

Oil falls toward \$37, near 11-year low

REUTERS, London
Oil fell toward \$37 a barrel on Monday, trading within sight of an 11-year low, pressured by excess supply that has more than halved prices since the downturn began in mid-2014.

US crude was trading at around parity with global benchmark Brent, having earlier in December risen to a premium for the first time in about a year following the lifting of a 40-year-old ban on most US crude exports.

Brent crude was down 71 cents at \$37.18 a barrel at 1137 GMT. It fell to \$35.98, an 11-year low, on Tuesday. US crude was down 91 cents at \$37.19. Trading volume was lighter than normal due to a UK public holiday. "We expect both prices to rise next year," said Eugen Weinberg, an analyst at Commerzbank. "A short-term slide can't be excluded, due to persisting oversupplies, negative sentiment and stronger downside momentum."

Figures from the Organization of the Petroleum Exporting Countries imply a glut of more than 2 million barrels per day, equal to over 2 percent of world demand. Oversupply is expected to persist into the

earlier part of next year. "The global supply and demand tables are still showing a heavy picture for the first half of 2016," said Olivier Jakob, oil analyst at Petromatrix.

Signs on Monday that a further demand stimulus from low crude prices may be limited also added pressure.

In Japan, total oil product sales in November fell to a 46-year low. In Europe, demand growth for oil products turned negative in October, analysts at JBC Energy said in a report, citing figures from the Joint Organisations Data Initiative - the first year-on-year decline this year, JBC said.

The drop in prices gained impetus after Opec, led by top exporter Saudi Arabia, a year ago dropped its longstanding policy of cutting output to support prices in favor of defending market share.

While the price collapse has partly achieved Opec's goals by curbing growth of competing supplies, it has put finances in producing nations under more strain, even in the relatively wealthy Gulf states.

Saudi Arabia is expected to announce its 2016 state budget on Monday, and the details will be scrutinized for any indication that it may give about the likelihood of the kingdom changing its oil policy.

Leasing and finance assoc elects chairman

STAR BUSINESS DESK

Mafizuddin Sarkar and Md Khalilur Rahman have been elected as chairman and vice chairman of Bangladesh Leasing and Finance Companies' Association, the association said in a statement yesterday.

Sarkar is the managing director of Bangladesh Finance and Investment Co, and Rahman is serving as the managing director of National Housing Finance and Investments, according to the statement. The election was held at the association's office in Motijheel.



Mafizuddin Sarkar



Hafiz Ahmed Mazumder, chairman of Pubali Bank, opens the 444th branch of the bank on Ring Road in Adabor, Dhaka. Md Abdul Halim Chowdhury, managing director, was also present.

No further eurozone expansion seen in next few years: EU Commissioner

AFP, Frankfurt

The eurozone is not expected to welcome any new members in the coming years, as the region's long crisis seems to have put some countries off, deputy European Commission chief said in a newspaper interview Monday.

"No new members are expected to join in the next few years," Valdis Dombrovskis told the daily Die Welt.

Dombrovskis is the EU Commissioner in charge of the euro and social dialogue.

Out of the 28 EU member states, 19 have signed up to the single currency.

"Before a country joins the euro, it must have a fixed exchange rate to the euro. This mechanism is the waiting room for eurozone membership," Dombrovskis said.

But at the moment, no EU member is in the "euro waiting room", with the exception of Denmark, which has a special status, he said.

Dombrovskis said that Bulgaria and Romania had both expressed interest in taking the first step to joining the euro.

And preliminary talks have also been held with the previous government in Poland.

"But it may be the case that the new government in Warsaw is somewhat more reserved," Dombrovskis said.

Ruble drops to 2015 low amid oil price slump

AFP, Moscow

Russia's battered ruble on Monday reached its 2015 low as the slump in oil prices weighs on the outlook for the country's recession-hit economy. The ruble stood at 72.46 against the dollar, dropping below 72 for the first time since December 2014. The Russian currency also stood at 79.55 against the euro, its lowest value since August.

The slide in oil prices and Western sanctions over Moscow's role in the Ukraine crisis have pummeled the oil-dependent Russian economy in recent months.



Mojib Uddin Ahmed, chairman of Investment Corporation of Bangladesh, presides over the 39th annual general meeting of the ICB at Purbani hotel in Dhaka on Saturday. ICB declared 35 percent cash dividends. Ifitkhar-uz-Zaman, managing director (additional charge), was also present.



Abdul Alim Khan Selim, vice chairman of Meghna Bank, and Mohammed Nurul Amin, managing director, pose at the inauguration of the bank's 25th branch in Raozan, Chittagong on Sunday.

Regulator asks DSE to explain sudden dismissal of general manager

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Sources said neither the management nor the board formed any charge against him through any investigation.

The termination issue was not included in the board meeting's agenda; rather the DSE board took the decision by putting the issue under the miscellaneous agenda.

Some officials said Das was terminated over a conflict between him and Md Ruhul Amin, an independent director of the bourse.

Das and other officials of the accounts department recently informed the bourse's managing director about intervention by Amin in the day-to-day operations.

They alleged that Amin interfered in several matters that were out of his jurisdiction.

Amin denied the allegation. "I was doing the work that the board or the management requested me to do."

The DSE board will sit today in an emergency meeting to discuss the issue, officials said.

DSE Managing Director Swapan Kumar Bala refused to make any comment on the issue.

2015: A bumpy year for banks

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In other words, the export-import growth has been slow.

In the first six months, the banks' operating profit decreased 1.2 percent year-on-year, according to central bank statistics.

The private and state-owned commercial banks' profits increased about 4 percent but that of the foreign commercial banks dropped 18 percent.

Several bankers said they were hoping the business will pick up in the second half of the year, but that did not materialise either.

Hussain said the overall demand for credit is weak, with imports remaining flat and private investment continuing to stagnate.

Macroeconomic policies have been congenial for the development of the private sector in Bangladesh but the general state of the business environment has remained problematic, according to Hussain.

Anis A Khan, managing director of Mutual Trust Bank, too acknowledged that there are some weakness in overall investment climate.

Normally, banks can lend 80 percent of their total deposits, but on November 5 their advance-deposit ratio stood at 70.31 percent.

In case of state banks and foreign banks, the ratio is much lower, which means these banks could not invest a big amount of their loanable funds.

Chowdhury of the central bank however refuted the bankers' claim that the demand for credit is low.

"The banks have to be productive. They

need to change their mindset. Instead of giving big risky loans, they would have to diversify their loan portfolio to micro-credit, SMEs."

At present, there is about Tk 122,909 crore of excess deposit lying around.

But a BB official said the whole amount is not lying idle.

The banks have invested in various securities that the government has been using in different development projects. Taking that into account, the amount of unutilised money is actually Tk 2,811 crore, he said.

Apart from profitability and credit growth, the banks' financial health also did not improve much in 2015.

On December 31, 2014, the total default loans stood at 9.69 percent of the total outstanding loans. The ratio swelled to 9.89 percent in nine months.

In September, the capital adequacy ratio stood at 10.53 percent, which was 11.35 percent nine months earlier. This means the banks' capital situation has shrunk instead of increasing.

Bangladesh's banking sector remains one of the weakest in the region because of weak asset quality, poor capitalisation and low profitability, particularly in the state banks, says London-based BMI Research in a report released early this month.

"Going forward, we maintain our bearish view of the banking sector as profitability and solvency will remain key challenges amid weak standards of corporate governance and underdeveloped risk management systems," it added.

China central bank says to keep reasonable credit growth, yuan stable

REUTERS, Beijing

China's central bank said on Monday that it would "flexibly" use various policy tools to maintain appropriate liquidity and reasonable growth in credit and social financing.

The People's Bank of China will keep the yuan basically stable while forging ahead with reforms to help improve its currency regime, it said in a statement summarizing the fourth-quarter monetary policy committee meeting.

The PBOC said it would maintain a prudent monetary policy, keeping its stance "neither too tight nor too loose".

The prudent policy has been in place since 2011.

"We will improve and optimize financing and credit structures, increase the proportion of direct financing and reduce financing costs," it said.

The central bank said it would closely watch changes in China's economy and financial markets, as well as international capital flows.

Top leaders at the annual Central Economic Work Conference pledged to make China's monetary policy more flexible and expand its budget deficit in 2016 to support a slowing economy as they seek to push forward "supply-side reform".

Banglalink yet to refund users of unapproved package: BTRC

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So far, 3.94 lakh customers of Banglalink have used refunds of the Tk 4.40 crore, a BTRC team has found during a visit to the office of the operator last week.

Many of the customers that did receive refunds could not, for the most part, utilise the money, as the operator put a time constraint on its usage and did not inform the recipients barring a notice on its website, the regulator said.

Subscribers who received less than Tk 50 in refund had just seven days to use it. Those with Tk 51 to Tk 200 got ten days, and those between Tk 201 and Tk 300 received 20 days to utilise the refunds.

"Nevertheless, a total of Tk 1.41 crore could not be refunded to the subscribers as those subscribers are still barred due to

illegal activity like VoIP as per the instruction of the BTRC and law enforcers," Banglalink said in the statement.

The regulator said the operator could not refund money to about one lakh subscribers as they remain blocked for using illegal VoIP.

However, the connections that were inactive at the time of the refund are not aware of the payback, the telecom watchdog said.

"Due to various reasons, like the customers being inactive, only 55 percent of the refunds were utilised by subscribers," Banglalink said.

"Banglalink has sought BTRC's approval to continue the refund process several times, but is yet to receive confirmation," the operator said.



Kazi Zafarullah, a sponsor shareholder of Midland Bank, opens the 19th branch of the bank in Chowdhuryhat of Hat Hajari, Chittagong on Sunday. Md Ahsan-uz Zaman, managing director, was also present.



Rezaul Hoque Sirajee, director (finance) of Suvastu Development, speaks at the handover ceremony of Suvastu Feroza Villa project to the respective flat owners during an event at Lakeshore hotel in Dhaka on Sunday.



Muklesur Rahman, managing director of NRB Bank, and Syed Abu Naser Bukhtear Ahmed, a veteran banker, pose at the launch of the "real time gross settlement" system of the bank.