

Stocks pass second week in the black

STAR BUSINESS REPORT

Stocks continued the gaining streak for the second week depending on the presence of institutional investors and soothing money market.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the week at 4,286.97 points, after surging 2.84 percent or 118.43 points.

"The market vibrated mainly by the active participation of institutional investors as the money market has eased up in recent times, which is evidential in the single-digit call money rate," said IDLC Investments in its weekly market analysis.

Several steps taken by the government to avail the World Bank's fund for the Padma Bridge project along with continuous declaration of various financial institutions to increase their investment in the capital market also encouraged

investors to make fresh investments, the stockbroker said.

Besides, expectations of good half-yearly earnings by the fundamentally sound stocks further improved the market sentiment, it said.

"The proposed monetary policy boosted the investors' sentiment considerably," said LankaBangla Securities in its market research.

Fresh investments from institutional investors in the market were apparent during the whole week, as the turnovers increased sharply despite the declining trading hour due to Ramadan, it said.

Grameenphone and Linde Bangladesh declared 90 percent and 200 percent interim cash dividends respectively, while Square Pharma declared 25 percent cash and 40 percent stock dividends last week, according to the data of the Dhaka bourse.

Daily average turnover rose 34.88 percent to Tk 234 crore, compared

to the previous week. Out of 282 issues traded, 216 advanced, 57 declined and nine remained unchanged in the week.

A total of 3.61 lakh trades were executed last week with 5.07 crore shares and mutual fund units changed hands on the premier bourse.

Textile sector gained 5.93 percent, followed by non-life insurance 5.60 percent, engineering 5.32 percent, power 4.93 percent, telecom 3.63 percent and pharma 3.27 percent.

Grameenphone was the most traded stock of the week, owing to its transactions of 38.43 lakh shares worth Tk 78.64 crore, followed by Bangladesh Submarine Cable Company and GPH Ispat.

Aamra Technologies featured in the top gainers chat with a 24.87 percent rise, while Beximco, slumping by 12.76 percent, was the worst loser.

RN Spinning to disburse rights shares this week

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The Securities and Exchange Commission (SEC) has instructed RN Spinning Mills Ltd to disburse rights shares among general shareholders by this week.

The textile company undertook a rights issue this year which closed on March 13, but it did not credit the beneficiary owners' accounts, as per SEC rules, within the 21 work-days of expiry of the subscription period.

A big portion of the rights issue remained unsubscribed, the majority of which were from sponsors and directors of RN Spinning and underwriters of the issue, who assured of subscription

but did not follow through.

The regulator has now suspended the disbursement of those shares.

The SEC approved RN Spinning Mills's rights offer to issue 13.91 crore ordinary shares of Tk 20 each totalling Tk 278.28 crore, in January.

The company offered one rights share for each existing share and took Tk 10 as a premium for each share in addition of Tk 10 face value.

The company eventually managed to sell rights shares worth Tk 180 crore.

The SEC last month launched a probe into the delay in crediting the rights shares by the company; its findings are yet to be released.



MEGHNA GROUP

Asif Iqbal, executive director for marketing at Meghna Group of Industries, poses with the third CMO Asia - Brand Leadership Award for excellence in branding and marketing, at a ceremony at Park Royal in Singapore recently.

Hard time for mutual funds

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It is obvious that the NAV of mutual funds will drop if share prices fall, asset managers said.

"The present trend is not good. Many asset managers would not declare dividends for the mutual funds they are operating now," said Yawer Sayeed, managing director of AIMS of Bangladesh, a pioneer in private sector mutual fund operations.

The future of mutual funds depends on how much dividends the asset managers will declare next month, he said.

"If a major portion of the funds cannot declare dividends, the retail investors would backtrack on investing in the sector, leaving a big negative impact on the sector," he said.

Another asset manager said the role of the regulator is a major reason behind the current setback in the mutual fund sector. "When the market was bullish, the regulator allowed excess mutual funds to operate in the market," he said.

The Securities and Exchange Commission also permitted the purchase of other mutual funds, the asset manager added. "It was a wrong regulatory decision." If one mutual fund invests in another, it would not create a supply of funds or liquidity in the equity market, he said.

Presently, the 41 mutual funds account for 1.85

Duty-free access for RMG hinges on good ties with US: Mozena

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The US ambassador advised Bangladesh to sign the Trade and Investment Cooperation Framework Agreement (TICFA) with the US to establish a good climate in bilateral relationship.

"The TICFA is needed to discuss and remove all obstacles. We should have this forum," Mozena said.

Bangladesh has the opportunity to be the largest garment exporter worldwide as the country has a vibrant private sector business community.

Bangladesh can also be a good investment destination as the country has a good reserve of natural gas and human resources. "The people are great asset of the country. You have to invest in the people," he said.

But, political instability and uncertainty, red-tapism, corruption, weak port management and the bad condition of roads and highways -- especially the Dhaka-Chittagong highway -- are the major obstacles to bringing more foreign direct investment in Bangladesh, Mozena said.

Bangladesh has the scope to be a communication hub like Singapore for its geographical location. Bangladesh is at the centre of Afghanistan, India, China and Nepal. "It's a blessing," he said.

On the Padma bridge project, Mozena expressed his disappointment as both the Bangladesh government and the World Bank (WB) are yet to resolve the issue.

"...that was deeply disappointing, because the Padma bridge is important to 15 million people of the south-west region of the country. This is bridge is also important for establishing communication with other South Asian countries," he said.

Aftab ul Islam, president of American Chamber of Commerce in Bangladesh (AmCham), said the private sector is paying the penalty for any fault of the government.

"We should be more responsible while making comments," he said. "We should learn more diplomatic words. Our advisers should also understand the political and diplomatic words. The advice should be given in a right direction," Islam said.

While moderating the meeting, Dhaka Chamber President Asif Ibrahim said the TICFA issues should be discussed with the private sector.

Khondaker Golam Moazzem, senior research fellow of the Centre for Policy Dialogue, said, "Compliance has improved in Bangladesh and it is improving further. The US should not tag the labour related issues with market access."

According to data from the DCCI, Bangladesh exported goods worth \$3.75 billion to the US in July-March of the immediate past fiscal year, while imports were worth \$0.57 billion.

In fiscal 2010-11, Bangladesh exported goods worth \$5.10 billion to the US and imported prod-



ICSB

Third from left, Mohammad Sanaullah, president of the Institute of Chartered Secretaries of Bangladesh, attends the institute's second annual general meeting at Hotel Purbani International in Dhaka yesterday.



CITI

Rashed Maqsood, Citi country officer for Bangladesh, presents one of the 200 insecticide-treated mosquito nets to Zahida Fizza Kabir, executive director of SAJIDA Foundation, at Citi's corporate office in Dhaka recently. The nets will be distributed among residents in Jamalpur as part of the bank's campaign to mark 200 years.

India's Reliance may invest \$2b in aerospace, telecom

AFP, New Delhi

India's Reliance Industries, led by tycoon Mukesh Ambani, could spend \$2 billion to boost its aerospace and telecom businesses, reports said on Saturday.

Quoting unnamed executives, the Economic Times said Reliance had lined up close to \$1 billion to spend on its new aerospace operations over the next few years and would likely hire around 1,500 people for the division.

The Mumbai-based company aims to collaborate with global players to bring sophisticated aerospace technologies to the country and make India a global hub in aerospace manufacturing, the newspaper said.

Reliance applied earlier this month for a government licence to design and manufacture equipment for military and civilian aircraft as well as unmanned airborne vehicles, according to the business daily.

The move by Reliance comes after the company created two new entities -- Reliance Aerospace Technologies and Reliance Security Solutions.

Reliance was also reportedly likely to purchase more than \$1 billion worth of fourth-generation (4G) telecom network gear from South Korea's Samsung Electronics.

Reliance's telecom division, Infotel Broadband, is the only company to have won 4G permits to service all of India's telecoms zones in a government-run auction two years ago.

The technology would pave the way for launch of the first wave of Infotel's 4G services in Mumbai and Delhi, the Economic Times said.

The newspaper said Reliance's talks with Samsung had reached an "advanced stage" for supply of network gear and that the two companies had also discussed potential inclusion of 4G handsets in the contract.

Drought hits aus farming

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The DAE official said the data under aus coverage is yet to be finalised but time for transplanting aus varieties has gone by.

"But we are hopeful of exceeding the target for transplanted aman rice. The current monsoon is also likely to support better yields of aus," he said.

DAE aims to bring 52.19 lakh hectares under transplanted aman. So far, 18 percent of the target has been achieved, according to the DAE official.

Over the past several years, rice production has increased, enabling the country to cut dependence on imports.

Annual rice output rose to 3.73 crore tonnes in fiscal 2011-12 from 3.35 crore tonnes a year ago,

Apple, Samsung take patent fight to trial

REUTERS, San Francisco

Apple Inc and Samsung Electronics Co Ltd take their battle for mobile supremacy to court on Monday in one of the biggest-ever technology patent trials, a case with the potential to reshape a fast-evolving market they now dominate.

The tech titans will lock horns in a federal courtroom in San Jose, California, just miles from Apple's headquarters. The stakes are high, with Samsung facing potential US sales bans of its Galaxy smartphones and tablet computers, and Apple in a pivotal test of its worldwide patent litigation strategy. Both sides are seeking financial damages from the other.

Samsung has rapidly overtaken Apple, creator of the iPhone and iPad, and Nokia to become the world's largest smartphone maker. Together, Apple and Samsung account for more than half of smartphone sales globally.

Apple sued Samsung last year in San Jose, claiming its smartphones and tablets slavishly copied the iPhone and iPad. The South Korean company countersued. Since then, the two have expanded their fight to courtrooms in nearly a dozen other countries.

At this trial, Apple is seeking at least \$2.53 billion in damages, though US District Judge Lucy Koh could triple that figure if she finds Samsung willfully infringed Apple's patents.

The dispute has reached deep into the tech sector, with companies including Microsoft Corp, IBM Corp, Nokia and Research in Motion Ltd filing court papers this week to try to keep their own patent licensing agreements from being disclosed during the trial.

A loss for Samsung could lead to permanent sales bans against products including the flagship Galaxy S III phone, said Nick Rodelli, a lawyer.

Green Delta to sell 10pc stake to IFC

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"We'll formally seek permission from the SEC and IDRA in a couple of days," he said.

Green Delta, which started its business with a paid-up capital of Tk 3 crore in 1985, has become the country's leading private non-life insurance company. The company is listed on both Dhaka and Chittagong stock exchanges.

In 1997, the insurer participated in equity investment to establish Delta Brac

Housing and in 2005, it sponsored a joint venture consortium firm, Green Delta Aims Ltd.

In 2011, the company floated its very first subsidiary Green Delta Financial Services Ltd, a stock brokerage firm.

Presently, the insurer operates its business through 36 branches and has employed more than 600 people.

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EXPRESS MONEY

Express Money organised a puppet show as part of a roadshow to create awareness about safe means of transferring money, at Sylhet Sadar Shaheed Minar on Thursday.



ASTALIFT

Faruk Ahmed, general manager for Astalift Bangladesh, attends the launch of four of its skincare products at a press meet in the capital recently. The company also came up with an Eid promotional offer where customers will receive gifts on every purchase of its products.



ZEIL'S SHOP

Zahir Uddin Tarik, chairman of Zeil's Shop, and Jashim Md Al-Amin, managing director, inaugurate an outlet of the shoe shop at Farmgate in Dhaka recently.