

# Asian markets mixed

AFP, Hong Kong  
Asian markets were mixed Friday, with Shanghai rebounding from the previous day's losses but concerns persisting that China will announce more policy tightening to rein in its economy.

Shanghai rose 1.41 percent, or 37.64 points, to 2,715.29 as dealers picked up bargains from Thursday's rout, when the index slumped almost three percent.

Hong Kong finished 0.53 percent, or 126.84 points, lower at 23,876.86 in a session in choppy trading following a 1.70 percent drop the previous day.

But fears of a Chinese rate hike lingered around the region, with Tokyo's Nikkei tumbling 1.56 percent, or 162.79 points, to 10,274.52.

Sydney was down 0.59 percent, or 28 points, at 4,755.7, with the index also hit as cheaper commodities weighed on resource stocks.

Seoul closed 1.74 percent, or 36.73 points, lower at 2,069.93, a second straight fall as dealers continued to cash in after the index closed at a record high on Wednesday.

Regional markets saw heavy losses on Thursday after Beijing said its economy grew a quicker-than-expected 10.3 percent last year while inflation was 3.3 percent, higher than the government's targeted three percent.

Dealers were concerned the data would lead Chinese authorities to raise interest rates for the third time since October or increase the amount of money banks must keep in reserve as it tries to keep the economy from overheating.

Fears were stoked by a commentary in Friday's state-run China Securities Journal saying authorities could raise rates around the Lunar New Year holiday next month, while continuing to raise banks' reserve requirements.

Asian markets are concerned

that any policy tightening moves in China will have an adverse effect on trade, with damaging knock-on effects for the global economic recovery.

Oil prices turned higher in afternoon Asian trade as sentiment was buoyed by China's strong economic growth last year, analysts said.

New York's main contract, light sweet crude for March delivery, gained 24 cents to 89.83 dollars per barrel.

Brent North Sea crude for March advanced 18 cents to 96.76 dollars.

Stock market investors were given a mixed cue by Wall Street, where the Dow ended flat despite a brighter jobs picture and upbeat earnings reports.

The euro was rangebound against major currencies in sluggish trade, as the market looked for fresh trading elements after the positive US economic news.

The euro stood at \$1.3475 dollars and 111.79 yen in Tokyo Friday afternoon, compared with \$1.3472 and 111.71 yen in New York late Thursday.

The dollar also bought 82.90 yen in Tokyo, down slightly from 82.98 yen in New York.

Gold closed at \$1,347.00-\$1,348.00 an ounce in Hong Kong on Friday, down from Thursday's close of \$1,364.00-\$1,365.00.

In other markets: Singapore fell 0.65 percent, or 20.88 points, to 3,184.60. Kuala Lumpur shed 1.22 percent, or 19.08 points, to end at 1,547.43.

Wellington gained 0.40 percent, or 13.43 points, to end at 3,352.72. Bangkok fell 1.53 percent or 15.59 points to close at 1,006.57.

Mumbai fell 0.23 percent, or 39.01 points, to 19,007.53 on profit-taking.

India's largest private firm Reliance Industries rose 1.73 percent, or 16.75 rupees, to 986.5, ahead of its third quarter earnings data later Friday.



Abdur Rouf Khan, managing director of Opsonin Pharma, attends the company's annual sales conference at Agargaon in Dhaka on Thursday.

## Oil higher

AFP, Singapore

Oil prices turned higher in Asian trade Friday as market sentiment was buoyed by strong Chinese economic growth last year, analysts said.

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Brent North Sea crude for March advanced 18 cents to 96.76 dollars.

Stellar Chinese economic numbers fuelled the crude price rally, said Jason Feer, Asia-Pacific vice-president and general manager of Argus Media in Singapore.

"It's probably the surprisingly high growth numbers coming out of China, indicating that demand is strong," he told AFP, referring to the world's biggest energy consumer.

China said Thursday that its economy grew a blistering 10.3 percent in 2010, marking the fastest annual pace since the onset of the financial crisis in late 2008.

## Merged BA-Iberia takes off

AFP, London

A multi-billion-euro merger between British Airways and Iberia of Spain, creating Europe's second biggest airline, was completed on Friday, the two companies announced.

"The merger has now become effective," a statement said as shares in the new company, International Airline Group (IAG), prepare to trade for the first time on Monday.

Shareholders of BA and Iberia voted in November to approve the merger which values the pair at a combined \$9.6 billion (7.1 billion euros).

British Airways will hold 55 percent of IAG, while Iberia will own the remaining 45 percent.

BA and Iberia will each retain their current operations and individual brands. Current BA boss Willie Walsh will become chief executive

of the new group.

A merger allows the two carriers to catch up with rivals such as Air France-KLM and Lufthansa, according to analysts.

"In terms of size, BA-Iberia will be the second biggest carrier in Europe and amongst the top ten in the world," said Saj Ahmad, an analyst at consultants FBE Aerospace.

"This should deliver many operational economies of scale as the businesses integrate over time and allows BA/Iberia to offer a wider global network for their customers," he told AFP on Friday.

BA is set to benefit from Iberia's strong presence in Latin America, while the Spanish airline will gain from the British carrier's strength in North America and Asia.

### Weekly Currency Roundup

Jan 16th- Jan 20th, 2011

#### International Markets:

This week the euro had a strong rebound against the US dollar. That continued into Thursday, and the euro edged up against the dollar on sovereign demand to sell the US currency as the month-end approaches, while investors hoped for progress on finding a sustainable way to ease the euro zone's debt crisis. The single currency recovered from an early slide, shaking off European share price falls, with market players noting Mid-East participants and a semi-official European name picking up the currency, and keeping it close to a two-month high hit the previous day. Analysts said investors were optimistic the European Union's rescue fund (EFSF) will ultimately offer a comprehensive solution to help euro zone countries finance mounting debts. The Financial Times Deutschland on Thursday said euro area finance ministers had discussed a plan to ease pressure on Greece by allowing it buy back its own debt using credits from the EFSF. Market participants said investors remained long of dollars despite the euro's rally in the past week or so, which resulted in natural demand to sell dollars before the end of the month. European stock markets took a cue from selling in Asian equities, after data showing stellar economic growth in China in 2010 fuelled speculation that Beijing may come under more pressure to tighten monetary policy. Analysts said risk demand had cooled as investors waited to see how a visit by Chinese President Hu Jintao to the United States may affect Beijing's policy of holding down the value of the yuan. Higher-yielding currencies including the Australian Zealand dollars were the day's biggest losers, each falling around 0.7 percent versus the dollar.

#### Local Money Market:

Call money rates eased off this week and mostly traded in the 5-14% band.

#### Local Market FX:

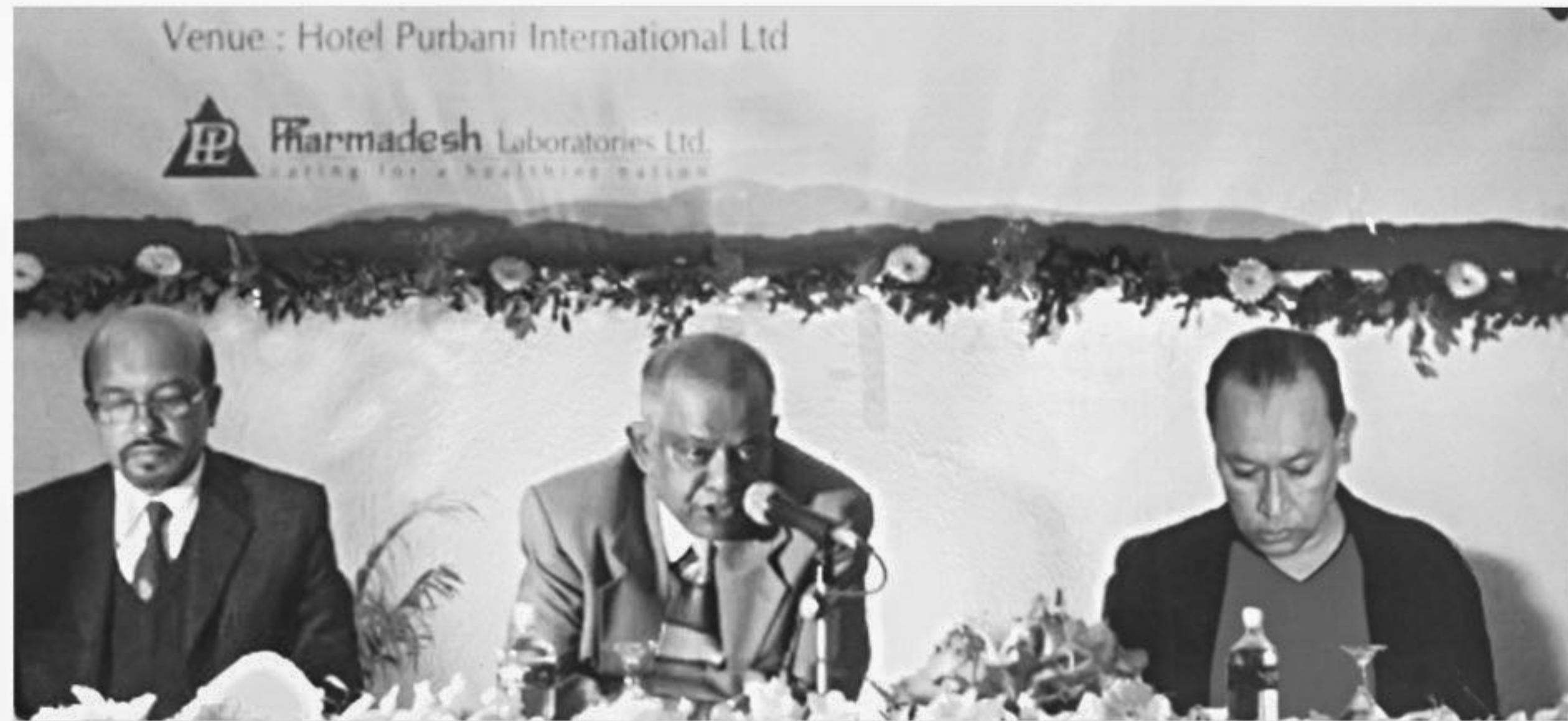
There was significant liquidity pressure, and there was strong demand for the greenback.

- Standard Chartered Bank



NCC BANK

M Harunur Rashid, vice chairman of NCC Bank, attends the branch managers' annual conference of the bank in Dhaka recently. Mohammed Nurul Amin, managing director, was also present.



PHARMADESH

Azizur Rahman, chairman of Pharmadesh Laboratories, and Habibur Rahman, managing director, attend the company's annual marketing and sales conference at Hotel Purban International in Dhaka recently.

# STOCK

## Weekly News from Trade Servers

**New Listing:** As per decision of the Board of Directors of DSE, trading of the shares of Deshbandhu Polymer Ltd. will start at DSE with effect from January 17, 2011 under 'N' category. DSE Trading Code for Deshbandhu Polymer Ltd. is "DESHBANDHU" and DSE company code # 13229.

**UNITEDAIR:** The Company will be placed in "B" category from existing "N" category with effect from 17.01.2011 as the company reported disbursement of stock dividend @ 5% for the year ended on June 30, 2010. The Stock Brokers and Merchant Bankers are requested not to provide loan facilities to purchase shares of United Airways (BD) Ltd. between 1st to 30th trading day after change of categorization of the said securities i.e. starting from 17.01.2011 as per SEC.

**MALEKSPIN:** The Company will be placed in "A" category from existing "N" category with effect from 18.01.2011 as the company reported disbursement of cash dividend @ 10% for the year ended on June 30, 2010. The Stock Brokers and Merchant Bankers are requested not to provide loan facilities to purchase shares of Malek Spinning Mills Ltd. between 1st to 30th trading day after change of categorization of the said securities i.e. starting from 18.01.2011 as per SEC.

**IMAMBUTTON:** The Company will be placed in "A" category from existing "B" category with effect from 20.01.2011 as the company reported disbursement of stock dividend @ 10% for the year ended on June 30, 2010. The Stock Brokers and Merchant Bankers are requested not to provide loan facilities to purchase shares of Imam Button Industries Ltd. between 1st to 30th trading day after change of categorization of the said securities i.e. starting from 20.01.2011 as per SEC.

**SONARGAON:** SEC has accorded its consent to the proposed change in the denomination of share value (face value) of Sonargaon Textiles Ltd. from Tk. 100.00 to Tk. 10.00 each as well as market lot from 50 to 250 shares.

**PRIMEINSUR:** Following the change of the denomination of shares and market lot with effect from 20.01.11 (record date), the new face value of the shares of the company will be Tk. 10.00 instead of Tk. 100.00 per share, market lot will be 250 shares instead of 50 shares and the new adjusted open price of shares will be Tk. 121.80 per share.

**SINOBANGLA:** The Board of Directors has recommended cash dividend @ 10% for the year ended on 31.10.10. The Board has also recommended for raising paid-up capital through issuance of Rights Share @ 1R:1 at an issue price of Tk. 20.00 each (including a premium of Tk. 10.00 each) for further business expansion subject to the approval of shareholders and the Regulatory Authorities. Date of EGM & AGM: 19.02.11, Time of EGM & AGM: 10:30 AM & 11:00 AM respectively, Venue: Factory Premises, Gazaria, Munshiganj. Record date for EGM & AGM: 27.01.11. Another record date for entitlement of the proposed rights shares to be notified later after obtaining approval from SEC. The company has also reported EPS of Tk. 2.38, NAV per Share of Tk. 23.34 and NOCFPS of Tk. 6.83 for the year ended on 31.10.10.

**RAKCEAMIC:** As per regulation 30 of DSE Listing Regulations, the company has informed that a meeting of Board of Directors of the company will be held on January 27, 2011 at 5:00 p.m. to consider, among others, audited financial statements of the company for the year ended December 31, 2010.

**Deshbandhu Polymer Ltd. (Q1):** As per un-audited quarterly accounts for the 1st quarter ended on 30th September 2010 (July'10 to Sep'10), the company has reported net profit of Tk. 8.21 million with EPS of Tk. 0.34 (based on 24,000,000 number of Pre-IPO paid-up shares) as against Tk. 4.69 million and Tk. 0.47 (based on 10,000,000 number of Pre-IPO paid-up shares) respectively for the same period of the previous year.

**MARICO: (Extended Quarter):** As per un-audited quarterly accounts for the extended quarter ended on 31st December, 2010 (October'10 to December'10) the Company has reported profit after tax of Tk. 226.61 million with EPS of Tk. 7.19 as against Tk. 127.94 million and Tk. 4.06 respectively for the same period of the previous year. It is to be noted that the company has changed its accounting year from "October - September" to "April - March".

**TITASGAS:** The Company has requested the concerned shareholders to collect their cash dividend warrants for the year 2009-2010 from 17.01.11 to 25.01.11 from the Share Division of the Head Office of the company at 105, Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka-1215 from 9:30 AM to 4:30 PM.

**BDCOM, PHARMAID, BDAUTOCA, BANGS, ATLASBANG, TALLUSPIN, MITHUNKIT:** The Company has informed that it has credited the Bonus shares to the respective shareholders' BO Accounts.

**AIMSIST:** SEC regrets its inability to endorse the extension of subscription period against right entitlement of AIMS First Guaranteed Mutual Fund from 20 January 2011 to 27 January 2011.

**NLTUBES:** The Company has informed that the shareholders of the company in the EGM held on 15.01.11 have unanimously approved, among others, to increase Authorized Capital of the company from Tk. 25.00 crore to Tk. 100.00 crore. The Company has also informed that Cash Dividend for the year ended 2009-2010 has been credited to the respective shareholders Bank accounts having Online System facilities. Dividend Warrants of the dividend-holders who are keeping account with Banks having no online System facility have been sent to their respective addresses through courier service on 10.01.2011.

**ALARABANK:** The Bank has informed that the Board of Directors of the Bank has taken following decisions subject to approval of the shareholders in the EGM and Regulatory Authorities: (1) to increase Authorized Capital of the Bank from Tk. 500.00 crore to Tk. 1,000.00 crore and to change the Market Lot from 250 to 100 shares and (2) to amend the relevant clause/article of Memorandum and Articles of Association of the Bank in this respect. Date of EGM: 27.02.11, Time: 10:00 AM, Venue: Trust Milonayaton, 545, Puratan Biman Bandar Sarak, Dhaka Cantonment, Dhaka. Record Date of EGM: 27.01.11.

**PREMIERLEA:** The Company has informed that the Board of Directors of the company has decided to acquire 51% shares of an existing member company of Dhaka Stock Exchange Ltd. at the prevailing market price observing all formalities of the Regulatory Authorities.

**CONFIDCEM:** The company has informed that the Board of Directors of the company has decided to purchase land measuring areas 246.4 decimal (7.392 bigha) at Danga, Palash, Norshindi at the price of Tk. 1,28,91,166.00 including registration and other fees.

**SAIHAMTEX:** The National Credit Ratings Limited (NCR) has rated the company as "A" in the long term and "ST-3" in the short term based on financial statements of the company up to June, 2010.

**SAIHAMTEX:** SEC has issued show cause cum hearing notice to the company, its Directors, Managing Director and Company Secretary for non-compliance of clause 1 of SEC's Notification No. SEC/CMRRCD/2008-183/Admin/... September 27, 2009 in connection with holding Board Meeting involving price sensitive decision during the trading hour.

**PLFSL:** SEC has issued show-cause cum hearing notice to the company, its Directors, Managing Director and Company Secretary for non-compliance with securities related laws in connection with audited financial statements for the year ended on December 31, 2008 and 2009.

**SEC NEWS:** SEC has Directed the Dhaka Stock Exchange Ltd. to transfer the securities of the following companies from the Over-the-Counter (OTC) Market to the Main Market for transaction, as the securities of these companies have been declared as eligible for dematerialization: (1) Bangladesh Services Ltd., (2) Samata Leather Complex Ltd., (3) Anlima Yarn Dyeing Ltd., (4) Alltex Industries Ltd., (5) Modern Dyeing & Screen Printing Ltd., (6) Zeal Bangla Sugar Mills Ltd., (7) Shyampur Sugar Mills Ltd., (8) Renwick Jaineswar & Co. (BD) Ltd., (9) Northern Jute Manufacturing Co. Ltd. and (10) Orion Infusion Ltd. This directive shall have effect from January 23, 2011.

**DSE NEWS:** As per instruction of SEC, DSE has imposed circuit breaker upon DSE General Index (DGEN Index) of 225 or more points either way with effect from today (19.01.11). That is the market will be halted if the index increases or decreases by 225 or more points. It is to be noted that once market is halted for circuit breaker, the market will remain halted until further instruction from SEC.

**KYCR Coil Industries Limited:** This is for information of all the Eligible Institutional Investors that a Road Show for the indicative price discovery of shares of proposed IPO under book building system of KYCR Coil Industries Limited will be held on January 31, 2011 (Monday) at 06:30 p.m. at Grand Ball Room, Pan Pacific Sonargaon Hotel, Dhaka. For further information please contact with the Issuer Company (KYCR Coil Industries Limited) or Issue Manager (Alliance Financial Services Limited). As per SEC notification No. SEC/CMRRCD/2009-193/67/Admin, dated Nov 14, 2010, among others, in case of IPO under Book Building Method, the Eligible Institutional Investors (EII) shall not be allowed to participate in the bidding unless they participate and quote price in the Road Show for setting the indicative price of concerned issue.

**RUPALIBANK:** As reported by the Issue Manager of the Bank, total 65,920 shares had been sold out of 30,68,750 shares up to 19.01.2011.