



Farzana Chowdhury, managing director and chief executive officer of Green Delta Insurance Company, receives the 'gold award' at ICSB National Award for Corporate Governance Excellence 2015 in the insurance sector category from Mashiur Rahman, economic affairs adviser to the prime minister, at a ceremony at Sonargaon Hotel in Dhaka recently.

GREEN DELTA

China policymakers pledge stability for 'complex' year ahead

REUTERS, Beijing

China's economy is on a steady growth path as 2016 ends, supported by a housing boom and billions in government investment, but the mood of policymakers is more cautious than celebratory as they face "complexity" in the new year.

Controlling risks has been a constant refrain in recent months as the focus of policymakers switches to taming asset bubbles and checking unbalanced growth stemming from efforts to fuel the economy with credit.

The central bank - while reaffirming a long-standing commitment to prudent policy - said on Friday it would pay more attention to maintaining a "neutral" stance and ensure that it is "neither too tight nor too loose".

"At present, China's economic and financial operations are generally stable, but the complexity of the situation cannot be underestimated," the People's Bank of China (PBOC) said. Bank lending is on pace to top 2015's record 11.71 trillion yuan (\$1.7 trillion), helping to stoke a housing boom that saw prices rise a historic 12.6

percent year-on-year in November, while fixed asset investment by state firms is growing more than 20 percent.

But growth has become more imbalanced this year as the effectiveness of new credit declines and companies and individuals face mounting debts, economists say.

Policy insiders expect monetary policy to tilt towards slight tightening in 2017 as the government tries to strike a balance between supporting the economy with ample credit and preventing a destabilising build-up in debt.

Central bank adviser Sheng Songcheng told Reuters in an interview on Thursday that interest rates in China were already on an upward trend as the economy improved.

In the financial markets, China's blue-chip stock index ended the year more than 11 percent lower while the Chinese yuan plumbled an 8-1/2 year low. Primary money rates rose this week and were largely higher this year, driven by the PBOC's tighter liquidity stance in the second half aimed at taming risks.

The key interbank rate rose more than 25 basis points for the year, indicating tighter monetary conditions, after falling sharply in 2015.

China stockmarkets among world's worst in 2016

AFP, Shanghai

China is the world's second-largest economy and has one of the fastest growth rates of any G20 nation, but its stock markets have been among the worst performing in the world this year.

Starting with a botched attempt to reduce volatility that instead triggered a spectacular meltdown, Chinese bourses have spent the year struggling against feckless policymakers, massive capital flight and a languishing currency.

The benchmark Shanghai Composite Index (SCI) struggled towards the finish line Thursday down 12.5 percent for the year, compared to falls of 0.6 percent by the Hang Seng Index in Hong Kong and 2.2 percent for Japan's Nikkei 300. Both markets are trading Friday.

As of Thursday, it had the worst showing among the 40-plus countries tracked by Wall Street Journal's Market Data Center, behind even debt-ridden Portugal.

It is a significantly worse performance than 2015's wild ride, when the SCI surged by 60 percent in the first half before plunging by more than 40 percent in under three months. Even so, it finished the year with an overall gain of 9.4 percent.

Then authorities brought in a "circuit breaker" mechanism in January to automatically shut down trading if prices plunged. It went into effect twice in one week, kicking off a self-reinforcing selling panic that spread to global markets, and was scrapped after just four days.

"The Chinese market had a meltdown this year, and so far it has only half recovered from that," Northeast Securities analyst Shen Zhengyang told AFP, adding the market was still in "slow and gradual restoration".

The chairman of the China Securities

Regulatory Commission was sacked over the debacle. His replacement, Liu Shiyu, has kept a low profile, hurting market confidence and leaving investors seeking direction, said Oliver Rui, a professor at the China Europe International Business School (CEIBS).

"People don't understand much about the regulator's policy direction," he said, adding that the lack of clarity partly explained the market's weak performance.

The falling yuan -- lowered seven percent by the central bank over the year in the face of a surging dollar -- has also driven investors abroad in search of better performance.

"When the yuan falls, market capital runs off overseas to hedge the risks," said Dickie Wong, Hong Kong-based research director for Kingston Securities, adding it also made foreign investors "less optimistic about mainland companies".

Even the year's few bright spots have failed to live up to expectations.

Earlier this month, China launched a long-delayed programme connecting its second exchange in Shenzhen -- which has lost 14.8 percent so far this year -- with the bourse in Hong Kong. The Hong Kong-Shenzhen Stock Connect builds on a similar scheme with Shanghai and gives foreign investors access to many mainland tech shares.

But it has so far failed to live up to the hype, with Shenzhen's shares more expensive than those in Hong Kong, making it unattractive to foreign investors, while the entry threshold for mainlanders to buy Hong Kong shares was set as high as half a million yuan (\$72,000).

Other anticipated reforms, such as a new system for initial public offerings (IPOs), have all failed to materialise or were quietly shelved

after January's drama.

Currently, the Chinese government -- rather than the market -- decides which companies offer shares and when, and at what price.

As a result Chinese flotations are always underpriced, which "sends the wrong signals to the market", according to Oliver Rui of CEIBS.

Authorities should "not intervene too much" but "are always afraid that the market will lose control", he told AFP. "But if you do not let go, then you will never know if the market can accept the new system or not. Mistakes are a necessary step."

Unlike most global exchanges where institutions hold sway, China's stock markets are dominated by small investors, heightening volatility and short-termism.

Government-backed funds injected billions of dollars into China's markets in 2015 in an effort to stop them bleeding out, and still play a major role, ignoring profit, loss and everything in between, and creating huge price distortions.

"In such an environment, it's quite difficult for investors to apply whatever money-making strategies that they have learned over the years," said Citic Securities analyst Zhang Qun.

He called China's stock market "the least profitable" option in China or abroad.

Even so, brokers are mildly optimistic about next year -- but hedge their bets with huge ranges for their 2017 year-end forecasts.

China Merchant Securities projects the SCI at anything from 2,900 -- a six percent decline -- to 3,800, which would represent a leap of 23 percent.

"With the government taking tighter controls over the property market and bonds also falling, not many choices are left," said Kingston's Dickie Wong. "Funds must go somewhere and stocks are ultimately one choice."

Britain avoids M&A collapse as foreign buyers go Brexit bargain hunting

REUTERS, London

Britain avoided a collapse in mergers and acquisitions activity after the shock Brexit vote as foreign companies used sterling's spectacular devaluation against the US dollar to snap up British companies, Thomson Reuters data shows.

British M&A totalled \$177.5 billion in 2016, down sharply from the record \$394.8 billion reached in 2015 - a year when the UK data was skewed by two of three biggest global deals - but was in line with the longer 5-year trend.

Total annual mergers and acquisitions values averaged \$139.3 billion for the five years to the start of 2015. Britain also retained its place as the third largest M&A market after the United States and China.

Behind the headline numbers, there was another clear trend: foreign buyers - such as Rupert Murdoch's Twenty-First Century Fox - shopping with dollars for bargains while domestic UK-to-UK dealmaking fell off sharply. "Brexit should never have been talked up as an Armageddon moment for UK M&A, especially with such a sharp devaluation in the currency which has clearly been a stimulus for overseas buyers," Tim Gee, London-based M&A partner at law firm Baker & McKenzie, told Reuters.

"Much of the activity in 2016 was skewed towards foreign buyers with less UK-to-UK activity," Gee said. "Total activity levels were not really knocked that much by Brexit but

who was doing the buying did shift - deal values in 2016 are very similar to the historical trend."

Inbound M&A was \$143.7 billion, again down from 2015 but way above the \$85.9 billion annual average for the 5 years to 2015, while domestic M&A was \$33.7 billion, down from an average of \$53.4 billion over the same period. There were just 1,355 domestic deals - the lowest figure in nearly two decades of Thomson Reuters data.

2015 was a record year for dealmaking involving UK-listed companies thanks to a series of jumbo deals including Anheuser-Busch Inbev's \$110.3 billion acquisition of SABMiller and Shell's \$53 billion merger with BG Group.

The June 23 vote took many investors and chief executives by surprise, triggering the deepest political and financial turmoil in Britain since World War Two and the biggest ever one-day fall in sterling against the dollar.

On the day of the vote, sterling traded above \$1.50 but is now trading below \$1.23 and fell below \$1.15 at one point in October. While opponents of leaving the EU had warned that the United Kingdom's economy would stall and investment stop if voters opted to exit, the data since the Brexit vote has shown the economy was resilient.

Just a week after Theresa May entered Downing Street to replace David Cameron as British prime minister, Softbank founder Masayoshi Son made a \$30.7 billion move for UK-based chip designer ARM Holdings.

In boost to ECB, eurozone lending climbs in November

AFP, Frankfurt Am Main

Lending to households and companies picked up in November in the eurozone, the European Central Bank said Thursday, signalling that its efforts to encourage spending and investment are gaining traction.

Loans to households in the single currency area grew by 1.9 percent year-on-year, compared to 1.8 percent a month earlier, the bank said.

Lending to firms accelerated by 2.2 percent, up from 2.1 percent in October.

IHS Markit economist Howard Archer described the figures as "a pleasing set of news for the ECB".

"The ECB will particularly welcome a pick-up in the growth rate in eurozone bank lending to businesses to a more than five-year high in November," he said.

The ECB has embarked on an unprecedented stimulus programme to drive up lending and inflation in the euro area, and the monthly loan growth statistics are seen as a key indicator of the effectiveness of its

measures.

Faced with a still lacklustre recovery and a string of financial and political risks on the horizon in 2017, ECB chief Mario Draghi announced earlier this month that the bank would extend a massive bond-buying scheme aimed at pumping cash into the economy.

As part of its ultra-loose monetary policy, the ECB has also cut interest rates to record lows and offered cheap loans to banks -- on the condition that they lend the funds on to households and businesses.

Buoyed by Thursday's data, Archer said the ECB would be "unlikely to make any adjustments to monetary policy for some considerable time to come following its early-December move to extend its asset purchasing scheme".

Inflation in the 19-nation euro area hit a two-and-a-half-year high in November at 0.6 percent, in another sign that the central bank's efforts are starting to pay off.

But the figure remains far short of the ECB's target of an inflation rate just below 2.0 percent.

Russia records lowest inflation since fall of USSR

AFP, Moscow

Russian inflation fell to 5.4 percent in 2016, the lowest annual rate since the collapse of the Soviet Union a quarter century ago, a preliminary estimate from the Rosstat national statistics agency showed Friday. The previous record for the lowest annual inflation rate was in 2011, when consumer prices rose by 6.1 percent.

Russian inflation slowed sharply over 2016 from the 12.9 percent recorded in 2015, providing some much needed relief for consumers who have struggled to keep up with rising prices for food and other goods.

With just over a year until the next presidential election, the sharp slowdown in inflation has been hailed by President Vladimir Putin as an economic success.

Falling oil prices and Western sanctions triggered a plunge in the value of the ruble in 2014 and 2015, thus sending prices of imported consumer goods dramatically higher.

Lower purchasing power has dampened consumer demand, and has fed through to lower inflation. Rosstat said consumer prices rose by 0.4 percent in December from November, the same rate as the previous two months.



Nizam Chowdhury, chairman of NRB Global Bank, opens the 36th branch of the bank in Cox's Bazar recently. Director Morshedul Alam and Managing Director Proshanta Kumar Halder were also present.

NRB GLOBAL BANK



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Sl No.	Name of work	Tender ID	Tender/proposal document last selling date & time	Tender/proposal closing date & time
01.	Construction of Boundary Wall and RCC Retaining Wall at Rashidpur Condensate Fractionation Plant (RCFP), Bahubal, Habiganj.	Tender ID: 80200	23/01/2017 at 17:00 hours	24/01/2017 at 14:00 hours

- 1) This is an online tender, where only e-Tender will be accepted in the e-GP Portal and no offline/hard copies will be accepted.
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- 3) The fees for downloading the e-Tender document from the National e-GP System Portal to be deposited through any registered bank's branch.
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Bangla Trac Ltd (BanglaCAT), dealer of Caterpillar in Bangladesh, has recently launched a 'speaker series programme' for the senior members of the company. KM Ali, CEO of Partex Star Group, gave a presentation on various strategic aspects of business and industries at the event.

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