

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES		
(Week-on-week)	(As of Friday)	(As of Friday)	(Friday closings)			STANDARD CHARTERED BANK		
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼16.49%	▼11.33%	\$1,348.00	\$89.83	▼0.23%	▼1.56%	▼0.65%	▲1.41%	
6,326.34	12,019.91	(per ounce)	(per barrel)	19,007.53	10,274.52	3,184.60	2,715.29	
				USD				
				EUR				
				GBP				
				JPY				
				BUY TK	71.60	94.50	112.79	0.85
				SELL TK	72.60	99.64	118.03	0.93

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Star BUSINESS

DHAKA SUNDAY JANUARY 23, 2011, e-mail:business@thedailystar.net



Right, Agriculture Minister Matia Chowdhury formally opens trade with India through Banglabandha land port in Tentulia upazila, Panchagarh, yesterday. A decorated Indian truck arrives on the border, carrying rocks.

Banglabandha port opens to trade with India

STAR BUSINESS REPORT

Bangladesh and India yesterday started their long-awaited trade through Banglabandha port in a major bilateral decision. From now, goods from both countries can pass through the land port.

Agriculture Minister Matia Chowdhury formally opened trade through the land port in Tentulia upazila in the northernmost district of Panchagarh, while Indian Finance Minister Pranab Mukherjee launched trade through Phulbari in Jalpaiguri. Earlier, an inaugural meeting was held at Phulbari port.

Trade between Nepal and Bangladesh through Banglabandha has been continuing on a limited scale since its introduction in September 1997.

Banglabandha will be an important land port thanks to broader trade with India, analysts said.

Matia Chowdhury said importers and exporters have long been demanding opening of the port for goods transportation in and out of India. "Today their demand is fulfilled."

Mukherjee said: "We will take steps to shorten the trade gap between Bangladesh and India."

Banglabandha will shape up into a more important port than other land

ports thanks to its geographical importance to both countries, he said.

Immigration to India and Bangladesh through Banglabandha will start after immigration checkpoints are set up, said Matia Chowdhury.

"We want to develop the region economically by maintaining a friendly relationship between two countries," she added. She urged India to take steps to reduce the trade gap.

Contacted, President of Panchagarh Chamber and Commerce and Industry Iqbal Kaiser said Banglabandha point is important to develop regional trade, as Siliguri is only five kilometres from the port while it is 10 kilometres for Jalpaiguri and 58 for Darjiling.

The Indian minister along with a 13-member delegation, including Urban and Municipality Development Minister of West Bengal Ashok Battacharia, joined the inauguration.

Matia Chowdhury led an 11-member delegation, including lawmakers Mozharul Hoque Pradhan and Farida Akter and Deputy Commissioner of Panchagarh Banamali Bhowmik.

A warehouse, a truck parking yard, a police barrack, a Sonali Bank branch and a telephone exchange office have been set up at Banglabandha port at a cost of Tk 2 crore recently.

Investors offer recipe for recovery

STAR BUSINESS REPORT

A forum of retail investors yesterday proposed some recommendations to the government to restore stability to the stockmarket.

The retail investors called a press briefing under a platform: Bangladesh General Investors' Forum.

They demanded cancellation of Thursday's trading, when the general index (DGEN) plummeted 600 points within five minutes into the start of trade.

The investors called for involving state-owned financial institutions, merchant and private banks and leasing companies in buying shares.

"The government should ease rules and buy shares from the market," said Najmul Hasan, a spokesperson for the forum.

They called for providing financial assistance to state banks, insurance companies so that the institutions can buy shares with the funds.

It is time to amend the Banking Companies Act, which does not allow a parent company to give loans over 15 percent of its total equity to its subsidiary as a single-client borrower, Hasan said.

Merchant bankers cannot provide share credit to retail investors in line with the margin loan ratio of 1:2, set by the Securities and Exchange Commission, he said.

The investors' forum recommended reducing the cash reserve ratio and statutory liquidity ratio, which created the liquidity crunch in the secondary market.

The forum also urged the regulator to withdraw the circuit breaker on the share index, as it did not prove effective.

Stock probe, reforms to top agenda

Muhith presides over high-profile meeting on stock crash today

REJAUL KARIM BYRON

The government sits with stakeholders today to find ways to help stocks bounce back from the current slump and take steps to reform the markets.

Finance Minister AMA Muhith will preside over the meeting with officials of Securities and Exchange Commission, Dhaka and Chittagong stock exchanges, two former SEC chairmen and representatives of brokerage houses at state guest-house Padma, said finance ministry officials.

Prime Minister's Economic Affairs Adviser Mashiur Rahman said the finance minister would discuss the present situation with the stakeholders. It will help the government know about the facilities or reforms required to boost the stockmarket, Rahman told reporters after a programme organised by the Policy Research Institute of Bangladesh at Banani in Dhaka.

The country's apex trade body -- Federation of Bangladesh Chambers of Commerce

and Industry (FBCCI) -- sat at the Westin hotel last night and prepared a set of recommendations to present to the finance minister at today's meeting.

Top officials of the chamber, SEC, two bourses, bankers, merchant bankers and publicly-listed companies' association, attended the two-hour meeting.

Their recommendations include: Companies that saw their prices slump must buy back their stocks; the regulator must find and punish the culprits responsible for the crisis; the last four years' earnings of merchant banks must be reinvested into the market; and the SEC must find out how three companies entered the market through direct listings by breaching rules and reportedly made away with Tk 1,500 crore, said a businessman, who was present at the meeting.

Meanwhile, experts suggested formation of a high-level probe committee to look into what went wrong in the stockmarket, and restore confidence to the investors.

The committee will try to find out who were responsible

for the recent crash in the market, determine how much the stock index can go up, and how much a share price can rise, they said.

The committee will also see whether the central bank and the SEC had any flaw on their part in the recent fall, they said.

Given the depth of the country's capital market, according to an unofficial study of the central bank, the share market index can reach a maximum of 6,000 points, whereas the benchmark General Index on the Dhaka Stock Exchange came close to 9,000 points.

Examples in many countries show that if the index goes up beyond the depth of the market, the index is bound to plummet.

In Bangladesh, the rise in the index was due to arrival of many new companies. In 2009, SEC approved issuance of shares worth Tk 750 crore. Till October 12 of last year, shares worth Tk 4,063 crore were approved, which was about 441 percent higher than in the same month of the previous year. Share prices jumped many times.

Go by the book: PM's adviser

STAR BUSINESS REPORT

Investors should abide by the rules of the game at the stock market and be prepared to accept losses instead of expecting profit continuously, the economic adviser to the prime minister said yesterday.

"People who just want to profit from the market but refuse to bear the share of losses are not following the laws of the market," said adviser Mashiur Rahman.

Rahman was speaking to reporters after a book launching ceremony at the Policy Research Institute of Bangladesh (PRI) in the city. His comments came as the country's stockmarket now passes through one of its rather turbulent periods.

In the last two weeks, Dhaka and Chittagong bourses shed over 600 points on three occasions defying attempts to cool the market, forcing the regulator to suspend trade twice and keep today's market activities closed.

The adviser, however, ruled out any adverse impact on the economy due to the unprecedented slump at the country's two bourses, as money is not flowing into real investment.

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