacky's Gulf, said the outdoor advertising and large-format printing sector have grown large in Bangladesh and is one of the key markets in South Asia.

Demand for modern digital printing solutions across Bangladesh is on the rise, Ashish said.

The company provides sales and technical supports for HP large format, commercial and industrial printers in Gulf countries: UAE, Kuwait, Bahrain, Qatar, Oman and Yemen.

It has also customers in Lebanon, Pakistan, Afghan-

Bangladesh, UAE sign agreement on avoidance of double taxation

UNB, *Abu Dhabi*

Bangladesh and the United Arab Emirates signed the avoidance of double taxation deal yesterday to boost the bilateral trade between the two countries.

Foreign Minister Dipu Moni and UAE Foreign Minister Sheikh Abdullah bin Zayed Al-Nahyan inked the deal.

Dipu Moni and Prime Minister Sheikh Hasina went to the gulf country to attend the Fourth World

Vimpelcom board backs revised Sawiris deal

AFP, *Moscow*

Vimpelcom on Monday said its board had approved a revised deal for Egyptian magnate Naguib Sawiris' telecom assets that will create the world's sixth-largest mobile phone carrier by number of subscribers.

The Norwegian-Russian joint venture's supervisory board approved the deal despite continued resistance from Telenor, the Norwegian firm which argues that the acquisition does not make strategic or financial sense.

In a six to three vote, the board gave its final approval to a deal that would see Vimpelcom acquire 51.7 percent of Egypt's Orascom Telecom and 100 percent of Italy's Wind.

The deal envisions Vimpelcom issuing 325.6 million new common shares and 305.0 million convertible shares, and also paying Sawiris $1.495 billion (1.125 billion euros) in cash.

The deal must also be approved by the company's shareholders, whose general meeting has been sched-

Spanish PM warns regions to slash spending

AFP, *Madrid*

Spain's prime minister has warned autonomous regions to curb public spending or face a government crackdown, in an interview with the Financial Times published Monday.

"At the end of the day, who is accountable, who is responsible?" Jose Luis Rodriguez Zapatero told the FT.

"It's the central government, isn't it? And we have to spearhead, lead the way forward with the control of public spending for the autonomous regions. And they have to deliver. They have to fulfil those obligations because if they don't, the government will act."

Spain's 17 regions have considerable autonomy, with the right to issue bonds to finance their expenses.

They account for around one-third of general government expenditures -- and just over half of the nation's total number of civil servants. But the freedom extended to autonomous regions complicates

China can avoid vicious inflation

REUTERS, *Shanghai/Beijing*

China can keep annual inflation at around 4 percent in 2011 as ample grain and industrial product supplies forestall vicious price rises, a government official said in remarks published on Monday.

Although quickening inflation in recent months has taken many Chinese officials by surprise, the government has so far been confident that a combination of monetary policy tightening and administrative steps will put a lid on prices this year.

"Supply is exceeding demand and some industries have excess capacity, so prices are unlikely to rise sharply," Yao Jingyuan, the chief economist at the National Statistics Bureau was quoted in the official Shanghai Securities News as saying.

He said China has had seven years of bumper harvest in grains with ample inventories, and that should help stabilise prices.