

Wall St Week Ahead: Stock investors to focus on hot sectors

REUTERS, New York

US stock investors could scramble to pick up some of the market's best recent performers next week as the quarter comes to an end, putting the spotlight on energy and industrial companies.

But worries about Japan, the Middle East and oil prices will persist and keep uncertainty high, analysts said, even as the VIX, the CBOE Volatility Index, slid 27 percent this past week.

Another driver could come from economic data, with the US government's monthly payrolls data -- the most widely watched economic report of the month -- due on Friday.

Economic data lately has taken a backseat to geopolitical events, with Japan's massive earthquake and tsunami sparking fears of a nuclear disaster in the country and driving the most recent pullback in stocks.

But many expect window dressing, where fund managers sell stocks with big losses and buy ones with big gains to spruce up their portfolio's quarterly performance, to dominate trading.

"I think a number of people viewed the harshness of the sell-off as an opportunity to pick up some inappropriately punished stocks," said Michael Strauss, chief economist of Wilton, Connecticut-based Commonfund.

The strategy contributed to a bounceback late this week, with the Dow Jones industrial average and Nasdaq posting their best weeks since July. The benchmark Standard & Poor's 500 had its best week since early February.

Analysts say the stock market's

recent performance has been strongly influenced by expectations for the upcoming earnings-reporting period, which kicks off the second week of April.

Oracle's upbeat outlook late Thursday and its stock's 1.6 percent rise on Friday is one example of that, while the energy sector has benefited from the view that the run-up in oil prices will mean stronger-than-anticipated results for producers and refiners.

KING OIL

Energy, up about 14 percent since the start of the quarter as measured by the S&P energy index, is by far the sector with the biggest gains for the quarter to date.

Brent crude oil prices are trading at \$115 a barrel, just off recent 2 1/2-year highs, as western powers last weekend launched a military campaign in oil producer Libya and unrest escalated in other countries, including Yemen and Bahrain.

While higher oil prices are seen as an overall drag on the global economy, they boost the earnings and shares of energy companies.

"If they're able to sell oil at anywhere near the spot prices, they should post a really good quarter, and we're already seeing that in the stock prices," said Fred Dickson, chief market strategist of D.A. Davidson & Co. in Lake Oswego, Oregon.

Marathon Oil, up about 40 percent for the quarter to date, has the fourth-best gain in the S&P 500 for the last three months, and energy companies dominate the quarter's top performers. El Paso Corp is up 31 percent and Valero Energy is up 30 percent.



CRAB

The seventh annual general meeting of Credit Rating Agency of Bangladesh was held at Gulshan in Dhaka recently. The company's Chairman M Syeduzzaman chaired the meeting.



BRAC EPL

BRAC EPL Investments has recently signed a deal with MP Spinning Mills for providing issue management and corporate advisory service for the forthcoming initial public offering of the latter. Khaled Y Farazi, managing director of BRAC EPL, and Ratan Kumar Datta, managing director of MP Spinning, inked the deal at a programme in Dhaka.

Weekly Currency Roundup

March 20-24, 2011

International Markets:

This week attention turned to the euro zone with the sovereign debt issues again coming to the forefront. The euro rebounded from an early fall on Thursday on Middle East and sovereign buying, with worries over Portugal's political crisis and the health of the Spanish banking system increasingly factored in to the currency. Still, traders say rallies are likely to be shallow and the euro will struggle to rise past option barriers around \$1.4250, the level it hit on Tuesday for the first time since early November. The euro was up about 0.3 percent on the day at \$1.4125 after slipping to a low of \$1.4049 in early European dealing following Moody's announcement that it had downgraded 30 Spanish banks by one or more notches, though notably not the biggest players, Santander and BBVA. Adding to the euro's woes, Portugal's prime minister quit on Wednesday after parliament rejected his government's latest austerity measures, increasing the chances that the country will need a bailout. Market participants said the currency was growing resilient in the face of a string of bad news, though this may not be a positive development. The dollar index, which measures the dollar's value against a basket of currencies, was steady at 75.826, clinging to the gains it made on Wednesday. Against the yen, the dollar held steady from late US trade at 81.00 yen. Market players are wary that Japan may intervene further to sell the yen if the dollar drops below 80 yen, and especially if such a move occurs in volatile trade as was the case last week, when the yen hit a post-war record high of 76.25 to the dollar in the wake of a devastating earthquake and tsunami and a nuclear crisis.

Local Money Market:

Call money rates stayed steady, and mostly traded in the 9-12% band.

Local Market FX:

USD/BDT rates were sharply up in the interbank market.

-- Standard Chartered Bank



FSIBL

AAM Zakaria, managing director of First Security Islami Bank, attends a daylong workshop of the bank on "Risk-based capital adequacy for banks in line with Basel-II" at its training centre in Dhaka recently.



JANATA BANK

Home Minister Shahara Khatun inaugurates the Janata Bank's 863rd branch at Balughat Bazar in Dhaka on Wednesday. The bank's Managing Director SM Aminur Rahman presided over the programme.

STOCK

Weekly News from Trade Servers

FLEASING: The Board of Directors has recommended stock dividend @ 25% (i.e. 1 Bonus share for every 4 shares held) for the year 2010. Date of AGM: 21.04.11, Time: 11:00 A.M., Venue: Trust Milonayaton, Dhaka Cantt, 545, Old Airport Road, Tejgaon, Dhaka-1206. Record date: 29.03.11. The company has also reported EPS of Tk. 34.45, Net Asset Value per share of Tk. 197.00 and Net Operating Cash Flow per Share of Tk. 34.00 for the year ended on 31.12.10.

SIBL: The Board of Directors has recommended stock dividend @ 14% for the year ended on December 31, 2010. Date of AGM: 28.04.2011, Time: 10:00 a.m., Venue: Golf Garden, Army Golf Club, Airport Road (Opposite to Hotel Radisson), Dhaka. Record date: 31.03.2011. The Bank has also reported EPS of Tk. 2.15, NAV per share of Tk. 14.05 and NOCFPS of Tk. 7.21 for the year ended on December 31, 2010.

UNIONCAP: The Board of Directors has recommended stock dividend @ 75% for the year ended on December 31, 2010. Date of AGM: 25.04.2011. Record date: 04.04.2011. The company has also reported net profit after tax of Tk. 568.55 million, EPS of Tk. 10.46, NAV per share of Tk. 22.36 and NOCFPS of Tk. (6.48) for the year ended on December 31, 2010 as against Tk. 161.38 million, Tk. 2.97, Tk. 15.48 and Tk. 8.26 respectively for the year ended on December 31, 2009. The company did not inform the time and Venue of the AGM.

RUPALIBANK: The Board of Directors has recommended stock dividend @ 10% for the year ended on December 31, 2010. Date of AGM: 19.05.2011, Time: 11:00 a.m., Venue: Engineers Institution, Ramna, Dhaka. Record date: 12.04.2011. The Bank has also reported EPS of Tk. 48.02, NAV per share of Tk. 1,132.12 and NOCFPS of Tk. 187.41 for the year ended on December 31, 2010.

RELIANCINS: The Board of Directors has recommended stock dividend @ 35% for the year ended on December 31, 2010. Date of AGM: 30.04.2011, Time: 11:00 a.m., Venue: Media Bazaar, Bangabandhu International Conference Center, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207. Record date: 30.03.2011. The company has also reported net profit of Tk. 177.64 million, EPS of Tk. 71.55, NAV per share of Tk. 384.64 and NOCFPS of Tk. 35.36 for the year ended on December 31, 2010. The Board has also approved construction of a 13 storied office building in its own land at Bir Uttam A.K. Khandker Sarak, Gulshan-1, Dhaka-1212 subject to approval of the concerned regulatory authorities. Estimated cost of the building project is Tk. 50.00 crore.

RNSPIN: The Board of Directors has recommended stock dividend @ 30% for the year ended on December 31, 2010. The Board has also recommended for raising paid up capital by issuing rights shares @ 1R:1 (i.e. 1 rights share for each share held) of Tk. 10.00 each at an issue price of Tk. 20.00 per share (including a premium of Tk. 10.00 each) on paid up capital after considering bonus subject to the approval of the shareholders in the EGM and the regulatory authority to meet up the fund required for business expansion. Date of EGM and AGM: 21.04.11, Time of EGM and AGM: 11:00 AM and 11:30 AM respectively, Venue: Factory Premises, Comilla EPZ, Comilla. Record date for EGM and AGM: 30.03.11. 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. 5.04, NAV per Share of Tk. 16.10 and NOCFPS of Tk. 3.88 for the year ended on December 31, 2010.

PLFSL: The Board of Directors has recommended stock dividend @ 75% for the year 2010. The Board has also recommended Rights Shares @ 1R:2 (i.e. 1 rights share for every 2 shares held) at an issue price of Tk. 25.00 per share (including a premium of Tk. 15.00 each) subject to the approval of the shareholders in the AGM/EGM and Regulatory Authorities. Date of AGM: 02.05.11, Time: 11:00 AM, Venue: Golf Garden, Army Golf Club, Airport Road (Opposite to Hotel Radisson), Dhaka. Record date: 03.04.11. Another record date for entitlement of the proposed rights shares to be notified later after obtaining approval from the Regulatory Authorities. The Company has also reported EPS of Tk. 9.47, NAV per Share of Tk. 30.95 and NOCFPS of Tk. (6.80) as on 31.12.10.

PADMAOIL: The Board of Directors has recommended cash dividend @ 50% (i.e. Tk. 5.00 per share of Tk. 10.00 each) and stock dividend @ 50% (i.e. 1 Bonus share for every 2 shares held) for the year ended on June 30, 2010. Date of AGM: 30.04.2011, Time: 11:00 a.m., Venue: Main Installation, Guptakhal, Patenga, Chittagong. Record date: 04.04.2011. The company has also reported EPS of Tk. 21.69, NAV per share of Tk. 80.22 and NOCFPS of Tk. 182.48 for the year ended on June 30, 2010.

JAMUNAOIL: The Board of Directors has recommended cash dividend @ 30% and stock dividend @ 20% for the year ended on June 30, 2010. Date of AGM: 14.05.2011, Time: 11:30 a.m., Venue: Hotel Agrabad, Chittagong. Record date: 07.04.2011. The company has also reported profit after tax of Tk. 564.07 million, EPS of Tk. 12.53, NAV per share of Tk. 46.76 and NOCFPS of Tk. 40.35 for the year ended on June 30, 2010.

TRUSTBANK: The Board of Directors has recommended stock dividend @ 20% for the year 2010. The Board has also decided to issue rights shares @ 1R:5 (i.e. 1 rights share for every 5 shares held) of Tk. 100.00 each at an issue price of Tk. 200.00 per share (including a premium of Tk. 100.00 each) subject to the approval of the shareholders and regulatory authorities. Date of AGM: 24.05.11, Time: 11:00 AM, Venue: Army Golf Club, Airport Road, Dhaka. Record date: 04.04.11. Another record date for entitlement of the proposed rights shares to be notified later after obtaining approval from SEC. The Bank has also reported net profit after tax of Tk. 1,274.78 million, EPS of Tk. 57.48, NAV per Share of Tk. 226.61 and NOCFPS of Tk. (324.16) for the year ended on December 31, 2010.

As per regulation 30 of DSE Listing Regulations: ALARABANK has informed that a meeting of Board of Directors will be held on March 24, 2011 at 4:30 p.m.; APEXDELFT has informed that a meeting of Board of Directors of the Company will be held on March 24, 2011 at 5:00 p.m.; SUMITPOWER has informed that a meeting of Board of Directors of the Company will be held on March 29, 2011 at 3:00 p.m.; PEOPLESINS has informed that a meeting of Board of Directors of

the Company will be held on March 27, 2011 at 3:15 p.m. to consider, among others, audited financial statements of the Bank for the year ended on December 31, 2010. ABBANK has informed that a meeting of Board of Directors of the Bank will be held on March 28, 2011 at 4:00 p.m.; CITYBANK has informed that a meeting of Board of Directors of the Bank will be held on March 30, 2011 at 4:00 p.m.

MERCINS: SEC has approved the Rights offer of Mercantile Insurance Company Ltd. for 16,50,000 ordinary shares of Tk. 100.00 each at an issue price of Tk. 150.00 per share (including a premium of Tk. 50.00 each) totaling Tk. 24,75,00,000.00 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 Company 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.

CITYGENINS: SEC has approved the Rights offer of City General Insurance Company Ltd. for 1,81,50,000 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. 27,22,50,000.00 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 Company 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.

DACCADYE: The Company has further informed that the shareholders of the company in the EGM held 23.03.2011 at 10:00 AM have approved, among others, the issuance of Rights share @ 1R:1 of Tk. 100.00 each at an issue price of Tk. 20.00 each (including premium of Tk. 10.00 each) instead of issue price of Tk. 30.00 each (including premium of Tk. 20.00 each) as recommended by the Board earlier subject to the approval of Regulatory Authorities.

UNITEDAIR: The Company has informed that the Board of Directors of the company has decided to raise capital through issuing Rights shares @ 1R:1 of Tk. 10.00 each at an issue price of Tk. 20.00 (including a premium of Tk. 10.00 each) subject to the approval of the shareholders in a general meeting and consent of the SEC. Date of EGM: 13.04.11, Time: 10:00 AM, Venue: Polwel Convention Centre, Plot # 9/B, Sector 8, Uttara, Dhaka-1230. Record date for EGM: 30.03.11. Another record date for entitlement of the proposed rights share to be notified later after obtaining approval from SEC.

BRACSBOND: The Board of Directors of BRAC Bank Ltd. has taken the following decision: "The record date for the Subordinated 25% Convertible Bonds of BRAC Bank Ltd. will be set seven days before the due date for the interest payment on 15 April and 15 October. If the day is a holiday, the previous trading day will be set as Record Date. 07 April 2011 is the record date for payment of interest due on 15 April 2011. The bondholders whose name will appear in the CDBL register on Record Date will be entitled for interest".

PROVATINS: The Company has informed that the Board of Directors of the company has approved to purchase floors measuring 4,643 sq.ft. at 94, Motijheel C/A, Dhaka at the negotiated price of Tk. 6,91,23,500.00 only.

MODERNDYE: The Company has informed that the Board of Directors of the company has decided to give second floor space of the factory building measuring 12,024 sq.ft. to ACI Ltd., Dhaka at rent of Tk. 16.00 only per sq.ft. for three years from 1st April, 2011.

ACIZCBOND: ACI Limited, sponsor of the bond, has informed that in line with the conditions of ACI 20% Convertible Zero Coupon Bonds, the shares of ACI Limited originated from the exercise of convertibility option by the bondholders, have already been credited to the respective bondholders' BO Accounts on 20.03.2011.

PRIMETEX, ACIFARMULA, PROVATINS, JANATAINS, MEGCONMILK, MEGHNALIFE, FUWANGFOOD, NATLIFEINS, TALLUSPIN, POPULARLIFE, FAREASTLIFE, SONARBAINS, PADMAOIL, CMCKAMAL, BGIC, SANDHANINS, SONALIANINS, CTGVEG, RENATA, PRIMETEX, ACIFORMULA, PROVATINS, JANATAINS, CONTININS, DSHGARME, GQBALLPEN, SAKFOSPINS, DULAMIACOG, AMBEEPHA, MITHUNKINT, BANGAS, ALLTEX: In response to a DSE query, the companies have informed that there is no undisclosed price sensitive information of the company for recent unusual price hike.

UNITEDAIR: The Company has further informed that the EGM will now be held on 24.04.2011 instead of 13.04.2011.

BIFC: SEC has issued show cause cum hearing notice to two insiders of the company for violation of Rule 4(1) of Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 1995 and another insider of the company for violation of Rule 4(2) of Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 1995 and another insider of the company for violation of Rule 4(2) of Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 1995 and Notification No. SEC/SRMID/2000-953/313/Admin-06 dated March 25, 2001 in connection with trading in shares of Bangladesh Industrial Finance Co. Ltd. (BIFCL).

FINEFOODS: SEC has issued show cause cum hearing notice to some insiders of the company as well as to some investors for violation of Rule 3(1) & 4(1) of Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 1995 and Section 17(e) (v) of the Securities and Exchange Ordinance, 1969 (XVII of 1969) in connection with trading in shares of Fine Foods Ltd. SEC has also issued show cause cum hearing notice to some member companies of DSE for non-compliance of the SEC's Directive No. SEC/CMRRCD/2001-43/47 dated July 08, 2010, in connection with unusual trading in shares of Fine Foods Ltd.