

Stocks shine through dark clouds

STAR BUSINESS REPORT

Stocks gained for the second day with improved turnover, riding on investors' buying spree amid low prices of shares.

DSEX, the benchmark general index of Dhaka Stock Exchange, went up by 79.33 points or 2.25 percent, to close at 3,594.42 points.

Turnover on the premier bourse improved to Tk 1.87 billion, up by 26.9 percent compared to yesterday's value. It is the highest turnover in the last 16 sessions since March 13.

"A regulatory decision on relaxing the margin loan accounts that were inactive following the market debacle may have encouraged investors to take a fresh position," analysts said.

Bangladesh Securities and Exchange Commission yesterday allowed merchant banks and stock-brokers to make buy-sell decisions without referring to the client for every transaction, in a bid to recover the losses on those accounts up to September 30 this year.

"Despite an unchanged political

scenario, daily turnover grew significantly as investors accumulated lucrative stocks over positive expectations. Regulatory expectations also played some role in whipping up activity," IDLC Investments said in its regular market analysis.

"After much shed offs over political volatility, a positive ending last session has instilled hope among investors," the investment banker said.

"The market seems to have regained strength after a short period of consolidation. Investor participation was high that reflected in the turnover increase," said LankaBangla Securities.

"Investors may now feel that prices are already reflecting the current political uncertainty."

Of the 274 issues that traded on the DSE, 235 advanced, 31 declined and eight remained unchanged.

All the sectors performed well and a majority gained above 4 percent.

The textiles sector was the top gainer marking a 6.03 percent gain with around 51 percent market turnover.

Saiham Cotton Mills alone gained

9.32 percent on the day, while other entities gained 5 to 8 percent.

Scripts from the travel and leisure sector gained above 4 percent giving a boost to the sector.

Aamra Technologies gained 9.92 percent, putting the sector in positive light.

Fuel and power also dazzled with positive performance marking a 2.76 percent gain. Heavyweight Titas Gas gained 3.24 percent. Grameenphone remains on the sidewalk, gaining trivially.

Orion Pharma was the most traded stocks on the day with shares worth Tk 116.44 million changing hands. United Airways, Premier Cement, Unique Hotel and Resorts and RN Spinning were also popular stocks.

The Chittagong Stock Exchange also closed positive with the Selective Categories Index gaining 116.07 points to close at 7,103.57 points.

Gainers beat losers 166 to 14 with seven issues unchanged on the port city bourse that traded 9.84 million shares and mutual fund units worth Tk 249.98 million.

Global acclaim for Citi

STAR BUSINESS DESK

Citi picked up the three awards of Best Bank, Best Investment Bank and Best M&A House for 2012 at the annual Triple-A 2012 regional banking awards for performance from the Asset Magazine, the bank said in a statement yesterday.

In the editorial on the bank's performance in 2012, the Asset noted on Citi's relevance in Asia with more than 30 percent of the bank's global net income from the region. The editorial also highlighted the bank's breadth and depth across 18 markets in the region.

For M&A and investment banking, the editors added that it was a stand-out year for the bank's M&A practice and a breakthrough year in capital markets with key issuers via persistent and methodical client coverage.

"These awards are well deserved for the team in Asia who have delivered outstanding solutions to our clients in all market conditions," said Stephen Bird, chief executive officer for Citi in Asia Pacific.

"It is also pleasing to win the major awards in such a competitive environment and I would like to thank the Asset for this important external recognition."

"This is testament to Citi's commitment in providing the best solutions to our clients in the Asia Pacific region," said Rashed Maqsood, managing director and Citi country officer for Bangladesh.

"This win has been possible by focusing on our clients' requirements and leveraging Citi's strong network."



KASPERSKY

Abdul Mannan, chairman of Banglalion Communications Ltd; Prabeer Sarkar, chief executive of Officextracts, distributor of Kaspersky Lab in Bangladesh; and Md Shahid-UI-Munir, chief executive of Unicom Bangladesh, attend a programme in Dhaka on Sunday when the companies signed a deal to ensure better internet security for Banglalion users.

SBAC gets new managing director

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Md Rafiqul Islam has recently joined South Bangla Agriculture and Commerce Bank as its managing director, the bank said in a statement yesterday.

Previously, he was the deputy managing director of Al-Arafa Islami Bank Ltd, according to the statement.

A postgraduate of Dhaka University, Islam also served Pubali Bank, National Bank, Prime Bank and Jamuna Bank.



Regulator okays discretionary margin account management

FROM PAGE B1

A total outstanding margin loan provided by the stockbrokers, merchant bankers and financial institutions stands around Tk 15,000 crore and is increasing, according to the DSE letter.

"But, given the current market conditions, approximately 25 percent of the amount is recoverable," the DSE added.

At yesterday's meeting, the regulator fined Reliance Securities Service and Island Securities Tk 2 lakh each for exceeding the permissible credit limit under margin rules.

The BSEC also fined Globe Securities Tk 3 lakh for violating securities and margin rules while giving share credit to clients.

Saudi firm set to buy out Indian partner in lubricant venture

REUTERS, Dubai

Saudi Arabian family firm Dabbagh Group is in the advanced stages of buying out its Indian partner's stake in a lubricant venture in the kingdom, a deal prompted by strategy differences between the partners, three sources aware of the matter said.

Jeddah-based Petromin is a joint venture between Gulf Oil International Group - a unit of family-owned Hinduja which owns a 49-percent stake, and Dabbagh with a majority 51 percent stake.

The strategic differences over the business, which sources say is valued at about \$700 million, prompted Hinduja Group to hire Deutsche Bank last year to help review options, including a potential sale.

Dabbagh Group, which has interests in food, real estate and automobile services among others, is partly financing the purchase through debt and has decided not to engage another party in the venture for the time being, one of the sources said, speaking on condition of anonymity as the matter is not public.

Govt inks 225MW power deal with Chinese company

FROM PAGE B1

The government has decided to depend on several basic sources of power production such as gas, coal and liquefied natural gas, he added.

Under the deal, the Chinese contractor will have to install the plant on a turnkey basis.

Petrobangla Chairman Hussain Monsur said Shabazpur gas field has the capacity to produce 30 million cubic feet (mmcf) of gas per day. But, at present only eight mmcf of gas is being produced to feed a 35MW rental power plant.

The other activities of the project include setting up transmission infrastructures of Borhanuddin-Patuakhali or Borhanuddin-Barisal through the installation of 132/230KV transmission lines.

Prime Minister's Energy Adviser Tawfiq-E-Elahi Chowdhury, State Minister for Power Muhammad Enamul Huq and Power Secretary Monowar Islam



IBBL

Abdul Hannan Mia, professor of management information system of Dhaka University, speaks at the opening of a 60-day internship programme for 100 students of different universities, organised by Islami Bank Training and Research Academy (IBTRA), in Dhaka recently. Abu Taher Mohammad Saleh, director general of IBTRA, was also present.



EBL

Md Khurshed Alam, head of SME of Eastern Bank, and Md Muzaffar Ahmed, chief executive of Credit Rating Information and Services (CRISL), sign a deal for pre-investment loan application assessment and rating services at a programme in the capital on Monday.

GDP growth to go below 6pc

FROM PAGE B1

The lender also forecast that the GDP growth would be 6 percent in the next fiscal year.

It said the economic forecasts for FY2013 and FY14 rest on some assumptions.

First, the central bank's slight easing in monetary policy announced in January 2013 will not stoke inflation, given the declining trend in international commodity prices and a favourable domestic crop outlook.

Second, the government will contain subsidies by continuing to raise fuel and electricity prices and thus keep in check its need for bank borrowing.

Third, though political activity is expected to be volatile, social stability will be maintained. And, finally, weather will be favorable, the ADB said.

Lower rice prices will further dampen consumer demand through reduced agricultural income. Ongoing decline in imports of capital equipment and slow import growth for raw materials indicate lower utilisation of existing production capacity and a lull in investment.

A drop in import letters of credit opened for machinery and industrial raw materials signals weak economic activity in the coming months, the ADB said.

Industry growth is expected to slow to 6.5 percent in FY2013, reflecting slack demand externally and domestically.

The lender said the Monetary Policy Statement of the Bangladesh Bank released in January signalled greater emphasis on private credit growth target.

However, these measures are unlikely to spur much more private borrowing as long as prevailing consumer and investor sentiment remains subdued, the ADB said.

It said headwinds to growth include worsening power shortages, the inability of new industrial units to get natural gas connections, increased fuel and electricity prices along with wage pressures, and sluggish activity in the real estate sector.

About agricultural growth, the ADB said favourable rainfall during planting and expanded acreage sown to the winter rice crop should help agricultural output in FY2013 recover to 4.2 percent growth.

Greater access to credit resulting from central bank initiatives is expected to bolster output from livestock, aquaculture, and non-cereal crops.

Services growth in FY2013 is expected to slow to 6 percent, reflecting weaker economic activity, and then expand by at least 6.1 percent in FY2014 on moderate recovery in overall demand.

There are downside risks to the projections. Economic developments in the euro area and the US may prove to be much weaker than assumed in the Outlook baseline, materially affecting exports from Bangladesh.

Another risk is budget revenues weakening if political unrest intensifies enough to markedly disrupt economic activity. Extreme spending policies to brighten reelection prospects could compromise monetary and fiscal discipline. Natural disasters pose perennial risks.

Sit for talks, save economy

FROM PAGE B1

Shyamal Dutta, editor of the Bhorer Kagoj, said shutdowns are the symptoms of deep political troubles. "So, we will have to look for the root of the troubles -- which is that no party trusts each other."

He said the situation has reached a dangerous level. "We have no time to sit idle."

Monjurul Ahsan Bulbul, editor-in-chief and chief executive officer of Boishakhi Television, said the businessmen close to the leaders of Awami League and BNP should try to convince them to sit and hold dialogues for a political solution.

He also criticised arrests of the BNP leaders.

"Their arrests are gagging the practice of open politics, which could pave the way for the rise of bad politics and ill politics. We have already started to see the face of ill politics," he said, referring to the sudden rise of Hefajat-e-Islam, which actively seeks to establish Sharia laws.

Asaduzzaman Noor, a ruling party lawmaker and also the chairman of Desh TV, said time has come to realise the fact that shutdowns cannot oust a democratically elected government.

"In fact, the move to oust a democratically elected government is undemocratic," he said. "Shutdowns are only crippling the economy."

The noted television actor also said the government and the opposition cannot avoid their responsibility. "The government will have to find out ways to

bring the opposition to dialogues as part of its efforts to rule the country properly."

M Hamid, director general of state-run Bangladesh Television, said: "We have to make 'coming to power' less profitable to lessen violence centring it."

Abdul Quayum, associated editor of the Prothom Alo, said the problem is political and has to be solved politically.

Khandaker Muniruzzaman, acting editor of the daily Sangbad, said shutdowns have become a chronic disease for the country.

He alleged that almost all the political parties run on the money they get from the businesspeople. "The business community will have to stop this source of money. Then things will change."

Naem Nizam, editor of the Bangladesh Pratidin, said the FBCCI will have work in a non-partisan way to bring the rival politicians to dialogues.

He said the rise of new parties is a matter of concern too.

He criticised the government for failing to take stern and exemplary actions in cases of vandalism of Shaheed Minar and attacks on the houses of the Hindus.

Mahbubul Alam, editor of the Independent and a former adviser to the caretaker government, Naimul Islam Khan, editor of the Amader Orthoneeti, Zaglul Ahmed Chowdhury, consulting editor of The Financial Express, and Syed Salahuddin Zaki, chief operating officer of SATV, were also present.



BDDBL

Santi Narayan Ghosh, chairman of Bangladesh Development Bank, attends the bank's branch manager's conference 2013 at Hotel Purbani International in Dhaka on Thursday. Md Zillur Rahman, managing director, was also present.

Virgin America best US airline, United worst: study

REUTERS

Virgin America did the best job of flying customers last year while United Airlines was the worst, though passengers experienced overall better performance, a study showed.

The performance of the 14 leading carriers in 2012 was about the same as the best year ever in 2011, according to the 23rd annual national Airline Quality Rating (AQR), which ranks airlines based on US Department of Transportation figures. The industry improved in two of four

areas: on-time performance and baggage handling. Involuntary denied boardings and customer complaint rated were higher, the study said.

"Every time there are more planes in the sky and more people flying, airline performance suffers," said Dean Headley, associate professor of marketing at the W. Frank Barton School of Business at Wichita State University.

Virgin America had the best baggage handling rate, 0.87 mishandled bags per 1,000 passengers, and American Eagle had the worst, at 5.80 mishandled bags per 1,000 passengers.

Space Rent for Industry

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