Clouds clearing over MJL listing

STAR BUSINESS REPORT

Top leaders of two stock exchanges and authority of MJL Bangladesh Ltd sat in a meeting yesterday with the Securities and Exchange Commission to find a particular listing process for the lubricants company.

Shakil Rizvi, president of Dhaka Stock Exchange, Fakhor Uddin Ali Ahmed, president of Chittagong Stock Exchange, Azam J Chowdhury, managing director of MJL Bangladesh, and government representative were present at the meeting chaired by SEC Chairman M Khairul Hossain.

The SEC asked MJL to agree on a listing agreement with the bourses considering the interest of investors, said an SEC official.

"We don't want to issue directives to bourses as it will be better if they formulate a listing agreement with the company," he said.

As per the directions of the commission, the company has sent a letter to the SEC and decided to give 200 percent cash dividends for the investors. As a result, the share prices will be Tk 132 each. The company will provide Tk 10 in compensation if the share prices fall below Tk 122 within the first six months of trading.

"We will send a letter to the bourses today," said Helal Uddin Nizami, an SEC member.

Nizami, also a former teacher of Chittagong University, said: "We are waiting for the response of the bourses to the letter of MJL Bangladesh."

Fakhor Uddin Ali Ahmed of Stock Exchange said, "We discussed how to list the company as early as possible following the demand of the investors."

"We will give approval to MJL based on their listing proposal for the investors," he added.

The bourses had earlier recommended that the regulator could give permission to MJL only after the company agrees to buy back shares if the prices go below the IPO prices. Later, the bourses claimed that huge complexities would arise from share buyback.

Stocks continue losing streak

STAR BUSINESS REPORT

Stocks continued a losing streak for the fourth consecutive day yesterday as the investors failed to rid themselves of apprehensions that the government might not manage to come up with any investor-friendly incentives in the upcoming budget.

The benchmark general index of Dhaka Stock Exchange (DGEN) slumped 135 points, or 2.46 percent, to close at 5,376 points. The DSE index lost 205 points on the previous day.

The selective categories index of Chittagong Stock Exchange (CSCX) slipped 264 points, or 2.66 percent, to close at 9,670 points. The CSE index lost 323 points on Sunday.

Credit crisis and news in different media that the government will not allow untaxed money in the capital market and that taxes will be slapped on capital gain and tax identification number will be made mandatory brought down the market.

The banking sector lost 3.15 percent yesterday, reaching 27.9 of the total market capitalisation. The non-bank financial institutions lost 2.42 percent, fuel and power 2.5 percent and Grameenphone 2.27 percent.

Of the total 259 issues traded on the DSE, 210 declined, 39 advanced and 10 remained unchanged.

Turnover on the DSE stood at Tk 344 crore, down by Tk 96.62 crore from that on the previous day.

Beximco topped the turnover leaders with 7.21 lakh shares worth Tk 11.02 crore traded.

Southeast Bank First Mutual Fund was the biggest gainer of the day, posting 2 percent rise in its share prices, while the IFIC bank was the worst loser, slumping by 21.18 percent.

The DSE and CSE submitted budget proposals to the finance ministry, seeking some incentives for the market. But the finance minister told different media that the government will not give any more chances to whiten black money in the stock market.

New top officials for Shahjalal Islami Bank

STAR BUSINESS DESK

Anwer Hossain Khan

Anwer Hossain Khan has recently been elected chairman of Shahjalal Islami Bank Ltd.

The election took place at the bank's 133rd board meeting at the bank's boardroom in Dhaka on Thursday.

The meeting also elected Md Harun Miah and Khandoker Sakib Ahmed as vice chairmen.

A postgraduate in accounting from Dhaka University, Khan is the chairman and managing director of Modern Diagnostic Centre, Anwer Khan Modern Medical College, Anwer Khan Modern Hospital and Haji Sakawat Modern Eye Hospital.

Harun is the managing director of Kushiara Financial Services Ltd, Kushiara Travels Ltd and Homelink Remit Ltd.

Ahmed is a BBA from IUB and MBA from Royal Road University in Canada. He is the director of Z. Agro Vet Enterprise and Zuiria Trade International.

Thai economic growth picks up

AFP, Bangkok

Thailand's economic growth accelerated to the quickest pace in a year in the first quarter of 2011, helped by surging exports, official data showed Monday.

Gross domestic product (GDP) expanded 2.0 percent compared with the previous quarter, and by 3.0 percent from a year earlier, the government's economic planning agency said.

In October-December the economy grew by 1.3 percent quarter-on-quarter.

The agency maintained its forecast for 2011 GDP growth of 3.5-4.5 percent.

With inflation also soaring, the robust figures added to expectations that Thailand's central bank will increase the official cost of borrowing again soon in an attempt to prevent the economy overheating.

"The Bank of Thailand will raise the interest rate again on June 1 and then wait and evaluate the economic situation before making another decision," said Thanachart Bank economist Pichai Lertsupongkit.

The central bank raised its benchmark interest rate for the sixth time in less than a year in April, in an attempt to curb inflation in the face of higher commodity prices. Inflation hit 4.04 percent last month.

The central Bank of Thailand has lifted its key rate by a total of 150 basis points since July 2010, to 2.75 percent.

The Thai economy returned to growth in the fourth quarter of 2010 on the back of its solid exports and private consumption, snapping out of a brief

KYOCERA

Executive Technologies Ltd yesterday became the authorised distributor of the Japanese brand Kyocera's office automation products. The announcement came at a press meet at Westin Dhaka Hotel where Kohei Fujiyoshi, managing director of Kyocera Mita Singapore Pte Ltd, was present.

BRAC BANK

Mohammad Mamdudur Rashid, deputy managing director of BRAC Bank, and Tarique Afzal, chief executive officer of Dun & Bradstreet, ink a deal at the bank's head office in Dhaka recently for credit rating services of the bank's SME customers. Syed Mahbubur Rahman, managing director of the bank, was also present.

Executive Technologies to distribute Kyocera copiers in Bangladesh

STAR BUSINESS REPORT

Executive Technologies Ltd (ETL) has become the authorised distributor of the world-renowned Japanese brand Kyocera to sell office automation products in Bangladesh.

ETL will distribute Kyocera's multi-functional devices to the corporate segment, which includes colour and monochrome multi-functional copiers and printers, said a statement yesterday.

Kohei Fujiyoshi, managing director of Kyocera Mita Singapore, made the announcement at a news conference at The Westin Dhaka Hotel.

"We are very much excited to enter into the Bangladesh corporate market with our partner Executive Technologies Ltd," Fujiyoshi said.

"With your support and cooperation, we are certain that it will be a leading brand in the office automation sector in Bangladesh," he said.

Salman Ali Khan, deputy general manager of ETL, also spoke on the occasion.

Kyocera Mita Corporation is a fully owned subsidiary of Kyocera Group. The parent company, Kyocera Corporation, which is listed both on the New York Stock Exchange and Tokyo Stock Exchange, boosted a sales turnover of $20 billion in the last fiscal year ending on March 31, 2011.

The company has 67,000 employees worldwide.

India Mahindra Satyam posts Q4 loss on charge

REUTERS, Hyderabad

Indian software services exporter Mahindra Satyam posted on Monday a net loss for its fiscal fourth quarter, hurt by a one-time expense due to settlement of a US shareholder lawsuit, sending its shares down as much as 6 percent.

Satyam stunned investors in 2009 when its former chairman and founder Ramalinga Raju revealed that the company fraudulently inflated revenue, income and cash balances by more than $1 billion over five years.

The revelation caused the company's shares to plummet. Satyam agreed in February to pay $125 million to settle the US shareholder litigation over that decline.

"If you exclude the one-time expense, the growth at the operational level is decent. This can be improved further as the company is still concentrating on stabilizing revenue," said Rohit Anand, analyst with PINC Research.3

China manufacturing at 10-month low

AFP, Beijing

Chinese manufacturing eased to a 10-month low in May, preliminary HSBC data showed Monday, fuelling fears of a slowdown in the world's number two economy and sending Shanghai and Hong Kong shares down.

The HSBC China Purchasing Managers Index (PMI) slipped to 51.1 last month -- the lowest since July 2010 -- from a final reading of 51.8 in April, the bank said in a statement.

A reading above 50 indicates the sector is expanding while a reading below 50 indicates contraction.

Although the figures suggest production is still growing, they follow a number of measures by Beijing aimed at taming the economy and reining in soaring inflation, including several interest rate hikes.

The preliminary data is based on 85-90 percent of the total responses to HSBC's survey each month, the bank said. Final data is expected in about a week.

"Manufacturers continued to reduce inventories amidst slowing new business flows, leading to slower production growth at a 10-month low," Qu Hongbin, HSBC's chief China economist based in Hong Kong, said in the statement.

The output subindex also declined to a 10-month low in May at 50.9 from 51.8 in April, according to the statement.

The Shanghai Composite Index plunged 2.93 percent and Hong Kong's Hang Seng Index fell 2.11 percent on Monday on concerns that the data indicated increasing risks of a slowdown in the economy.

But Qu downplayed the slowdown fears, adding that the PMI level was still consistent with economic growth of about nine percent.

"There is no need to worry about a hard landing," Qu said, adding that he expected Beijing to pursue economic tightening measures in the coming months as taming inflation remained a key focus of government policymakers.

China's consumer price index, which is a key gauge of inflation, rose 5.3 percent on year in April -- a slight easing from a 32-month high of 5.4 percent in March but well above Beijing's four percent target for 2011.

The government, ever wary of surging inflation's potential to trigger social unrest, has taken a series of measures to rein in soaring prices, including raising interest rates four times since October.

The central bank has also five times this year increased the reserve requirement ratio, which effectively limits the amount of money banks can loan out, after hiking the rate six times last year.

Japan's banking giant unveils restructure

AFP, Tokyo

Japanese megabank Mizuho Financial Group on Monday unveiled a restructuring plan in an effort to restore client confidence following a computer breakdown that caused a massive stall in money transfers.

The overhaul includes the bank merging its retail and wholesale units and a management reshuffle, with the current Mizuho Bank president Satoru Nishibori leaving his post in the wake of the system problems.

The restructuring is aimed at streamlining operations and restoring confidence among clients after the computer glitch led to a massive stall in business transfers and shut down ATMs after the March 11 earthquake.

The bank also announced pay cuts for the management, with the current Mizuho Financial Group president Takashi Tsukamoto bearing the brunt with a 50 percent cut for six months from June.

"We would like to cope with this (restructuring) with a strong resolve as if relaunching a whole new company," Tsukamoto said at a press conference.

"It is true that the lifeline for a bank, which is clients, was damaged" due to the transaction trouble, he said.

Greece cuts job restrictions, prepares debt measures

AFP, Athens

Greece launched on Monday deep reforms of 136 service occupations from breadmaking to butchering to end restrictive practices as the cabinet met to finalise measures to ward off a second debt crisis.

The European Union and International Monetary Fund had made the application of such measures a condition of the release in March of the fourth slice of rescue loans, in this case 15 billion euros ($21.1 billion).

An upcoming instalment worth 12 billion euros in May is now at stake.

A broad law to remove restrictive practices was passed three months ago, and on Monday the finance ministry published a list of 136 professions and independent service activities which will no longer be protected by rafts of conditions, such as quotas and geographical limits.

The activities concerned a range from music teaching to beauty care, from money changing, breadmaking and insurance broking to interpreting,

BESTWAY

Md Mizanur Rahman, chairman of Bestway Group, attends the launch of the group's summer offer at a programme in Dhaka recently. Md Abdul Matin, chief executive officer of Bestway Land Properties Ltd, also attended the programme.

UNITREND

Kazi Anwar Ahmed, general manager of BSRM Steels, and AKM Abdullah Saif, director of The Structural Engineers Ltd, exchange documents after signing a deal at Hotel SEL Nibas in Dhaka recently.