

Falling streak continues in stocks

STAR BUSINESS REPORT

Like last few days, stocks fell and protestors took to the streets yesterday also, as uncertainty over writ petitions on minimum shareholding and credit crisis eroded investors confidence.

The benchmark general index of the premier bourse finished the day at 4,631 points, after falling 14 points or 0.31 percent.

Angry investors, under the banner of Bangladesh Share Investors' Association, threatened to go for tough agitations if the market is not stabilised soon.

The regulator should soon take initiatives to implement the mandatory shareholdings directive for the sake of small investors, said Faruk Ahmed, a retail investor.

Opening with a fall, the market cracked down below 4,540 points at 1.30pm and then bounced back

gaining more than 100 points in the next one hour.

"Anxiety and excitement were the most prominent behaviours that were observed with the investors in yesterday's sessions," said LankaBangla Securities in its market analysis.

Prevailing lack of confidence in the market, coupled with loss-aversion attitude and liquidity squeeze yielded another session with modest turnover, said IDLC Investments in its market commentary.

Still, as market participants cautiously awaits outcome of ongoing writ issues, the wait-and-see approach taken by investors actively stands the key reason for low turnover, it said.

Turnover rose 28.53 percent to Tk 235 crore, compared to the previous day. A total of 0.74 lakh trades were executed with 5.14 crore shares and mutual fund units changing hands on the Dhaka bourse.

LankaBangla Finance topped the turnover chart again with 14.54 lakh shares worth Tk 12.39 crore changing hands followed by Lafarge Surma Cement with Tk 11.37 crore in turnover.

The Fifth ICB Mutual Fund was the biggest gainer of the day, as it posted a 9.83 percent rise.

Bangladesh Industrial Finance Corporation featured among the top 10 losers, plummeting by 16.67 percent.

Of the 256 issues that traded on the DSE, 110 declined, 128 gained and 18 issues remained unchanged.

During yesterday's uneven movement, most of the major sectors lost in prices, non-bank financial institutions 0.88 percent, textile 0.83 percent, pharmaceuticals 0.40 percent and bank 0.21 percent.

Grameenphone, which represents the telecom sector, gained 0.35 percent.

Muhith promises to help agro-business

STAR BUSINESS DESK

Finance Minister AMA Muhith yesterday said the government would take adequate measures to support the agriculture-based industry in the upcoming budget.

The economy largely depends on agriculture. "So the government will prioritise the agro-based sector in the budget," Muhith said at a pre-budget discussion with a delegation of the International Business Forum of Bangladesh (IBFB).

The minister also urged business leaders to invest in agro-based business such as automatic rice

mills, multi-purpose cold stores, IBFB said in a statement.

A 20-member team of IBFB met Muhith to submit proposals for the 2012-2013 budget.

The IBFB delegates raised issues adversely affecting the growth and development of business and economy. They urged the government to take steps to reduce bank interest rates to protect the local industry.

Mahmudul Islam Chowdhury, the founder president of IBFB, led the delegation and discussed the issues affecting the business community and economy.



FSIBL

Mockbul Hossain, a former lawmaker, opens the Mohammadpur branch of First Security Islami Bank in Dhaka on Monday. AAM Zakaria, managing director of the bank, was also present.

Tata Motors reports double Q4 profit

AFP, Mumbai

India's top vehicle maker Tata Motors reported Tuesday a doubling in quarterly profit from a year ago, boosted by strong demand for British brands Jaguar and Land Rover which offset weak domestic sales.

Tata Motor, part of the tea-to-steel Tata group conglomerate, said net profit for the three months to March was 62.34 billion rupees (\$1.13 billion), up from 26.38 billion rupees in the same period the previous year.

Revenues soared 44.3 percent to 509 billion rupees, the firm said in a statement.

Net revenue for the Jaguar and Land Rover brands climbed 51 percent to 4.14 billion pounds (\$6.5 billion) and net profit jumped to 696 million pounds (\$1.1 billion).

Jaguar and Land Rover sold 98,021 units in the last quarter, a jump of 48 percent from levels a year earlier.

Tata Motors, which is also the maker of the world's cheapest car, the Nano, bought Jaguar and Land Rover from Ford Motor Co in 2008 for \$2.3 billion as part of plans to expand its reach beyond Asia.

The deal vaulted Tata Motors from a commercial vehicle and small-car maker into a global player with luxury brands in its range of offerings.

Domestic sales of cars and sport-utility vehicles at Tata Motors grew 18 percent in the past quarter to

Regulator okays IPO prospectus of Argon Denims

FROM PAGE B1

A zero coupon bond is a debt instrument that has no periodic interest. At maturity, the face value of the bond is repaid or redeemed. The 10 percent convertible zero coupon bond of Banglalion means that 10 percent or Tk 13 crore will be converted into ordinary shares after the maturity period.

The maturity period of the bond will be three to seven years with 15 percent yield to maturity.

The trustee and issue manager of the bond is Industrial and Infrastructure Development Finance Company Ltd.

The market regulator also decided to instruct the institutions concerned to implement the recommendations made by a government committee on compensating the retail investors who lost money to last year's downswings.

Earlier, the committee singled out 9.33 lakh small investors who will get 20 percent IPO quota under the stock compensation package.

According to the package, the affected small investors will also get a 50 percent waiver of interest on loans. The interest to be waived must be accrued within the 2011 calendar year or fiscal 2011-12.

The government also gave the small investors scope to pay the remaining 50 percent of the interest through quarterly instalments in three years.

At yesterday's meeting the stockmarket watchdog also fined issue manager, auditor and valuer of Apollo Ispat Complex Ltd for providing incorrect information in the IPO prospectus.

The SEC imposed Tk 1 lakh fine each on ICB Capital Management Ltd, the issue manager, and Ms Zoha Zaman Kabir Rashid and Co Ltd, the auditor, and Tk 2 lakh fine on Ms Mosih Muhit and Co, the valuer.

The SEC also approved amendments to corporate governance guideline, which is now compulsory for listed firms to comply with.

Previously, the guideline was not mandatory, and it would allow a listed company to get away with non-compliance only by explaining its failure to go by it.

At least a fourth of directors must be independent directors on a company's board of directors, according to the new guideline.



NCC BANK

Md Nurul Newaz Salim, chairman of NCC Bank, opens the relocated OR Nizam Road branch of the bank in Chittagong recently. Mohammed Nurul Amin, managing director, was also present.



DBBL

Md Nurul Islam, chairman of Noman Group of Industries, and KS Tabrez, managing director of Dutch-Bangla Bank Ltd (DBBL), sign a deal in Dhaka on Monday. All the 45,000 employees and workers of 28 industries of Noman Group will be able to get monthly salaries through their DBBL mobile banking accounts.

Poultry price shoots up in Ctg

PRABIR BARUA CHOWDHURY, Ctg

The price of chicken has been rising in the kitchen markets in Chittagong since last week of April due to demand-supply imbalance.

Poultry that sold at Tk 135 a kg in April now sells at Tk 180-190. According to retailers, the peak season for functions fuelled demand, but the supply fell instead of rising.

Md Jamal Uddin, a salesman at Khwaja Store of Reazuddin Bazar, alleges poultry farm owners created an artificial crisis in the market to exploit the higher demand.

Shantanu Roy, resident of Kotwali area, said it is becoming difficult for middle-income people to afford chicken at the current market price. He asked the local administration and the government to look into the situation.

Amir Ali, a seller of Kazir Dewri kitchen market, said poultry owners had assured all of an increase in supply from mid-May but that has yet to take place.

Customers always blame the retailers for price hikes, but the truth is that retailers or wholesalers can hardly do anything to influence the price, he added.

Didarul Alam, managing director of Paharika Farms Ltd and general secretary of Chittagong Poultry Breeders Association, said many poultry farms did not have any production in the last two to three months due to bird flu.

That's why, only 40 percent of the demand could be met of late, he said. Alam hopes normal service would resume in five months' time.

Farhad Hossain, assistant director of District Artificial Insemination Centre of Chittagong, denied any incidence of bird flu in recent times.

He blamed the poultry and hatchery owners for the current shortage of chicken.

NBR earnings soar

FROM PAGE B1

In the first 10 months this year, growth in income tax was 27.76 percent and VAT at the local level increased by 20.34 percent. However, revenue earnings rose by only 12.43 percent at the import level.

The official said both the government and the Bangladesh Bank took various steps to discourage import of unnecessary goods to ease pressure on the foreign currency reserve.

As a result, growth in revenue earnings at the import level is somewhat lower, he added.

The NBR has already formed two taskforces to speed up revenue collection. The taskforces have detected tax evasions

by a good number of big companies. Revenues worth around Tk 2,000 crore may be realised from them, he said.

He also said an alternative dispute resolution has recently been introduced to fast-track settlement of tax-related cases out of court, which will spin off a handsome amount of revenue at the end of the year.

Another official said the NBR not only collected an increased amount of revenue from the private sector but also took steps to raise revenue earnings from the public sector.

The tax administrator realised a big amount of revenue from the state-owned mobile phone company and Bangladesh Petroleum Corporation.

Japan and China to start direct currency trading

AFP, Tokyo

Japan and China said Tuesday they will start direct currency trading this week, marking the first time Beijing has let a major unit other than the dollar swap with the yuan.

The move, which will scrap the greenback as an intermediary unit, comes as China introduces measures as part of a long-term goal to internationalise its currency, and rival the dollar as the world's benchmark.

The yuan-yen trade -- part of a wider deal reached last year between Beijing and Tokyo to forge closer ties -- will also be allowed to move in a wider range than the narrow band at which the dollar and yuan change hands, Dow Jones Newswires and the Nikkei business daily reported.

China will set a daily rate based on dealer

quotes with trade allowed to move within a 3.0 percent band above or below that rate, the reports said, compared with a 1.0 percent band fixed to the yuan-dollar.

The Chinese central bank earlier Tuesday introduced a rate of 7.9480 yuan for every 100 yen, Dow Jones Newswires said.

The yen trades freely against other major currencies on global foreign-exchange markets, including the greenback, with the dollar buying 79.46 on Tuesday.

The new system, which starts on Friday, makes way for "full-fledged direct exchange trading," Japan's Finance Minister Jun Azumi said Tuesday.

By not using the dollar as an intermediate currency "we can lower transaction costs and reduce settlement risks at financial institutions as well as making both nations' currencies more useful", he added.



SABINCO

Abdulaziz M Al-Turki, chairman of SABINCO, presides over the 28th annual general meeting of the company recently. The company declared Tk 30 crore as cash dividends for 2011. Arijit Chowdhury, joint secretary of the Bank and Financial Institutions Division of the finance ministry, was also present.



RFL

Mahatabuddin Ahmed, chairman of PRAN RFL Group, opens an RFL Best Buy outlet in Savar recently. Nabanur Islam Khan, chief operating officer, was also present.



SQUARE TEXTILES

Samuel S Chowdhury, chairman of Square Textiles Ltd; Ratna Patra, vice chairman; Tapan Chowdhury, managing director, and Anjan Chowdhury, director, attend the 17th annual general meeting of the company at its factory premises at Sardaganj in Gazipur yesterday. The company approved 16 percent cash and 20 percent stock dividends for 2011.