

Stocks buoyant on investor confidence

STAR BUSINESS REPORT

Share prices on the Dhaka Stock Exchange gained for the second day as investors gained confidence to inject fresh funds into the market.

DSEX, the benchmark general index of the DSE, gained 22.71 points or 0.53 percent, to close the day at 4,271.15 points.

An upbeat tone hit the market from the beginning, recording 47 points surge within first one and half hour, and finally closed in the black at the ending session.

"Overall turnover continued to witness robust growth, indicating investors are continuing to buy stocks, riding on confidence," stated LankaBangla Securities.

Turnover advanced 4.67 percent to 438 crore, compared to the previous day.

"Buoyancy continues in the bourse as both index and turnover

kept up climbing in the second session of the week," IDLC Investmentssaid.

"Apparently, improvement in turnover over last few sessions has acted as a strong catalyst in improving overall investor confidence, and has drawn previously side-benched investors back to market," it said.

"In addition, earnings expectations inspired investors for taking positions between sectors and scrips, thus keeping the wheel of turnover under roll."

A total of 1.18 lakh trades were executed with 11.30 crore shares and mutual fund units changing hands on the Dhaka bourse.

General insurance accelerated 2.66 percent, followed by textile 1.46 percent and banks 1.12 percent.

The power sector saw a cool-down over profit booking by prudent investors as it lost 1.26 percent.

Of the 276 issues that traded on the Dhaka bourse, 183 advanced, 76 declined and 17 remained unchanged.

Green Delta Insurance Company and Summit Alliance Port touched the circuit breaker, the highest price-gaining limit in a single day, thanks to investors' expectations of good corporate results.

Green Delta Insurance yesterday traded at Tk 84.9 and Summit Alliance Port Tk 35.6. Green Delta Insurance was the biggest gainer of the day, as it rose 9.97 percent, while Libra Infusions was the worst loser, plunging by 3.79 percent.

United Airways featured in the most traded stocks chart with 95.69 lakh shares worth Tk 22.75 crore changing hands.

Summit Purbanchol Power Company and Unique Hotel and Resorts Company were the next popular stocks of the day.

India's new bourse starts trading

AFP, Mumbai

India's third stock exchange began trading on Monday, competing for market share in a country where the number of small investors in shares is still low.

The MCX-SX started trading in equities and derivatives, with blue chip stocks such as oil explorer Reliance Industries and State Bank of India being among the first shares traded.

The Mumbai-based exchange has several local banks as shareholders and its flagship index will be the SX40 made up of 40 large-cap stocks representing a cross-sector of the economy.

India's investment community is hopeful that the MCX-SX can help reduce trading costs by spurring competition among India's three bourses to reduce the cost of brokerage membership fees.

They also hope that the exchange will create new investment products.

The launch of the MCX-SX will provide "us an opportunity to contribute in development of India's capital market", Jignesh Shah, vice-chairman of the new exchange, said in a statement.

Indians -- largely seen to be risk-averse -- have traditionally preferred to invest in gold and property rather than in equities and derivatives.

Only five out of 100 people invest in the stock markets directly or through mutual fund schemes, regulatory data shows.

The National Stock Exchange based in Mumbai (formerly Bombay) was set up by local financial institutions in 1994 with government backing and quickly became a rival to the Bombay Stock Exchange.

Microsoft high official in town

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Jamie Harper, general manager of Microsoft Southeast Asia, is scheduled to visit Bangladesh today, the company said in a statement yesterday.

During the visit, Harper will meet with key stakeholders in the government and the education sector.

Harper oversees Microsoft's business in various Southeast Asian countries, including Bangladesh, Nepal, Vietnam, Sri Lanka, Cambodia, Maldives and Brunei.

"I am incredibly excited to get a chance to meet our partners and customers, as Bangladesh continues to be an emerging market for us," said Harper.

During the visit, Microsoft will sign several deals with partners, enterprises and universities, including a renewal agreement with Robi Axiata Ltd.

Microsoft will also use the visit to strengthen its ties with one of its gold certified partner's, Admiral IT, according to the statement.



Weekly magazine Polymer Scans starts journey tomorrow

STAR BUSINESS DESK

Platts, a global energy, petrochemicals and metals information provider and a division of The McGraw-Hill Companies, has entered into a partnership with India's petrochemical information provider PolymerUpdate, to publish Asia-specific petrochemical market content.

The services will be available only to users in South Asian countries -- Bangladesh, Sri Lanka, India and Pakistan -- on subscription, said a statement.

Starting tomorrow, PolymerUpdate and Platts will jointly publish weekly 'Polymer Scans' which will cover the domestic and international market activities of polyethylene, polypropylene and polyvinyl chloride.

These reports will carry PolymerUpdate's leading India market polymer prices with a domestic market overview, alongside imported raw material cost prices and selected city-wise open market prices.

Platts will provide its benchmark international market polymer prices with bespoke analysis, and its market-driving upstream international oil prices and shipping costs. Both information providers will combine their breaking news, plant operation updates, traded deals, market commentary, and maps.

The weekly reports will be furnished with insightful analysis of industry, macro-economy and currency trends from CRISIL, India's largest independent and integrated research house, and another division of The McGraw-Hill Companies.

The reports are designed with information in convenient chains of feed-stocks and derivative products, and specifically customised for the South Asian supply chain of processors, traders, import/export companies, brokers and over 20,000 converters.

"India's polymer industry is growing fast annually at 10-12 percent. Companies active in this fast-paced industry need both domestic and international prices, market-moving news and insightful supply and demand analysis in order to support their essential business decisions," said Leon Yeo, GM of Platts' petrochemicals division and VP of its Asia operations.

"We strongly believe that the PolymerUpdate-Polymer Scans will empower our readers to make more intelligent business-critical decisions," said Sajjid

13 NRBs to get CIP status

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The government has selected 13 non-resident Bangladeshis to give them CIP (commercially important person) status for 2010 for their contribution to the country's economy.

It is the second time the government is going to award CIP status to NRBs.

Ten persons will get the status in the first category in which people sent in remittances of more than \$1.5 lakh a year, said an official of the expatriates' welfare and overseas employment ministry.

The second category involves three NRBs who imported goods worth a minimum of \$5 lakh into their countries of residence. The selected CIPs will enjoy the honour and privileges for one year.

The NRB CIPs will get special treatment at the secretariat, different government committees, in hospitals

Default loans double

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He said the new rules will play an important role in restoring credit discipline in the banking sector.

In case of "sub-standard loans", there will not be any problem for the clients to get loans but the banks will have to keep provisioning against their classified loans of the sub-standard category, the official said.

As a result, the banks will be much more cautious in giving loans to clients having bad records.

The commodity market, ship-breaking industry and textile sector went through volatility last year, said Nurul Amin, president of the Association of Banks Bangladesh, a platform of banks' chief executives.

A huge amount of loans was stuck in these sectors, said Amin, also the managing director of NCC Bank.

He said the central bank's new loan classification policy and tight supervision also led to a rise in default loans.

Pubali Bank Managing Director Helal Ahmed Chowdhury said default loans increased in ship-breaking, real estate and commodity sectors.

He said the prices of lands and flats marked a fall, as a result of which loans in these sectors could not be realised properly.

Chowdhury said they have put the loans in the sub-standard category. However, he is hopeful that these loans will be recovered by this year.



Second from left, Mahbubur Rahman, president of International Chambers of Commerce Bangladesh, attends a workshop on international trade fraud prevention, control and remedies, in Dhaka yesterday.

Call for correct mechanism against financial fraud

STAR BUSINESS DESK

The central bank and commercial banks can develop appropriate mechanism to detect and prevent future fraud, said ICCB President Mahbubur Rahman yesterday.

Bangladesh has been growing fast in the international trade and is now considered to be an emerging trading nation with a trade volume of \$60 billion or so, said the leader of International Chambers of Commerce and Industry (ICCB).

He spoke at a workshop on international trade fraud prevention, control and remedies.

"As international trade is growing, all parties involved in the trade are getting more exposed to the risk of fraud."

"The recent scam in some of our state-owned banks have shaken the private commercial banks and have created a threat for the genuine companies to have financing from the banks for their operation," he said.

The recent scam is nothing but a straight cheating by some so-called companies in connivance with a group bank officials and influential group, Rahman said.

"Besides, commercial banks are also taking extra precautionary measures in opening LCs, may be due to which we observe lesser import in the recent past."

Rahman said another workshop on the same topic will be held in Chittagong today and an interactive session tomorrow.

Mamun Rashid, chairman of the ICCB standing committee on banking technique and practices; P Mukundan, director and chief of ICC-Commercial Crime Services; Ataur Rahman, ICCB secretary general, were also present.

Tech giants summoned by Australia pricing inquiry

AFP, Sydney

Global technology giants Microsoft, Apple and Adobe were Monday ordered to appear before a pricing inquiry examining the often-higher cost of tech goods in Australia compared with other economies.

The lower house committee holding the probe, which was launched last May, said it had summoned the trio to appear at a public hearing next month to explain why Australian customers paid more for the same products.

"The committee is looking at the impacts of prices charged to Australian consumers for IT products," it said in a statement.

"Australian consumers often pay much higher prices for hardware and software than people in other countries."

The inquiry was set up to examine

claims by consumer advocacy groups of price discrimination for Australians on technology, with music, games, software, and gaming and computer hardware costing substantially more than elsewhere.

According to consumer lobby group Choice, Australians pay on average 73 percent more on iTunes downloads than the United States, 69 percent more on computer products and a staggering 232 percent more on PC game downloads.

Office software was on average 34 percent more expensive in Australia when compared with the United States, Choice said in its submission to the inquiry, with hardware coming in at 41 percent more expensive.

One software package was Aus\$8,665 (US\$8,939) more expensive to buy in Australia than the United States -- a gap that Choice described as "particularly unreasonable".

"For this amount, it would be cheaper to employ someone for 46 hours at the price of \$21.30 per hour and fly them to the US and back at your expense -- twice," Choice said.

Choice only did comparisons to the United States and Britain; the inquiry is examining discrepancies with these countries as well as with Asia-Pacific economies.

Apple and Microsoft have both made their own submissions to the committee, arguing that prices differed across jurisdictions due to a range of factors including freight, local taxes and duties and foreign exchange rates.

The Australian Information Industry Association, which represents Adobe and other major ICT firms, has submitted to the committee that the "costs of doing business in Australia are higher than in many other countries".

New markets drive exports

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Of the major products, Bangladesh exported knitwear worth \$5.92 and woven wares worth \$6.11 billion in the July-January period, a 6.39 percent and 13.57 percent rise respectively year-on-year.

AKM Salim Osman, president of Bangladesh Knitwear Manufacturers and Exporters Association, said the knitwear sector has been performing

"extraordinarily well" recently thanks to higher exports to Japan and Russia.

"The new destinations buoyed the export performance. I hope this will be maintained into the near future," he said.

Nasir Uddin Chowdhury, first vice-president of Bangladesh Garment Manufacturers and Exporters Association, said although exports are on the rise the Generalised System of Preferences (GSP) facility

from the US remains imperative.

"We must retain the GSP facility at any cost, even though it covers very little of the exports to the US. It is a question of our country's image," Chowdhury said, adding that the garment manufacturers are working sincerely to streamline the safety matters at factories.

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Dell claims buyout in shareholders' 'best interests'

AFP, New York

Dell said Monday its proposed \$24.4 billion private equity buyout plan is "in the best interests of stockholders," brushing aside criticism from a key investor that it undervalues the tech giant.

In a statement filed with securities regulators, Dell released a brief comment which it said was in response to inquiries on the matter. It said a special committee of its board considered "an array of strategic alternatives" and had "retained a prominent management consultant to help it assess the company's strategic position."

"Based on that work, the board concluded that the proposed all-cash transaction is in the best interests of stockholders," the statement said.

"The transaction offers an attractive and immediate premium for stockholders and shifts the risks facing the business to the buyer group. In addition, and importantly, the go-shop process provides stockholders an opportunity to determine if there are alternatives that are superior to the present offer."

The statement came after an investment firm claiming to be the largest outside shareholder in Dell said the proposal to take the firm private "grossly undervalues" the computer maker.

Southeastern Asset Management, which claims to hold 8.5 percent of Dell shares on behalf of clients, said it would fight the proposal and noted its objections to the deal in a letter to the board of directors, also filed with US securities regulators.



GM Quader, commerce minister, cuts a cake to inaugurate an online supershop -- Babyloneshop.com -- at a ceremony at Uttara in Dhaka on Sunday. Nahid Tanvir Mustafa, chief executive officer of Babyloneshop, was also present.