STOCKS		COMMODITIES (As of Friday)		ASIAN MARKETS (Friday closings)				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold ▼	Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
▲ 1.44%	▲ 0.99%	$1,082.90 (per ounce)	$44.48 (per barrel)	▲ 0.10%	▲ 0.10%	▼ 0.07%	▲ 0.37%	BUY TK	78.85	82.61	118.73	0.62
4,596.81	8,500.26			25,868.41	19,879.81	2,917.91	3,630.50	SELL TK	79.85	86.61	122.73	0.66

স্বপ্নময় জীবনের চাবি আপনার হাতে
এসআইবিএল ইসলামিক হোম ফাইন্যান্স
এ্যাপার্টমেন্ট / ফ্ল্যাট ক্রয়, গৃহ নির্মাণ, গৃহ বর্ধিতকরণ অথবা গৃহ সংস্কারের জন্য সর্বনিম্ন ৫,০০,০০০ টাকা থেকে সর্বোচ্চ ১,২০,০০,০০০ টাকা পর্যন্ত বিনিয়োগ সুবিধা।
* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬১২০০১১২২
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Star BUSINESS

DHAKA MONDAY NOVEMBER 23, 2015

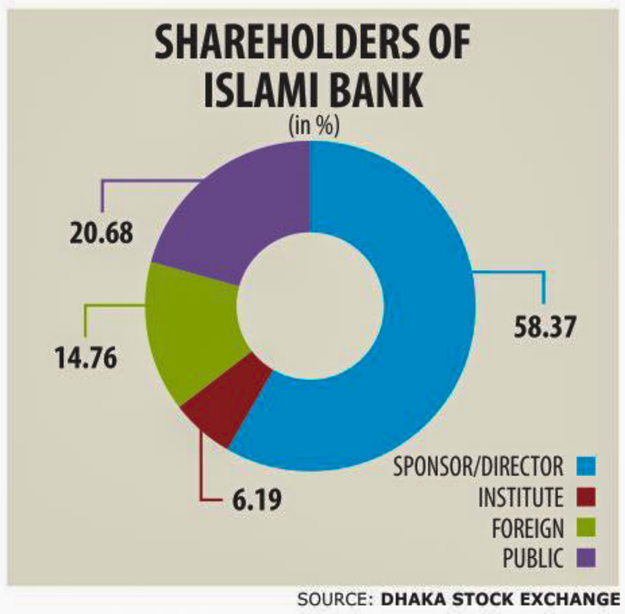
JP Morgan clients buy into Islami Bank

Institutional and individual investors hold 3pc

SAJJADUR RAHMAN

JP Morgan's clients have bought around 3 percent shares of Islami Bank Bangladesh Ltd or IBBL over the past several years, officials said.

The US-based banking firm bought the shares for its institutional and individual investors. The shareholding empowers JP Morgan to hold a post in IBBL's board of directors as the law allows a shareholder to become a director in a publicly-listed company in Bangladesh with a stake of 2 percent.



SOURCE: DHAKA STOCK EXCHANGE

"The market plunge that began in December 2010 in Bangladesh has attracted foreign investors to buy IBBL shares," MA Mannan, managing director of IBBL, told The Daily Star.

"JP Morgan's investment in IBBL shares reflects our strength."

The current market price of IBBL's total shares stands at Tk 4,508 crore -- at over Tk 28 a share as of yesterday.

Presently, IBBL has nearly 161 crore shares, with a face value of Tk 10 per share. If the current market price of IBBL shares is taken into account, JP Morgan's holding of 3 percent shares is valued at over Tk 137 crore.

JP Morgan is one of the largest asset and wealth managers in the world with assets under its management worth $1.7 trillion (as of December 31, 2014).

In addition to investment banking and cash, trade and liquidity services, JP Morgan is a leading asset and portfolio manager for individuals and institutions across the globe. The firm's investment professionals are located around the world, providing strategies and advice for their clients.

The Daily Star spoke to an official of JP Morgan's representative office in Dhaka, who clarified that JP Morgan, as an investment bank, does not hold any share in IBBL.

"Our institutional and individual foreign investors may have bought the IBBL shares," the official said, asking not to be named.

He also said JP Morgan's Dhaka office offers its clients only treasury solutions through its international offices. Standard Chartered Bank acts as a local agent for JP Morgan in Bangladesh. The buying and selling of shares is done through this agent, not by the representative office here, he added.

IBBL is Bangladesh's largest Shariah-based banking company. Sponsors, foreign individuals and institutions, including Islamic Development Bank and a number of companies in Saudi Arabia and Kuwait, own around 58 percent shares of the bank. The rest 40 percent is owned by local and non-resident Bangladeshis.

Of their foreign shareholders, Dubai Islami Bank recently sold its entire holding of around 2 percent shares in IBBL.

STAR

Winners of the Best Brand Award 2015 pose with crests at the Radisson hotel in Dhaka on Saturday. Bangladesh Brand Forum in association with Millward Brown honoured the most-loved brands in the country.

Banks instrumental in curbing illicit money outflow

Bankers should be trained to stop trade misinvoicing, speakers say at BIBM conference

STAR BUSINESS REPORT

Banks can play an important role in stalling the flow of money laundered illegally out of Bangladesh, bankers said yesterday.

Every taka going out of the country has to be purposeful, said Sheikh Mozammel Hossain, a general manager of Bangladesh Bank.

Hossain spoke at a plenary session on the first day of the Annual Banking Conference 2015, organised by the Bangladesh Institute of Bank Management (BIBM) in the capital.

"It is tough to stifle hundi. But bankers can definitely stop the illegal outflow of capital through trade over- and under-invoicing. For example, when a letter of credit opens, bankers can check the price of the product."

Banks should train its officials on trade-based money-laundering so they can easily detect the illegal outflow of capital, another banker said at the two-day conference.

Faisal Ahmed, senior economic adviser to the governor of Bangladesh Bank, said there is growing transparency in sharing information globally to tackle money laundering.

Ahmed called for enforcement of laws to stall the illegal outflow of capital.

Rahat Banu and M Abdul Halim, BIBM lecturers, presented a paper highlighting the trend in the illicit outflow of money and recommendations to tackle the menace.

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Wal-Mart still ignoring Tazreen fire victims: IndustriALL

REFAYET ULLAH MIRDHA

IndustriALL Global Union has urged garment retailers and brands that sourced garment items from Tazreen Fashions to clear the funds for the victims of the deadly fire on the eve of its third anniversary.

A total of 112 garment workers were burnt to death and 300 more badly injured in the fire at the factory in Ashulia, the worst industrial blaze in the country's apparel sector, on November 24, 2012.

The anniversary will be observed at a time when Wal-Mart, the biggest customer of Tazreen, is expecting massive sales on the occasion of the Thanksgiving Day on November 26.

The US brand still refuses to pay compensation to the victims' families and the injured, IndustriALL said in a statement.

One year ago, IndustriALL together with the Clean Clothes Campaign, a rights group; Dutch retail giant C&A and the C&A Foundation signed an agreement, brokered by the International Labour Organisation, to set up the Tazreen Claims Administration Trust to compensate the victims from a dedicated fund.

The Trust will make payments to cover the loss of income and medical treatment.

Brands and retailers with revenue over $1 million had been asked to pay a minimum of $100,000 into the fund, according to the statement. Only C&A, Li & Fung and German retailer KiK have so far contributed to the fund.

Tazreen workers also produced clothing for Spanish departmental store El Corte Ingles, Scottish brand Edinburgh Woollen Mill, Piazza Italia, Disney, Sears, Dickies, Delta Apparel and Sean John. Monika Kemperle, assistant general secretary of IndustriALL, said the Trust provides real hope to the victims who can expect to start receiving payments in the coming months.

"While we thank the brands that have already paid, we are completely dismayed that Tazreen's biggest customer, Wal-Mart, won't fork out [even] after three long years.

READ MORE ON B3

BoP surplus widens

REJAUL KARIM BYRON

The overall surplus in the balance of payments increased by 67.45 percent year-on-year to $1.97 billion in the first quarter of the current fiscal year because of low credit demand and a slight boost in the flow of foreign investment.

Although exports slowed down, the surplus of the BoP widened as imports went down significantly.

In the first quarter, exports grew by only 0.75 percent, whereas imports declined by 8.53 percent, according to statistics from Bangladesh Bank.

READ MORE ON B3

ADB lends $250m more to strengthen stockmarket

STAR BUSINESS REPORT

The Asian Development Bank has lent $250 million more to Bangladesh to assist the country's ongoing capital market reforms.

The third lending programme from the Manila-based lender for the capital markets will strengthen the Bangladesh Securities and Exchange Commission and support the establishment of a clearing and settlement company.

The loan will also aim to boost institutional investor demand, broaden the supply of financial instruments, including sukuk, and promote a more liquid government bond market.

It will also support new areas such as strengthening the Insurance Development and Regulatory Authority to promote the insurance sector's growth and stability and encourage insurers to use the capital market more.

Saifuddin Ahmed, joint secretary of the Economic Relations Division, and Kazuhiko Higuchi, country director of the ADB, signed an agreement to this effect at the ERD in Dhaka yesterday.

The ADB's loan will be complemented by technical assistance grant of $700,000 to support the implementation of key reforms, including the installation of an ICT system.

The lender will provide a $400,000 grant and will administer a $300,000 grant from the Republic of Korea's e-Asia and Knowledge Partnership Fund.

The programme will be completed by the end of 2017, the bank said in a statement.

The ADB has been supporting the government's initiatives to improve the capital market, and this new assistance will help the government strengthen the market further, according to Higuchi.

In the seventh five-year plan, which runs until 2019-20, the government aims to achieve 8 percent economic growth.

To achieve the goal, more private investment will be required, and further development of the capital market is an important catalyst.

The ADB-supported Second Capital Market Development Programme helped stabilise the stockmarket after the turmoil in 2010 and supported the passage of key financial sector legislation.

Technical breakdown disrupts stock trade

STAR BUSINESS REPORT

A technical breakdown halted trade on Dhaka Stock Exchange for an hour and a half yesterday, while the regulator served notice on the premier bourse, seeking an explanation.

The bourse will have to submit a report today, according to Arif Khan, a commissioner of Bangladesh Securities and Exchange Commission. "The commission will take a decision on Tuesday after reviewing the report."

Trade began at noon, an hour and a half behind schedule, and continued until 4pm. Trade usually takes place between 10:30am and 2:30pm.

The problems came to the surface after the TREC (trading right entitlement certificate) holders failed to log into the bourse's main trading server within the stipulated time.

The TREC holders, commonly known as stockbrokers, usually log in between 9:30am and 10:25am.

Officials said they were yet to identify the cause of the problem.

"Work is in progress to identify, isolate, and rectify the issue," the DSE said in a statement.

The incident once again exposed flaws in the automated trading system, which was introduced in December last year to ensure smooth trade.

The DSE introduced the systems in two segments at a total cost of around Tk 35 crore. NASDAQ OMX, a leading provider of trading and exchange technology, supplied the matching engine, while FlexTrade Systems, a global leader in broker-neutral trading platforms, provided the order management system at the brokers' end.

The post of chief technical officer at the Dhaka bourse has also remained vacant a year and a half; the bourse authorities are running the IT department with junior executives.

In May, trade was disrupted for two days. A technical breakdown also halted trade on the DSE for less than two hours on August 12.

After yesterday's incident, many stockbrokers reiterated their dissatisfaction and said the DSE management does not have enough capacity to maintain the trading machines.

"Either the systems are not compatible for us, or the bourse management does not have the capacity to run these," said a stockbroker seeking anonymity.

A DSE official also said they did not get enough time to absorb the system. "Before official introduction, we needed trial operations for atleast six months, but we did not get it."

Stocks closed higher with the DSEX, the benchmark general index of the DSE, increasing 65.18 points or 1.43 percent, finishing the first day of the week at 4,596.81 points.

China offers $10b in infrastructure loans for Southeast Asia

China is offering $10 billion in infrastructure loans to Southeast Asian countries, a senior foreign ministry official said on Sunday.

The world's second-largest economy will also provide aid worth 3.6 billion yuan (U.S. $560 million) to underdeveloped states within the Association of Southeast Asian Nations (ASEAN) in 2016, Vice Foreign Minister Liu Zhenmin told a news conference during the annual East Asia Summit, which this year was held in Kuala Lumpur.

-- Reuters