

US budget impasse clouds markets

AFP, Washington

A looming US government shutdown pushed down US markets late Friday, after a week in which investors mostly shrugged off politics, skyrocketing oil prices, a eurozone rate hike and another earthquake in Japan to bid prices upward. Friday afternoon's sharp drop lopped off enough earlier gains in the week so that the Dow Jones Industrial Average closed virtually even, adding a bare four points at 12,380.05.

The broader S&P 500 index lost 0.3 percent from a week ago at 1,332.41, and the tech-heavy Nasdaq Composite gave up 0.3 percent at 2,780.41.

All eyes Friday were on the midnight deadline for settling the US budget fight, with little sign of agreement between Democrats and Republicans on cuts to the current year spending in the face of a huge deficit.

Without a deal some 800,000 government employees were expected to be furloughed, though those in areas deemed essential would remain at work.

But without any concrete indications of the economy's direction this week, and with the shutdown expected to curtail a whole range of government services -- including some of the Securities and Exchange Commission's (SEC) operations -- caution reigned Friday.

The biggest question was how long federal workers would be forced to stay at home. "A brief shutdown of a few days would have a trivial impact -- but costs would mount the longer the shutdown lasted," said economists Nigel Gault and Gregory Daco at IHS Global Insight.

"With 800,000 employees furloughed, and assuming average compensation of \$110,000 per year, the total GDP-basis spending impact represents \$1.7 billion per week," they said.

At that level, second-quarter economic growth would be cut about about 0.18 percentage point per week of shutdown.

At first the impact on markets would be minimal on daily trading -- though the lack

of a full SEC staff would put a stop to activities like initial public offerings of shares.

"As far as the markets are concerned, we continue to think that a shutdown would be a non-event, at least in the first few weeks," said Rudy Narvas at Societe Generale.

"Looking back at the '95-96 shutdowns, the markets did not seem to care and instead focused on the changing Fed (Federal Reserve) policy causing Treasuries to rally."

Traders have been expecting a fairly buoyant first-quarter earnings season, which unofficially kicks off Monday with Alcoa's results release.

But it was not immediately apparent how that would be affected, with regulators operating with partial staffs.

Data releases scheduled for the upcoming week would also be curtailed in a shutdown: the trade balance and import prices (Tuesday); retail sales (Wednesday); producer prices (Thursday); and consumer prices and industrial production (Friday).

The Federal Reserve said it would release its periodic Beige Book assessment of the regional economies, however.

Any data will be combed for evidence that the economic recovery is picking up steam or that inflation is taking root -- both of which could hasten the Fed to tighten monetary policy.

Minutes from the central bank's March 15 Federal Open Market Committee meeting released Tuesday showed that worries about inflation are rising among the policymakers, though not yet a dominant sentiment. "The Fed is clearly focused on inflation expectations," said Deutsche Bank Securities.

"As long as they remain stable, policymakers... have argued they can be patient in removing ultra-accommodative monetary policy. However, our concern is that inflation expectations are rising and will continue to rise."

The steady rise in oil prices during the week, and the dollar's fall, hit US transport stocks hard.



Habib Ullah Khan, chairman of Minhar Sea Foods Limited, receives a gold trophy for export from the Prime Minister Sheikh Hasina in the category of frozen foods for 2008-09 at a programme at Osmani Memorial Auditorium in Dhaka recently.



BRAC Bank and Karnaphuli Group have recently signed a memorandum of understanding for easy home loans for customers under BRAC Bank's Apon Ghar. Firoz Ahmed Khan, head of retail banking of BRAC Bank, and Nurul Mostafa, director of Karnaphuli Group, signed the deal.

Lobby group urges tax breaks for Japan quake zone

AFP, Tokyo

Japan should set up a special economic zone in areas worst hit by the March 11 disaster, a leading business group said, as new research indicated more than 80,000 jobs would be lost over the next six years.

Parts of the northeast were left devastated by the 9.0-magnitude earthquake, the worst ever recorded in Japan, and tsunami, while fears over radiation leaks from a nuclear plant have damaged the farming and fishing industries.

The chairman of Nippon Keidanren, an influential lobby group, said Japan should exempt residents from income and property taxes for three years to encourage reconstruction and help the local economy get back on its feet.

Hiromasa Yonekura told Kyodo news agency rapid reconstruction was crucial if key industries such as the manufacture of automobile parts were to maintain their global dominance.

He cited the huge damage done to the economy of Kobe, a Japanese port city, after a major earthquake in 1995.

Local authorities asked for Kobe to be designated a special economic zone after the disaster, but were turned down and the city's slow recovery allowed Busan in South Korea to overtake it as a trading port.

Japan's biggest companies are still trying to gauge the full impact of the March 11 disasters, which have left nearly 28,000 dead or missing.

The damage crippled supply chains and led to power outages that have forced the likes of Toyota, Honda and Sony to shut plants.

Output overseas has also been compromised, with a shortage of key components sending shockwaves through global markets.

On Friday, a leading research institute forecast that the disaster would eliminate 81,500 jobs in the three hardest-hit prefectures over the next six years.

Employment at businesses in the coastal areas of Miyagi, Iwate and Fukushima prefectures will fall to 691,800 workers from the pre-disaster figure of 773,300, according to the Nomura Research Institute.

The study found jobs in the manufacturing, wholesale and retail industries would be worst affected, but it did not take into account the impact on the fishing and farming sectors, meaning the final figure could be much higher.

Tokyo Disneyland to reopen on April 15

AFP, Tokyo

Tokyo Disneyland will reopen on April 15, a report said Saturday, more than a month after a massive quake-tsunami hit Japan, causing widespread damage and knocking out power supplies.

The amusement park closed on March 12, a day after the 9.0 magnitude earthquake struck northeastern Japan, generating a tsunami that crippled the Fukushima Daiichi nuclear power plant run by Tokyo Electric Power Co. (TEPCO).

The amusement park remained largely

intact despite some damage to its car park, but the operator Oriental Land Co. had to close the popular tourist site because of rolling blackouts due to a region-wide power shortage caused by multiple power plant shutdowns.

Oriental Land decided to reopen Tokyo Disneyland after the government Friday announced an end to planned blackouts "in principle", the Nikkei business daily reported without citing sources.

The decision will be officially announced on Tuesday, the paper said.

No one from the company was available to confirm the report on Saturday.



Officials of Marico Bangladesh pose at the launch of its new product, Parachute Advanced Cooling Hair Oil, at the Bangabandhu International Conference Centre in Dhaka recently.

Singapore starts probe into casinos

AFP, Singapore

Singapore said Friday it has kicked off a probe into alleged "illegal activities" in two casinos, including claims about unlicensed "junket" operators.

The Casino Regulatory Authority said it "has to date received some information alleging illegal activities in the casinos".

"The authorities take these allegations seriously and have initiated investigations. It would be inappropriate at this time to comment further on this matter."

The Business Times said Sheldon Adelson, who owns the Marina Bay Sands casino complex, had raised concerns about junket operators after uncovering a mystery \$5 million-dollar transfer between Macau and Singapore through Marina Bay Sands.

STOCK

Weekly News from Trade Servers

PREMIERLEA: The Board of Directors has recommended stock dividend @ 20% for the year ended on December 31, 2010. The Board has also recommended for raising paid-up capital through issuing Rights shares @ 1R:1 (i.e. 1 rights share for every 1 share held) at par after considering the stock dividend for the year 2010 subject to the approval of the shareholders in the AGM and Regulatory Authorities. The Board has also decided to increase the Authorized Capital of the company from Tk. 100.00 crore to Tk. 300.00 crore subject to the approval of the shareholders in the AGM and Regulatory Authorities. Date of AGM: 26.05.11, Time: 11:00 AM, Venue: Spectra Convention Center Ltd., House #19, Road #7, Gulshan-1, Dhaka-1212. Record date: 13.04.11. 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. 31.53, NAV per Share of Tk. 151.01 and NOCFPS of Tk. 63.70 for the year ended on December 31, 2010.

BSRMSTEEL: The Board of Directors has recommended stock dividend @ 20% for the year ended on December 31, 2010. Date of AGM: 31.05.2011, Time: 11:00 AM, Venue: Institution of Engineers, Bangladesh, Chittagong Centre, SS Khaled Road, Chittagong. Record Date: 12.04.2011. The Company has reported consolidated net profit after tax of Tk. 1,068.23 million and consolidated EPS of Tk. 58.81 for the year ended on December 31, 2010. The Company has also reported net profit after tax of Tk. 964.89 million, EPS of Tk. 53.12, NAV per share of Tk. 78.71 and NOCFPS of Tk. 38.26 for the year ended on December 31, 2010.

UNITEDINS: The Board of Directors has recommended cash dividend @ 10% and stock dividend @ 10% for the year ended on December 31, 2010. Date of AGM: 02.06.2011, Time: 10:30 AM, Venue: Bangabandhu International Conference Centre, Sher-E-Banglanagar, Dhaka. Record Date: 20.04.2011. The Company has also reported profit after tax of Tk. 150.03 million, EPS of Tk. 50.01, NAV per share of Tk. 241.00 and NOCFPS of Tk. (1.52) for the year ended on December 31, 2010.

ULC: The Board of Directors has recommended cash dividend @ 7.5% and stock dividend @ 75% for the year ended on December 31, 2010. Date of AGM: 09.06.2011, Time: 11:00 AM, Venue: Celebrity Hall, Bangabandhu International Conference Centre, Agargaon, Dhaka. Record Date: 28.04.2011. The Company has also reported net profit after tax of Tk. 378.28 million, EPS of Tk. 71.64, NAV per share of Tk. 307.00 and NOCFPS of Tk. 54.08 for the year ended on December 31, 2010 as against Tk. 162.13 million, Tk. 30.71, Tk. 239.10 and Tk. 154.99 respectively for the year ended on December 31, 2009.

ISLAMICFIN: The Board of Directors has recommended stock dividend @ 16% for the year ended on December 31, 2010. Date of AGM: 19.05.2011, Time: 10:30 AM, Venue: Institute of Diploma Engineers, Kakrail, Dhaka. Record Date: 12.04.2011. The Company has also reported EPS of Tk. 20.91, NAV per share of Tk. 156.59 and NOCFPS of Tk. 17.00 for the year ended on December 31, 2010.

SONARGAON: The Board of Directors has recommended stock dividend @ 10% for the year ended on December 31, 2010. Date of AGM: 14.05.2011, Time: 12:00 Noon, Venue: Barisal Club, Barisal. Record Date: 17.04.2011. The Company has also reported EPS of Tk. 14.15, NAV per share of Tk. 715.19 and NOCFPS of Tk. 107.97 for the year ended on December 31, 2010.

MPETROLEUM: As per un-audited half yearly accounts as on 31.12.10 (July '10 to Dec' 10), the company has reported profit after tax of Tk. 254.08 million with restated EPS of Tk. 5.24 (considering proposed bonus share @ 5% for the year 2009-10) as against Tk. 198.49 million and Tk. 4.09 respectively for the same period of the previous year. It is to be noted that 'Other Income' of the company was Tk. 156.02 million as on 31.12.10 which was Tk. 130.94 million as on 31.12.09. As per regulation 30 of DSE Listing Regulations: A meeting of Board of Directors of BDFINANCE will be held on April 09, 2011 at 12:30 p.m. SAFKOSPINN will be held on April 11, 2011 at 4:00 p.m. PHOENIXFIN will be held on April 07, 2011 at 3:30 p.m. BIFC will be held on April 17, 2011 at 3:30 p.m. SHAH-JABANK will be held on April 10, 2011 at 5:00 p.m. LAFSURCEM will be held on April 07, 2011 at 3:00 p.m. to consider, among others, audited financial statements of the Company for the year ended on December 31, 2010.

BRACBANK, DHAKABANK, HRTEX: The Bank has informed that it has credited the Bonus shares to the respective shareholders' BO Accounts.

ANWARGALV, GLAXOSMITH, OLYMPIC, ATLASBANG, ARAMIT, ARAMITCEM, NTLTUBES, HEIDELBCEM, ICB, DHAKAINS, PRAGATI-INS, MIDASFIN, CONFIDCEM, NHFIL, CENTRALINS, EASTERNINS, RELIANCINS: In response to a C/DSE query dated 31.03.11, the company has informed that there is no undisclosed price sensitive information of the company for recent unusual price hike.

PUBALIBANK: The Bank has informed that the 28th AGM of the Bank scheduled to be held 31.03.11 at 11:00 AM could not be held due to unruly behavior and vandalism created by some shareholders. Situation went beyond control in spite of all support and help of the law enforcing agencies. The Board in an emergency meeting held today (31.03.11) at 1:00 PM has decided to postpone the scheduled 28th AGM of the Bank. The new date, time and venue of the 28th AGM of the Bank will be notified later on.

ATLASBANG: The Company has informed that the Board of Directors of the company has decided to revalue the assets and liabilities of the company and to

invite tender from valuer firms in this regard.

RUPALIBANK: As reported by the Issue Manager of the Bank, total 100,070 shares has been sold out of 30,68,750 shares up to 06.04.2011.

AIBLISTIMF: LR Global Bangladesh Asset Management Company Ltd., the Asset Manger of the fund, has informed that as per the Trust Deed, the accounting year of "AIBL 1st Islamic Mutual Fund" is to be closed on March 31, 2011. As per Securities & Exchange Commission (Mutual Fund) Rules, 2001 chapter 9, Rule 63, if the accounting year closes within 3 months of the listing date then this period will be added with the next accounting year and will be treated as first accounting year. Since the listing date of "AIBL 1st Islamic Mutual Fund" is January 10, 2011 which is less than 3 months, so the first accounting year of the said mutual fund will be closed on March 31, 2012.

MBLISTMF: LR Global Bangladesh Asset Management Company Ltd., the Asset Manger of the fund, has informed that as per the Trust Deed, the accounting year of "MBL 1st Mutual Fund" is to be closed on March 31, 2011. As per Securities & Exchange Commission (Mutual Fund) Rules, 2001 chapter 9, Rule 63, if the accounting year closes within 3 months of the listing date then this period will be added with the next accounting year and will be treated as first accounting year. Since the listing date of "MBL 1st Mutual Fund" is February 08, 2011 which is less than 3 months, so the first accounting year of the said mutual fund will be closed on March 31, 2012.

BANKASIA: The Bank has informed that it has credited the Bonus shares for the year 2010 to the respective shareholders' BO Accounts on 05.04.11.

DUTCHBANG: The Bank has requested the concerned shareholders to collect their cash dividend warrants for the year 2010 from the share department of the Bank at Sena Kalyan Bhaban (5th Floor), 195, Motijheel C/A, Dhaka-1000 during office hours up to April 13, 2011. The cash dividend (excluding local sponsors) has already been credited to the bank accounts of shareholders having accounts in Dutch-Bangla Bank Ltd.

MARICO: The Company has informed that it has purchased and executed a register Sale Deed on April 04, 2011 for the land measuring more or less 3.99 acres of land at the cost of Tk. 9.70 crore (excluding of registration fee and other relevant cost) situated at Mahona Bhabanpur, Gazipur. It is also mentionable that, another piece of more or less 1.165 acres land adjacent to the said land from the same schedule has been purchased and registered on the same date at the cost of Tk. 2.80 crore (excluding of registration fee and other relevant cost).

IBNSINA: The company has informed that the management of the company has arrived at an agreement on 03.04.2011 with Asia Pacific Consultants Pty Ltd. (APC), Australia, an exclusive firm for TGA certification in Asia Pacific region, to obtain GMP Compliance Certification named Therapeutic Goods Administration (TGA) (accreditation) authority of Australia for new Cephalosporin Plant of IPI factory at Shaipur Gazipur.

UNIONCAP: The National Credit Ratings Limited (NCR) has rated the company as "AA+" in the long term and "ST-2" in the short term based on financial statements for the year ended 31 December 2010.

APEXSPINN: The Credit Rating Agency of Bangladesh Limited (CRAB) has announced the surveillance rating of Apex Spinning & Knitting Mills Ltd. as A1 in the long term and ST-3 in the short term based on audited financial statements up to 31 March 2010; unaudited 09 months management prepared financial statements; Bank liability position as on 31 December 2010 and other relevant quantitative & qualitative information.

APEXFOODS: The Credit Rating Agency of Bangladesh Limited (CRAB) has announced the surveillance rating of Apex Foods Ltd. as A3 in the long term and ST-3 in the short term based on audited financial statements up to 30 June 2010; unaudited 06 months management prepared financial statements; Bank liability position as on 31 December 2010 and other relevant quantitative & qualitative information.

DELTA SPINN: The Credit Rating Agency of Bangladesh Limited (CRAB) has announced the surveillance rating of Delta Spinners Ltd. as BBB3 in the long term and ST-3 in the short term based on audited financial statements up to 30 June 2010; unaudited 06 months management prepared financial statements; Bank liability position as on 31 December 2010 and other relevant quantitative & qualitative information.

SIBL: The Credit Rating Information and Services Limited (CRISL) has rated the Bank as "A+" in the long term and "ST-2" in the short term in consideration of financials of the Bank up to December, 2010 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

RAHMAFOOD: The Credit Rating Information and Services Limited (CRISL) has rated the Company as "BBB" in the long term and "ST-4" in the short term in consideration of financials of the Company up to June, 2010 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Sponsor's Buy/Sell: PLFSL Mr. Jamil Uddin Bhuiyan has intention to sell 35,000 shares. MAKSONSPIN Makcot International has intention to sell 16,000,000 shares. PHARMAID Mrs. Shahinor Baby has intention to sell 2,000 shares. PRIMEFIN Mr. Md. Aliuzzaman has intention to sell 2,50,000 shares.