

# Asian shares lower

AFP, Hong Kong

Tokyo led Asian markets lower Friday after Standard & Poor's cut Japan's credit rating over concerns about its huge debts and the government's lack of strategy to tackle the problem.

The Nikkei ended down 1.13 percent, or 118.32 points, at 10,360.34. It remains however more than 13 percent up from November 1, reflecting a period of optimism among investors already well aware of Japan's debt problems.

In Sydney, the S&P/ASX 200 fell 0.65 percent, or 31.2 points, to 4,774.9, dragged partly by Japan but also on weakness among gold and energy producers.

The safe-haven precious metal has declined in value this month as global economic sentiment improves.

Hong Kong's Hang Seng closed down 0.68 percent, or 162.60 points, at 23,617.02.

However, Shanghai finished 0.13 percent, or 3.60 points, higher at 2,752.75 as auto stocks offset losses in real estate plays on the day a long-awaited property tax came into force in Shanghai and Chongqing.

Ratings agency S&P on Thursday cut Tokyo's long-term sovereign debt to "AA minus" from "AA", saying it expected its massive fiscal deficits to stay high in the coming years.

The move came as little surprise to some as Japan has the highest debt of any industrialised nation, at about 200 percent of gross domestic product, and S&P warned that the problem would only peak in the mid-2020s.

The Japanese market was also weighed by weak earnings reports from some big players, including Nintendo, Canon and NEC.

The credit downgrade sent the yen tumbling on Thursday to 83.20 against the dollar from 82.12, but the Japanese unit bounced back on Friday.

The dollar slipped to 82.67 yen but retained most of the gains made in Thursday trade in New York, where it bought 82.86. The dollar is still sharply higher than the 82.12 yen level seen late Thursday in Tokyo.

The euro turned softer on renewed worries over credit problems in the eurozone, analysts added.

The single currency bought \$1.3711 and 113.27 yen, slipping from \$1.3730 and 113.85 yen in New York.

The shock of the downgrade also subsided in the bond market, as weakness among Japanese stocks encouraged investors to buy bonds, analysts said.

The yield, which moves inversely to the price, on the benchmark 10-year bond stood at 1.220 percent, off from a low of 1.210 percent, compared with Thursday's close of 1.250 percent.

On oil markets, prices were mixed in Asian trade as investors anticipated further interest hikes in China, the world's largest energy consumer, analysts said.

Gold closed at \$1,314.50-\$1,315.50 an ounce in Hong Kong, sharply down from Thursday's finish of \$1,341.00-\$1,342.00.

### In other markets:

Seoul fell 0.34 percent, or 7.14 points, to 2,107.87.

Investors moved to take some profit after the index rose 2.2 percent in four sessions.

Wellington was flat, edging up 1.7 points to 3,352.6.

Singapore rose 0.31 percent, or 9.86 points, to 3,229.69. Kuala Lumpur fell 0.33 percent, or 5.07 points, to 1,521.89.

Bangkok fell 0.49 percent, or 4.88 points, to 981.83.

Mumbai fell 1.54 percent, or 288.46 points, to 18,395.97, near to a five-month-low, on fears of foreign funds exiting from local equities as interest rates and inflation rise.



Syed Manzur Elahi, founding chairman of Mutual Trust Bank, hands over the best MTB branch award to Khandoker Rahimuzzaman, manager of MTB principal branch, at the bank's annual business conference at Pan Pacific Sonargaon Hotel in Dhaka yesterday. Anis A Khan, managing director, was also present.

## Oil mixed

AFP, Singapore

Crude prices were mixed in Asian trade on Friday as investors braced for further interest hikes in China, the world's largest energy consumer, analysts said.

New York's main contract, light sweet crude for March delivery, was down 37 cents at \$85.27 per barrel.

Brent North Sea crude for March turned higher and was up 24 cents at \$97.63 in early afternoon trade.

Reports that Saudi Arabia is pumping more oil also dampened sentiment, analysts said.

"Another factor could be investors are wary that China could come up with additional tightening measures over the Lunar New Year," said Ong Yi Ling, investment analyst for

## India Maruti's Q3 profit falls

AFP, New Delhi

India's biggest carmaker by sales, Maruti Suzuki, reported on Saturday an 18 percent slide in quarterly net profit, hit by fast-rising raw material costs.

Maruti, majority-owned by Japan's Suzuki Motor Corp, said net profit fell to 5.65 billion rupees (\$123 million) in the three months to December from 6.8 billion rupees a year earlier.

The result from the New Delhi-based company, battling mounting competition from India's second-largest carmaker, South Korea's Hyundai, and other rivals, fell

shy of analysts' forecasts of around six billion rupees.

Net sales, however, jumped by 27 percent to 92.76 billion rupees.

Profit for the fiscal third quarter was undermined by surging prices of steel and other raw materials, higher royalty payments to Maruti's Japanese parent and a firmer yen.

"The increase in commodity costs during the quarter impacted margins," the company said in a statement.

Earlier this month, Maruti raised vehicle prices to counter higher steel, rubber and other input costs.

### Weekly Currency Roundup

Jan 23- 27, 2011

#### International Markets:

This week the euro sustained the strong rebound against the USD. On Thursday the yen fell broadly after S&P cut Japan's government debt ratings, prompting a sharp recovery for the dollar against the Japanese currency which helped push the euro off a two-month high versus the greenback.

The ratings agency downgraded Japan to AA minus from AA, saying the country's sovereign debt ratios would rise further and "peak only in the mid-2020's".

The downgrade sparked widespread buying of the dollar versus the yen, helping the dollar off an 11-week low against a basket of currencies hit after the Federal Reserve gave no sign it may scale back its loose monetary policy.

This helped the dollar to rise 0.1 percent to 77.974 against a basket of currencies, off an earlier 11-week low of 77.637, and pushed the euro down 0.3 percent.

The euro has benefited from contrasting policies in the US and the euro zone, where the European Central Bank's focus on inflation concerns suggest rates may rise much earlier than in the US. US policymakers on Wednesday voted unanimously to hold interest rates steady and repeated that rates would remain exceptionally low for an extended period, offering only a very slight upgrade to its assessment of the US economy.

The euro has also been helped by signs of greater stability in peripheral countries' bond markets, although market players remain concerned about whether these nations can stand manage their finances unassisted.

#### Local Money Market:

Call money rates further eased off this week, and mostly traded in the 4.5-5.5% band.

#### Local Market FX:

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

- Standard Chartered Bank



F Kamal Uddin, joint secretary and director of Bangladesh Insurance Academy, attends a day-long workshop styled "Sales management: etiquette and grooming of salesman" jointly organised by the academy and Asian University in Khulna recently.



Md Abdul Jalil MP, chairman of Mercantile Bank, attends the bank's annual business conference 2011 at Dhaka Sheraton Hotel yesterday. AKM Shahidul Haque, managing director, was also present.

# STOCK

## Weekly News from Trade Servers

**SEC NEWS:**  
SEC has decided the following: (1) Circuit breaker upon DSE General Index (DGEN Index) has been withdrawn with effect from 25.01.2011 and (2) The prevailing circuit breaker for upward and downward price limits on individual securities has been reduced by 50% with effect from 25.01.2011.

**NTC:**  
SEC has formed an enquiry committee to investigate in to certain unusual declaration to buy shares of National Tea Company Limited by two sister concerns of a sponsor/director of the said listed company in the stock exchanges.

**Category Change:**  
ANLIMAYARN will be placed in "A" category from existing "B" category with effect from 26.01.2011. MODERNDYE will be placed in "Z" category from existing "B" category with effect from 26.01.2011. BDAUTOCA will be placed in "B" category from existing "Z" category with effect from 27.01.2011 as the company reported disbursement of stock dividend @ 20% for the year ended on June 30, 2010. TALLUSPIN placed in "A" category from existing "Z" category with effect from 27.01.2011 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 securities of those companies between 1st to 30th trading day after change of categorization of the said securities i.e. starting from 26.01.2011 as per SEC.

**As per un-audited half yearly accounts as on 31.12.10:**  
TITASGAS has reported NPAT = Tk. 3,756.70 million, restated EPS of Tk. 39.88 (considering Bonus shares @ 10% for the year 2009-2010). ICB has reported consolidated NPAT & minority interest = Tk. 2,409.47 million, consolidated EPS = Tk. 96.38 and NPAT = Tk. 1,388.52 million, EPS = Tk. 55.54. APEXTANRY has reported NPAT = Tk. 61.74 million, EPS = Tk. 40.51. It is to be noted that other income of the company was Tk. 50.94 million (including Bank interest & charges of Tk. 11.26 million) as on 31.12.10. SHYAMPSUG net profit/(loss) = Tk. (67.81) million, EPS = Tk. (13.56). Accumulated profit/(loss) of the company was Tk. (1,507.09) million as on 31.12.10 resulting total shareholders' equity stands at Tk. (1,273.55) million. GRAMEENS2 Net profit = Tk. 191.52 million, Earning per unit = Tk. 1.53. GRAMEEN1 Net profit = Tk. 137.49 million, Earning per unit = Tk. 8.09. AIMSISTMF Net profit = Tk. 138.83 million, Earning per unit = Tk. 0.49. METROSPIN NPAT = Tk. 91.28 million with restated EPS of Tk. 2.20 (considering Bonus shares @ 20% for the year 2009-2010). ATLASBANG NPAT = Tk. 95.81 million with EPS of Tk. 5.39. ICBEPMF1S1 NPAT = 78.71 million, EPU = Tk. 1.05. ICB2NDRRB NPAT = 200.42 million, EPU = Tk. 20.04. ICB1STNRB NPAT = 26.87 million, EPU = Tk. 26.87. ICBIS-LAMIC NPAT = 24.18 million, EPU = Tk. 24.18. ICBAMCL1ST NPAT = 35.59 million, EPU = Tk. 35.59. ICBAMCL2ND NPAT = 64.18 million, EPU = Tk. 12.84. KEYACOSMET NPAT = Tk. 69.24 million, EPS of Tk. 2.40. It is to be noted that non-operating income of the company was Tk. 14.71 million as on 31.12.10 and Tk. 89.55 million as on 31.12.09. KEYADETERG NPAT = Tk. 26.15 million, EPS of Tk. 1.46. RENWICKJA NPAT = Tk. 2.00 million, EPS of Tk. 10.00. Accumulated profit/(loss) of the company was Tk. (68.90) million as on 31.12.10 resulting total shareholders' equity stands at Tk. (48.90) million.

**1STPRIMFMF:**  
The Board of Directors of ICB Asset Management Company Limited has approved cash dividend @ 20.00% for Prime Finance First Mutual Fund for the year ended on December 31, 2010. Record date: 08.02.2011.

**RUPALIINS:**  
The Company has further informed that the Board of Directors of the company has fixed the record date on 03.02.2011 for giving effect the change in the denomination of share value from Tk. 100.00 to Tk. 10.00 each as well as Market lot from 20 to 100 shares.

**UCBL:**  
SEC has approved the Rights offer of United Commercial Bank Ltd. for 29,09,95,350 ordinary shares of Tk. 10.00 each at an issue price of Tk. 15.00 per share (including a premium of Tk. 5.00 each) totaling Tk. 436,49,30,250.00 only at a ratio of 1R: 1, i.e. one Rights share for one existing share. The approval has been accorded subject to the condition that the Bank shall comply with the requirements embodied in the Securities and Exchange Commission (Rights Issue) Rules, 2006 and other relevant laws and Regulatory Requirements, and shall also adhere to the conditions imposed by SEC under Section-2CC of the Securities and Exchange Ordinance, 1969. The Bank has further informed that the subscription period for rights issue will be from 06.03.2011 to 31.03.2011. Record date for entitlement of rights share: 15.02.2011. The Bank has further informed that the objective of issuance of rights shares is to strengthen the capital base of the Bank and to comply with the capital adequacy requirements as per BASEL-II.

**CMCKAMAL:**  
The company has informed that SEC vide its letter dated January 24, 2011 has accorded consent to the company to issue 3,78,40,000 ordinary shares of Tk. 10.00 each @ 2R:1 i.e. two Rights shares for one existing share at an issue price of Tk. 17.50 per share (including premium of Tk. 7.50 each) totaling Tk. 66,22,00,000.00 only. The company has further informed that the subscription period for rights issue will be from 10.03.2011 to 07.04.2011. Record date for entitlement of rights share: 22.02.2011. The purpose of issuance of rights shares is BMRE of existing plant and business expansion with a capacity of 12,000 spindles.

**BDWELDING:**  
The company has informed that SEC has accorded consent to the company vide its letter dated January 24, 2011 for issuance of Rights share @ 2R:1 i.e. two Rights shares for one existing share @ Tk. 10.00 each at par to issue 2,39,20,000 ordinary shares. The company has further informed that the subscription period for rights issue will be from 08.03.2011 to 07.04.2011. Record date for entitlement of rights share: 22.02.2011. The objective of issuance of rights shares is extension of existing factory shed, payment against imported capital machinery, procurement of local machinery, partial adjustment of bank loan and to supplement working capital of the company to maintain a buffer stock of imported raw-materials.

**AGRANINS:**  
The Company has informed that the head office of the company has already been shifted to its own premises at Saiham Sky View Tower (14th Floor), 45, Bijoy Nagar, Dhaka-1000.

**APEXTANRY:**  
The company has informed that the Board of Directors of the company has decided to purchase a land measuring 50 decimals at Kandi Bailarpur, Savar, Dhaka at a cost of Tk. 1,55,91,750.00 for its future use.

**MODERNDYE:**  
The Company has informed that the Board of Directors of the company has decided to give the ground floor space of the factory building measuring 21,475 sq. ft. to ACI Ltd., Dhaka at rent of Tk. 23.40 only per sq. ft. for five years from 20th April, 2011.

**MIRACLEIND:**  
The Company has informed that it has credited the Stock Dividend for the year 2009-2010 to the respective shareholders' BO Accounts on 19.01.11.

**STANCERAM:**  
The Company has informed that it has credited the Stock Dividend for the year ended 2009-2010 to the respective shareholders' BO Accounts on 20.01.11.

**MAKSONSPIN, METROSPIN, CTGVEG:**  
The Companies have informed that it has credited the Stock Dividend for the year 2009-2010 to the respective shareholders' BO Accounts.

**MEGCONMILK:**  
The Company has requested the concerned shareholders to collect their dividend warrants for the year 2009-2010 from 25.01.11 to 26.01.11 from 10:00 AM to 3:00 PM from the registered office of the company at Azad Centre (6th Floor), 55, Purana Paltan, Dhaka-1000.

**RUPALIBANK:**  
As reported by the Issue Manager of the Bank, total 71,420 shares had been sold out of 30,68,750 shares up to 26.01.2011.

**NLTUBES:**  
Bangladesh Steel & Engineering Corporation, one of the Corporate Sponsors/Directors of the company, has further reported that it has completed its sale of 29,067 shares of the company at prevailing market price through Stock Exchange as announced earlier.

**FUWANGCER:**  
Mr. Chou Yi Chun, one of the Sponsors of the Company, has further reported that he has completed his sale of 12,950 shares of the company at prevailing market price through Stock Exchange as announced earlier.