

# Call for separate trading floor for low-profile firms

STAR BUSINESS REPORT

The listed companies' association yesterday proposed a separate trading floor for low-profile companies to help ease the current volatility in the stockmarket.

The separate trading board will also benefit the retail investors, said Salman F Rahman, president of Bangladesh Association of Publicly Listed Companies.

Presently, the indices reflect the weighted price movement of both high- and low-profile companies.

"The companies now under B

and Z categories and the firms under the over-the-counter market will be placed on the second trading floor," said Rahman, also vice-chairman of Beximco Group.

He was addressing a press briefing at Gulshan Club in Dhaka after a meeting of the association.

"We have also decided to ask the SEC to set a limit of price-earnings (PE) ratio sector-wise. When the companies will touch the highest limit of PE, they will be sent to the second trading board, as those prices will be overheated," he said.

The investors can easily find the over-valued shares, as the PE limit will help them, he explained.

He said the listed companies with big market capitalisation want to give a price support to their own shares in the light of a bearish trend in the stockmarket.

"I talked with 15 companies and we have decided to give a price support to our own company's shares to rein in the falling trend and panic sell-offs," said Rahman, also a director of the Dhaka Stock Exchange.

For example, he said, if a company's share price is Tk 150 and it

starts to decline, the firm's sponsor directors will announce a price such as Tk 100, saying that at this level they will buy shares.

"Our price limit will not help push up the prices, but will stop panic sale and also help the investors to get back confidence," he said, adding that individual companies will decide on the price limit considering the market situation.

However, he said, a problem has been arisen about declaring the price limit due to securities rules.

The association has already written a letter to the SEC

requesting it to give a notification so that the sponsor directors can announce the price limit.

The association also decided to request the SEC and the Dhaka bourse to recalculate the benchmark index of the premier bourse.

"We urged the SEC to ban the DSI index, as it is a meaningless index, and to transform the DSE-20 index into DSE-30," he said.

He said the association has decided to develop a scheme to help the investors who trade with credit.

He, however, did not elaborate on the scheme, saying the matter is a price sensitive issue.



Ali Reza Iftekhhar, managing director of Eastern Bank, hands belts to Muhammad Zakiul Islam, managing director of Biman Bangladesh Airlines, for the pilgrims travelling on Biman to Saudi Arabia to perform hajj, at a programme at Balaka in Dhaka yesterday.



David Lee, chief operating officer of Citycell, and Md Arfan Ali, senior executive vice president of Bank Asia, sign an agreement at the mobile operator's head office in Dhaka recently. The bank's credit cardholders will enjoy zero percent interest instalment plans for up to 12 months for purchasing EYETRACK, a vehicle tracking service. Citycell is authorised by Monico Ltd, the provider of EYETRACK, to sell the service.

## India's Reliance Capital mulls bank move

AFP, Mumbai

India's Reliance Capital is looking to the rapidly expanding banking sector, its chairman said on Tuesday, amid calls for more private players in the state-dominated arena.

"Banking is the new growth opportunity. We will evaluate opportunities to enter this high growth sector," Anil Ambani told shareholders at the company's annual general meeting in India's financial hub Mumbai.

Reliance Capital, a unit of the Reliance Anil Dhirubhai Ambani Group, would have to first apply to the Reserve Bank of India (RBI) for a licence and if successful, could call the venture Reliance Bank, Ambani added.

The RBI wants greater competition in the sector and to widen the availability of banking services, particularly to swathes of rural India that have little or no access to formal loans and saving facilities.

Reliance Capital is India's largest non-banking financial institution, with a net worth of \$1.61 billion and 20 million customers.

Its businesses include mutual and pension funds, insurance, corporate finance, broking and portfolio management.

Media reports have said that Reliance Capital is considering a stake sale in its asset management business to Japan's Nippon Life, which last year paid \$680 million for a 26 percent stake in Ambani's Reliance Life Insurance.

Reliance Capital shares jumped nearly six percent to a day's high of 411.4 rupees at the Bombay Stock Exchange after Ambani spoke, settling to 394.5 at the close, still up 1.32 percent.

Ambani, who is India's eighth richest man with a fortune of \$8.8 billion in 2011, according to Forbes magazine, is trying hard to revive his group's fortunes, after a sharp dip in investor confidence.

The RBI last granted new banking licences nearly a decade ago. Its push to bring in private sector banks requires companies to have a "successful financial track record of at least 10 years" to be eligible.

India has 27 state-run, 22 private and 31 foreign banks, according to central bank data.

## Be aggressive to enter Chinese market

### Chinese envoy tells businessmen

DIPLOMATIC CORRESPONDENT

Chinese Ambassador in Bangladesh Zhang Xianyi yesterday asked local businessmen to be more aggressive to promote Bangladeshi products in Chinese market.

He said though Bangladesh's export to China is not so big, the trend is positive. "It is increasing and encouraging."

China always welcomes Bangladeshi products in its market, so businessmen should be very aggressive to enter the Chinese market, the ambassador added.

Xianyi spoke at a roundtable on "Bangladesh-China Bilateral Relations" organised by Bangladesh Institute of International and Strategic Studies (BIISS) at its conference room.

He said China has given duty-free access to 4,762 Bangladeshi items. More such facilities will be provided, so that Bangladeshi products can enter China without any hindrance, he added.

The envoy said China is ready to be involved with the deep sea project in Bangladesh, and they

positively want to support the moves to boost regional connectivity. "Now we are waiting for the government's next step."

Industries Minister Dilip Barua addressed the programme as the chief guest while BISS Director General Major General Muhammad Imrul Quayes moderated it.

Topics related to the political dimension of China-Bangladesh bilateral relations, economic relations of the two countries, and China perspective for political and economic development of Bangladesh were discussed in the roundtable.

Barua said the relation between Bangladesh and China has become stronger in trade, military and civilian aids. "We must deepen the mutual understanding and trust through all kinds of exchanges, direct contacts and dialogues between the people of the two countries."

He said increased Chinese investment will have a positive impact on Bangladesh that is also trying to strengthen commerce and trade ties between the two.

Xianyi said China is very

much eager about the tri-nation connectivity among Bangladesh, Myanmar and China. He said the Asian Highway, which will connect India, Pakistan, Bangladesh, Nepal and Bhutan, will certainly be beneficial to the people of the region.

The Chinese official said there is a bright prospect for all-dimensional cooperation between China and Bangladesh.

He also assured that his country will continue to extend all-out cooperation to Bangladesh and develop a "closer comprehensive partnership of cooperation" for the benefit of the two countries' people.

The ambassador said communications between the Chinese and Bengali people have a history of over 2,400 years, which lays a solid foundation for the friendship between the two countries.

He stressed revitalising the famous Southern Silk Road, which started from Chengdu City of Sichuan Province and went along the route of Yunnan province of China, Myanmar and ended in India.



Hafizul Islam Mian, director of Islami Bank Bangladesh, inaugurates the Chandraganj branch of the bank in Laxmipur yesterday.

## Oil prices surge in line with global stock markets

AFP, London

World oil prices soared on Tuesday, mirroring the performance of world equity markets, as traders followed eurozone debt developments closely.

Brent North Sea crude for delivery in November jumped \$2.91 to \$106.85 a barrel in London late afternoon deals.

New York's main contract, West Texas Intermediate (WTI) for November, rallied \$3.65 to \$83.89.

"Oil prices have recovered quite a bit," said Commerzbank analyst Carsten Fritsch.

"The main reasons are a change of sentiment on financial markets, reflected in rising equity markets and a somewhat weaker US dollar.

"The downside risks for the economy and oil demand have not disappeared overnight, so a renewed price fall cannot be ruled out," he added.

Greek Prime Minister George Papandreou was to meet German Chancellor Angela Merkel for talks later Tuesday on containing a eurozone debt crisis which US President Barack Obama said is scaring the world.

Stock markets around the globe rallied sharply on hopes European leaders would finally get a grip on the long-running crisis threatening the euro project, even if analysts cautioned such euphoria

## 'Goldman Sachs runs the world': trader sparks outrage

AFP, London

A financial trader in London caused a storm of outrage by suggesting that world leaders cannot do anything to prevent a global market collapse, saying that investment bank Goldman Sachs ruled the world.

Alessio Rastani's comments on BBC television on Monday have gone viral, viewed by more than 360,000 people, but they fit so closely to the stereotype of a heartless banker that rumours are rife that he is actually part of a hoax.

Answering questions about world leaders' response to the eurozone debt crisis, the 34-year-old said traders "know the stock market is finished. The euro, as far as they're concerned, they don't really care".

"For most traders, we don't really care that much how they're going to fix the economy, how they're going to fix the whole situation -- our job is to make money from it," he said.

"Personally I've been dreaming of this moment for three years. I have a confession, which is I go to

## Putin seeks to calm nerves after finance minister's ousting

AFP, Moscow

Prime Minister Vladimir Putin on Tuesday moved to calm fears the Russian economy faced trouble after the ousting of finance minister Alexei Kudrin by splitting his duties between two top officials.

Putin appointed powerful First Deputy Prime Minister Igor Shuvalov and a little-known finance ministry official to replace Kudrin, widely credited for guaranteeing the stability of the Russian economy over the last decade.

Kudrin was forced out the day earlier in an extraordinary confrontation with President Dmitry Medvedev after he objected to the plan that would make Medvedev prime minister after Vladimir Putin returns to the Kremlin in 2012 elections.

Putin named low profile Deputy Finance Minister Anton Siluanov as acting finance chief, describing the new minister as a "good, strong specialist". Kudrin had occupied the post of

## More stimulus wrong answer to crisis: Merkel

AFP, Berlin

German Chancellor Angela Merkel hit back Tuesday at those, including the United States, urging Europe to introduce new economic stimulus packages to boost demand and spend its way out of the crisis.

Ahead of a hotly-anticipated meeting with Greek Prime Minister George Papandreou, she also pledged German support for his efforts to restore market confidence in his debt-wracked country.

"We need to combine economic growth with solid public finances ... we are not in favour of new stimulus programmes," the chancellor told business leaders here. "The idea that you need to boost growth by taking on ever greater debt is the wrong idea. I am deeply convinced of that."

US officials have repeatedly called on European leaders to introduce further stimulus into their slow-growing economies in a bid to tame a crisis that President Barack Obama said Monday is



Mamun Rashid, head of unsecured and cards of Bank Alfalah Ltd, and Rashed-Ul-Sattar, head of sales and marketing of Seagull Hotels Ltd, ink a deal in Dhaka recently. The bank's VISA debit cardholders will get exclusive discounts at Seagull in Cox's Bazar.



Trust Bank Managing Director Shah A Sarwar inaugurates the bank's new service quality guideline at a programme in Dhaka on Saturday.