MTBiz

MONTHLY BUSINESS REVIEW
VOLUME: 09 ISSUE: 04
APRIL 2018

ROBOT BANK:
WORLD'S FIRST BRANCH WITH NO STAFF


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Contents

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UN GLOBAL COMPACT

WE SUPPORT

ROBOT BANK:
WORLD'S FIRST BRANCH WITH NO STAFF

Who needs the human touch?

Talking to a human financial adviser at your local bank may be a thing of the past. A bank in China has launched the world's first person-less branch run entirely by technology. Customers are greeted by humanoids who answers inquiries via voice recognition. These banking humanoids are able to do most things a human assistant could, including opening accounts, transferring money and making investments. As well as talking robots, clients can explore the bank's latest home rental offerings using virtual reality headsets. According to the bank, it can handle 90 per cent of the demands of normal high street banks.

China Construction Bank (CCB) claims its new branch on Shanghai's Jiujiang Road is the country's first fully automated bank. A robot at the doors greets customers, speaking through a female face encased in a shiny plastic helmet. It clutches a touchscreen tablet to its chest for customers to use. Slots for bank cards are sunk into its waist. The bank is attracting throngs of curious observers with its cutting-edge equipment. Beijing-based China Construction Bank says the high-tech branch is meant to make banking more convenient, personalized, and efficient. It also reflects growing competition from cashless payment systems that are giving the banks a run for their money.

Run by technology - virtual reality and artificial intelligence

The Shanghai branch of the China Construction Bank (CCB) is run purely by technology - with virtual reality, artificial intelligence and facial recognition all playing a part. China Construction Bank (CCB), the nation's second largest lender by assets. Hyped as a first for the Chinese banking industry, the Beijing-based bank says it has already installed 1,600 smart machines at its 360 branches in the city to ramp up its appeal to tech-savvy customers and trim staff costs making it a winner for bank bosses. Figures from China Banking Association data suggest that in 2017 Chinese banks revamped 5 per cent of all their branches to make them 'smarter'. Nearly 114,000 'smart' machines that offer services beyond cash deposits and withdrawals have also been opened over the past year. The trend toward automation is not new. Retailers in China and elsewhere have been tinkering with automated supermarkets and convenience stores, and Bank of America last year piloted three automated banks in the U.S., calling them "advanced centers." It now has 14 such branches, featuring ATMs and videoconferencing capabilities. Still, the China Construction Bank branch takes technology a step further, its face-scanning abilities as a breakthrough. "Through the use of facial recognition, even without a human in the loop, the system can ensure uniqueness of the individual at the time of enrollment and can verify each time the person conducts a transaction that they are who they claim to be," said Joseph Atick, a biometrics expert and chairman of Identity International.

Smart automated tellers

The store is equipped with several smart automated tellers capable of a range of services, including account opening, money transfer, foreign exchange, gold investment and the issue of wealth management products. The bank says the new set up will be able to handle 90 per cent of the cash and non-cash demands of traditional banking outlets. And for wealthy client in need of human help, a private room is reserved for remote chats with client relationship managers – via video link.

Cost effective human-free service

The "unmanned", fully automated bank is receiving positive feedback from customers, especially younger ones. The facility, installed by China Construction Bank's Shanghai branch, is self-service, replacing the counters and busy clerks at conventional banks with robots, ATMs, a foreign exchange machine and an assortment of multimedia tools. It comes at a time when concepts like mobile Internet, big data and artificial intelligence have become inseparable to Chinese people's everyday lives. Visitors attracted by the human-free concept arrived in streams. According to CCB, the revolutionary changes offered by reduced expenditure on branch staffing will allow what it terms “a moderate reduction in interest rates for loans and increases in deposit interest rates.”

Robo-assistant in customer service

Using the branch is certainly surreal. Rather than standing in line to deal with a fellow human, customers will instead be faced with a variety of self-service machines run by tech such as facial and voice recognition, artificial intelligence, holographic projections and the occasional chirpy robot. Customers walking through the doors for the first time will scan an ID card or bank card to gain access, and then immediately have their face scanned for authentication. Once this step has occurred, there’s no longer a need to show any credentials. Once signed up and facial information offered to the great data overseer, customers will be met by a friendly-looking robot that uses voice recognition software and deep learning to offer assistance. On site, is a number of smart automated tellers that are capable of helping with opening accounts, money transfers and currency exchanges. In addition to the robots, a few bank employees and a security guard are ready to offer a helping hand if the artificial assistants can’t solve complicated demands.

QR codes and interactive augmented reality

Quick response code points – those black bar codes, best known as QR codes – are available on screens for consumers to pay for products and services, or engage in small interactive augmented reality games to make the experience more of an occasion rather than just branch visit. A virtual reality machine is also available to showcase CCB's latest home rental offerings. The outlet had also attracted the attention of at least two curious rivals, eager to see how far a traditional bank can go in applying new technologies and services.

Likes, Unlikes and Comments

The argument for introducing this kind of automation into the banking industry is that accuracy, predictability, and the removal of human error is a win-win for everybody, and China Construction Bank claims that it can process more than 90 per cent of the cash and non-cash business of a conventional bank using this system. So far, it's proven a hit with customers, especially younger generations who typically prefer the efficiency and innovation that comes with automated tech, but of course there's always scope to have a little moan about the cost of automation on jobs, and even tech-touting, futurist dreamer Elon Musk isn't always convinced automation is a good idea.

The branch's creation, however, isn't to everyone's liking. Ada Shen, a CCB retail client, said she would not being going to the branch, not even just to experience the new kit. "I'm fine with mobile banking and smart machines available at traditional branches," the white-collar worker in her 30s. He Fei, a senior researcher at Bank of Communications in Shanghai, said the unstaffed branch will act as a good test ground to garner customer opinion, although he did not think the technology will become widespread. "Unstaffed services can solve repeated and standard demands from mass clients. "But human bankers are still needed to offer professional advices, to serve the complicated and personalized demands, for instance by wealthy clients," he said.

Banking technologist Li Linfeng, who was scouting the bank for Shenzhen-based Ping An Insurance, said he didn't think the bank's implementation of technology was particularly thoughtful. Older folk would likely need human help navigating such cutting-edge equipment, he said. "When you're exploring these technologies, you shouldn't just pay attention to the technology itself, but how people can interact with these technologies," Li said. "Technology has to serve us, not leave people behind."

However, the bank may be a little behind the times, as cryptocurrency now exists so there is no need for banks or robots that control them when one can have their own private bank account by setting up a cryptocurrency wallet.

Personless Bank and it Feasibility in Bangladesh

In Bangladesh, young and tech-savvy customers have higher probability to welcome this "Personless Bank concept" as they know the technological know-how and the benefit it extends. Robot assistance service can be utilized in banking since there are many who would love to get in a setup full with robotic assistance in receiving services simply walking through some non-human interactions. The city dwellers already embraced the inception of this robot restaurant that brings about a change in banking service and checks the feasibility of the concept. Technologically sound and functionally vibrant banks can accept new things capitalizing this concept for offering banking products, promotions etc., where customers can get to know about their needs and available services just with their cellphones.

Functions those demand minimal human assistance from a teller can easily be done by customers themselves interacting with a smart automated teller. For example, filling an account opening form up needs human assistance in case if the account opener is not sure what information to share and where to share, where a smart automated teller can come in handy for serving banking customers efficiently.

Use of cellphone, National ID card, Smart Card, finger print, face recognition, voice recognition technology etc. are no more a new experience for urban folk. Therefore, use of these familiar technology in doing financial transaction and/or receiving banking services can reduce human effort and cut down the transaction time/service time. Young people are quite familiar with the use of QR code and augmented reality.

There are few things that need to be kept in consideration while launching this disruptive technology in Bangladesh. Robot bank may be initiated in the areas where exist a techno-savvy customer base (e.g., corporate areas, university areas, super shops, shopping malls etc.). Primarily, banks can run one or two pilot projects to see how customers interacts with it and what they think of it. Based on their feedback, the concept can be customized and improved in accordance with the customer demands.

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NATIONAL NEWS

BB asks banks to bring down lending rates to single digit

Bangladesh Bank (BB) has asked the banks to take effective measures to bring down the interest rate on lending to single digit from the existing level as soon as possible. The advice was made at two separate meetings of senior bankers held at the central bank headquarters in Dhaka recently with Bangladesh Bank Governor Fazle Kabir in the chair. They also said the MDs and CEOs of the public banks have been advised to lend their funds at lower interest rates as they hold excess liquidity. The meeting also discussed interest rates, charged by the SoCBs, on term deposits to other banks, the sources added. The public banks provide term deposits to other banks particularly PCBs at interest rates between 9.50 per cent and 10.50 per cent. BB's high-ups advised Association of Bankers, Bangladesh (ABB) to start bringing down the interest rates on lending to single digit from the existing level as soon as possible. The BB's latest move came three days after the prime minister's advice to the banks to bring down the lending rates to single digit to boost investments in the country.

BB asks banks, NBFIs to maintain secrecy of correspondence with BFIU

Bangladesh Bank has asked all the banks and non-bank financial institutions to maintain secrecy of correspondences with the central bank's Bangladesh Financial Intelligence Unit (BFIU). BB asked banks and NBFIs to refrain from quoting any reference of any BFIU letter in collecting additional information from its branches or divisions. Besides, the BB circulars, issued to the Managing Director and Chief Executive Officers of banks and NBFIs, instructed the entities to refrain from publishing any information on correspondence between the entities and BFIU. In case of suspension or blocking of any account, the institutions were also asked only to quote the related clause of the act instead of quoting or producing reference of BFIU letter. Besides, officials of the banks and NBFIs will have to reply to any query of BFIU through official e-mail address by using goAML message board instead of using personal e-mail address. In case of any problem to send e-mail through goAML Message Board, information has to be produced in hard copy, it said.

Card use finally spreading

Bangladeshi consumers are slowly but surely warming up to the idea of using cards, especially debit cards, to make payments, with the total number of cards in circulation expanding 15.45 percent last year. About 17 lakh debit, credit and pre-paid cards were issued last year to take the total to 1.27 crore, according to data from the central bank. Among the various plastic card products, debit card was the most popular: at the end of 2017, a total of 1.16 crore debit cards were in circulation, in contrast to 76.9 lakh two years earlier. One of the reasons for the spike is the various incentives being offered by banks to encourage the use of cards with a view to promoting a cashless society. Private banks issued 94.58 percent of the cards, followed by foreign banks at 3.79 percent and state banks at 1.6 percent.

BB won't give licence to new money exchanges

Bangladesh Bank (BB) is not issuing licence to operate new money changers, considering the present 'over saturation and chaotic state' of the business, said officials concerned. The central bank also thinks that there is no opportunity to issue licence now for operating new money exchanges in line with its existing policy. BB conveyed its opinion to Ministry of Finance (MoF), as MoF recently sought its view about the issue. However, a number of entrepreneurs are showing interest to set up new money exchanges, they added. The government had issued licences to 636 money changers from 1997 to 1999, according to BB data. Some 234 licensed changers are now operating in the country. Besides, a good number of money changers are allegedly engaged in endorsement and encashment of foreign currencies defying the central bank's rules. Under the BB guideline, licensed money changers are allowed to run operations without having any branch.

Online fund transfer to any bank from June

AT A GLANCE

In November last, 6 banks signed up for online fund transfer facility

Another 22 banks will soon integrate their systems with the payment switch

A person can make a maximum of five transactions amounting to Tk 2 lakh a day; the single transactionlimit is Tk 50,000

As of January, there are nearly17.61 lakh users of internet banking

About 7.18 lakh transactions involving Tk 2,175 crore were made through the internet banking platform in january

Fund transfer to any Bangladeshi bank account through online banking will become possible from June, in a development that promises to be a great timesaver for bank customers. For that end, the central bank has asked all banks in the middle of February to connect their fund transfer channel to the National Payment Switch Bangladesh (NPSB). In November last year, six banks, Bank Asia, Standard Chartered, Bangladesh Commerce Bank, The City, Dutch-Bangla and Midland signed up for the fund transfer facility through the NPSB. Another 22 banks will soon integrate their systems with the NPSB, said a BB official. As of January, there are nearly 17.61 lakh users of internet banking, according to data from BB. Of them, more than 90 percent are clients of private banks and the remaining foreign banks. About 7.18 lakh transactions involving BDT 2,175 crore were made through the internet banking platform in January this year. Both the number of users of the online banking platform and the transactions will shoot after June, BB official said.

BDT demand in money market dips

The demand for Bangladesh Taka (BDT) in the money market fell drastically mainly due to the recent slash of the cash reserve requirement (CRR) by 1.0 percentage by the central bank. Both the weighted average inter-bank call money rate and weighted average yield on Bangladesh Bank (BB) Bills dropped significantly in the recent days in lockstep with the revised CRR, according to market operators. The weighted average inter-bank call money rate came down to 3.76 per cent from 4.53 per cent as on April 12 while volume of transaction also fell to BDT 46.66 billion from BDT 78.36 billion, according to the central bank's statistics. On the other hand, the weighted average yield (WAY) on 07-Day BB Bills fell to 1.32 per cent from 2.98 per cent as on April 12 while the WAY on 14-Day BB Bills dropped to 1.28 per cent from 2.98 per cent. Besides, the central bank suspended the auction of 30-Day BB Bills since April 01without official announcement to help mitigate the liquidity crunch in the banking system.

Central bank tightens monitoring as demand for greenback grows

The Bangladesh Bank (BB) has intensified its monitoring and supervision to gauge the real situation in the country's foreign-exchange market through scrutinising banks' statements. Under the latest move, the central bank started recently scrutinizing the foreign-exchange inflow and outflow statements of each bank. Forex Reserve and Treasury Management Department (FRTMD) of the central bank sat with senior officials of five commercial banks to get to know their statements, submitted to the central bank earlier. The central bank wing had collected such statements for the last four months from its 'dashboard', another BB official said. The dashboard provides summary of export, import, inland back to back letter of credit (LC), inward and outward remittance separately with categorically separated details. Earlier on February 12, 2013, the BB launched an electronic system, generally known as 'dashboard' for monitoring all kinds of foreign exchange transactions aiming to check fraud and forgery in the country's banking sector. Meanwhile, the central bank has provided $1.83 billion foreign currency support so far this fiscal year (FY) to the banks for settling import payment obligations.

BB eases use of ERQ for import payments

Bangladesh Bank recently said the exporters would be allowed to pay the import payments of their subsidiaries or sister concerns from their export retention quota accounts. The BB issued a circular to authorized dealer branches of all banks saying that from now on an exporter would be allowed to retain export proceeds in foreign currency for a period of 30 days to settle import payments of exporters' subsidiaries within this time subject to observance of the instructions contained in paragraph 28(A) (ii) chapter 13 of Guidelines for Foreign Exchange Transactions. It also said that transfer will be executed through Foreign Demand Draft to be settled through BB clearing accounts of ADs and this instruction shall not be applicable for fund transfer and receipt in the same AD. The exporter, earlier, allowed retaining export proceeds in foreign currency for a period of 30 days to settle import payments due within this time.

NATIONAL NEWS

BD needs new drivers of growth: ADB

Contributions of exports and remittances to the economy, the two traditional growth drivers of Bangladesh, have weakened in recent years. Making the observation, Asian Development Bank (ADB) stressed on the needs of seeking new drivers of growth in near future. It pointed out the export-GDP ratio declined below 15 per cent in the current year which was around 20 per cent five years back. In a similar vein, remittance-GDP ratio came down to around 5 per cent, which was around 10 per cent in 2013. “Exports and remittances have historically served Bangladesh well by fostering rapid economic growth, but in more recent years their contributions to growth have weakened,” said ADB in its Asian Development Outlook (ADO-2018) recently. ADB viewed that promoting labour-intensive manufacturing in general would help the industry to expand and meet growing demand in the domestic market. It also pointed out that Bangladesh has good potential in several industries like leather and footwear, light engineering, electronics, pharmaceuticals, furniture, shipbuilding, jute products, food processing, automobiles, and rubber goods.

Tissue paper industry thrives on growing demand

The tissue paper industry, mostly led by local factories, has kept booming in the country due to a change in the people's lifestyle with rising incomes. The paper napkin turned into a BDT 15.0 billion market from BDT 500 million in the past 10 years with 80 per cent of the people using tissue papers, according to the Bangladesh Paper Mills Association (BPMA). And 50 per cent of the factories are now producing its raw material 'paper pulp' locally which helped the sector raise maximum value addition. More than 1.0 million families use toilet paper rolls every week and facial tissue box every month while 25,000 restaurants consume 10.0 million pieces of table napkin annually which helped maintain a 25 per cent growth. The highest demand for tissue paper was hardly 3,500 tonnes in 2007 while the country's 43 pulp and paper companies produced 10,000 tonnes in 2017.

Accounting BPO: A ready market to tap into

Business process outsourcing (BPO) has become sort of a buzzword among IT entrepreneurs in Bangladesh in the last few years. The expectation of grabbing a large chunk of the global BPO pie has prompted a good number of IT houses to jump onto this latest entrepreneurship bandwagon. However, many new entrants get daunted after a few initial months as they realise that the investment-return ratio in the globally competitive market can shatter the confidence of even a seasoned investor. Finance and accounting outsourcing (FAO), commonly referred to as an accounting BPO, has proved to be a bit different. This type of outsourcing work accommodates more new entrants than any other types of BPOs. For Bangladesh, this type of BPO has already proved to be a success, even though on a smaller scale.

BD economy to post 7.4pc growth this fiscal: UNESCAP

Bangladesh economy is set to post 7.40 per cent growth in the current fiscal year, according to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The UN organisation has made the projection in its annual flagship publication ‘Economic and Social Survey of Asia and the Pacific 2018’ released recently in Bangkok. It also projected that inflation will be moderated at 5.9 per cent by the end of FY18 and likely to be lower further to 5.5 per cent in FY19 while economic growth rate will remain static. “Economic growth among least developed countries (LDCs) in the region is expected to remain robust in 2018 and 2019, with most least developed countries growing by 6-7 per cent or higher, with the exception of Nepal and the small island least developed countries,” it added. “Bangladesh, Cambodia and Myanmar continue to benefit from the migration of low-cost manufacturing from such higher-wage economies as China, with positive spillover effects on their consumption and investment,” it continued. UNESCAP report quoted 7.20 per cent growth for Bangladesh in the last year.

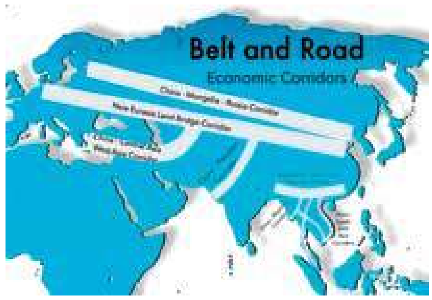
Construction sector to witness double digit growth

Construction sector of the country is set to post double digit growth in the current fiscal year, FY18. Provisional estimation of the Bangladesh Bureau of Statistics (BBS) showed that the sector is set to post 10.11 per cent growth in FY18, which was 8.77 per cent in the previous fiscal year. The sector's share in the Gross Domestic Product (GDP) is also estimated to increase to 7.53 per cent in the current fiscal, which was 7.36 per cent in FY17. The value of the economic activities of the sector is estimated at BDT 737.17 billion for FY18. Meanwhile, the latest labour force survey showed that some 3.43 million workers are now employed in this sector. Construction sector is one of the 15 major sectors that contribute to the GDP. It is also placed under the broader industry sector of the economy.

Bangladesh earns $13.5b remittance in 2017: IFAD

Last year Bangladesh earned remittance worth US$ 13.5 billion, equivalent to 6.1 per cent of the country's gross domestic product (GDP). Over the past one decade the country posted a steady remittance growth rate of 4.2 per cent, much lower than some of its South Asian neighbours - Pakistan (10.8), Nepal (9.8) and Sri Lanka (9.4) but higher than India (3.3 percent). These statistics were made available by a report released by the International Fund for Agricultural Development (IFAD). The report - RemitSCOPE - will be presented at the Global Forum on Remittances, Investments and Development - Asia Pacific to begin in Kuala Lumpur on Tuesday (May 8). The forum will bring together more than 300 policymakers, private sector stakeholders and civil society leaders to map out the road ahead for enhanced remittances. In 2017, migrant workers sent US$ 256 billion to their families in the Asia-Pacific region, according to the report - 'RemitSCOPE - Remittance markets and opportunities - Asia and the Pacific.'

Bangladesh, Malaysia, Pakistan to gain most from Belt and Road Initiative project



Bangladesh, Malaysia and Pakistan are expected to be the biggest beneficiaries of the China-led USD 1.5 trillion Belt and Road Initiative (BRI), according to a Nomura Group report. The report also highlights potential risks to both China and countries that reap the benefits of the project, according to a report by www.asiaasset.com. The BRI is a development strategy by the Chinese government involving multiple mega-infrastructure projects to improve connectivity between China and neighbouring regions such as South Asia, Southeast Asia, and parts of Europe. Tokyo-based Nomura says Pakistan will be the biggest beneficiary in South Asia, thanks to China's USD 62 billion commitment to the China Pakistan Economic Corridor. This comprises multiple infrastructure projects, mainly to modernise Pakistan's transportation network and energy infrastructure. The Chinese investment is equivalent to 20 per cent of Pakistan's 2017 gross domestic product (GDP).

Export earnings from USA mark 1.62pc growth in July-February

Export earnings from the USA, one of Bangladesh's key destinations, witnessed 1.62 per cent growth in the first eight months (July-February) of the current fiscal (FY18) compared to the corresponding period of the previous fiscal (FY17) due to the good performance of readymade garments (RMG). Bangladesh exports to the USA totaled USD 3,900.26 million in July-February (2017-18) period compared to USD 3,838.05 million in the corresponding period of the previous fiscal (2016-17). The amount represents 15.99 per cent of the country's total export earnings during the period. According to the statistics of the Export Promotion Bureau (EPB), the major exports to the US market during the July-February period were woven garment (USD 2,566.91 million), knitwear (USD 913.05 million), home textiles (USD 114.35 million) and cap (USD 86.61 million).

NATIONAL NEWS

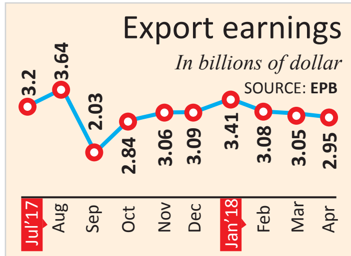
Bangabandhu-1 opens up new opportunities

Bangladesh has made a giant step forward in its digital advancements by launching its maiden communications satellite Bangabandhu-1, which will open up endless opportunities for seamless digital connectivity and foreign exchange earnings. The country has become a member of the elite club of satellite-owning nations with the successful launch of Bangabandhu-1 in the early hours of Saturday (Bangladesh time). Experts said Bangladesh will be able to earn big amount of foreign exchange by selling the satellite's transponders to other countries, apart from saving a huge amount of money that the local television channels are now paying for using services from foreign satellites. The Bangabandhu satellite will also facilitate improved weather forecasting services, they said. The government has plans to expand internet connectivity to the country's rural areas exploiting the satellite. The government is expecting to earn BDT 250-300 crore a year from commercial operations of the satellite, and to start making profits in six to seven years.

Import-GDP ratio to increase in fiscal year 2018

The country is expected to see an increase in its ratio of the imports of goods and services to the Gross Domestic Product (GDP) in current fiscal year 2018. The ratio may stand at 22.34 per cent as against 20.27 per cent in the past fiscal year 2017, said Bangladesh Bureau of Statistics (BBS) in its provisional estimate. It put the annual value of the imports of goods and services at BDT 5,001.29 billion for this fiscal year, which is up by 25 per cent from BDT 4004.56 billion in 2017. According to the latest data of Bangladesh Bank, the country's payments for the merchandise import reached USD 31.17 billion in the first seven months of the current fiscal year. The amount is 25.20 per cent growth over the same period of the past fiscal year. Again, the expenditure for the import of services stood at USD 5.05 billion in the first seven months of the current fiscal year, which was USD 4.10 billion in the same period of the past fiscal year.

Exports climb on apparel boost

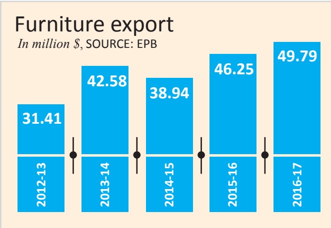


Exports grew 7.11 percent year-on-year to USD 2.95 billion in April riding on the higher shipment of garment items. Although the receipt is 0.51 percent higher than the monthly target of USD 2.94 billion, it was the lowest in six months. Overall, exports rose 6.41 percent year-on-year to USD 30.40 billion in the July-April period. The earnings narrowly missed the periodic target of USD 30.49 billion, according to data from the Export Promotion Bureau. Garments exports grew 9.37 percent year-on-year to USD 25.30 billion in the first 10 months of the fiscal year. Knitwear exports rose 11.43 percent to USD 12.54 billion and woven garments exports were up 7.42 percent to USD 12.76 billion. The shipment of garments, which account for more than 80 percent of the national export, grew because of the increased sales of high-value items and the depreciation of the local currency against the US dollar, according to exporters. The exporters also benefitted from the depreciated exchange value of the taka.

BPO sector grows by 19 times in 5 years

Service sector is fast catching up to the agriculture sector in terms of generating maximum number of employments in Bangladesh. Service sector's contribution to employment generation marked a remarkable growth from 25.5 per cent in 2010 to 39 per cent in last year. Agriculture still absorbing 40.6 per cent of the country's 60.8 million workforce. According to a recent CPD (Centre for Policy Dialogue) report, within the service sector the majority of the additional jobs were created in wholesale and retail trade, transport, food and beverage etc. Majority of additional jobs in the industrial sector were created in manufacturing of wearing apparels and in construction of buildings. Of the 60.8 million people currently being employed in various economic activities in Bangladesh, 24.7 million are working in agriculture sector, 23.7 million in service sector and the rest 12.4 million in industrial sector. Back in 2010, total number of people employed was 54.1 million. Sector-wise distribution of that workforce was - 25.7 million in farm sector, 19.1 million in service and 9.6 million in industrial sector.

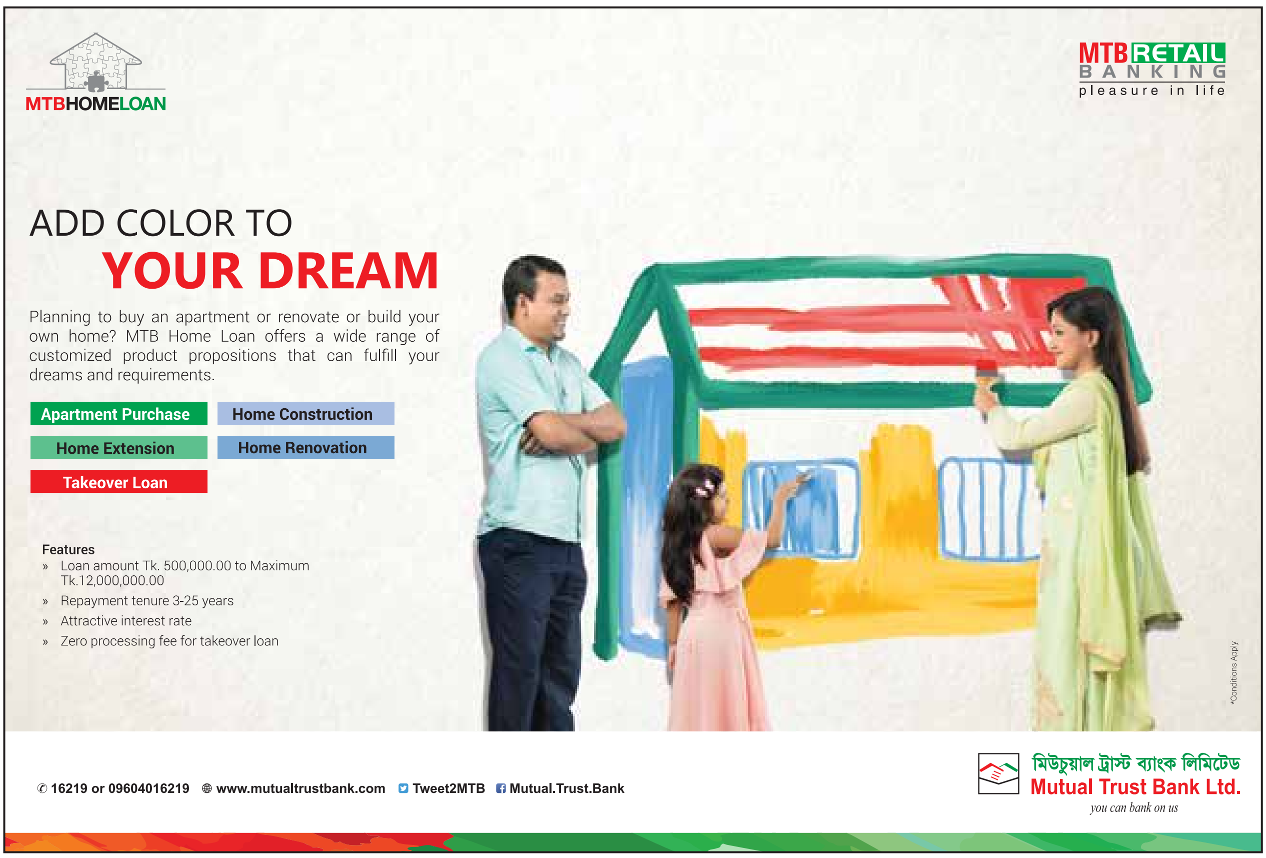
90pc of furniture demand met locally



Local furniture makers are meeting 90 percent of the domestic demand, market players said. "Presently Bangladesh's market size is around BDT 18,000 crore, of which only 10 percent is being imported," KM Akhtaruzzaman, chairman of Akhtar Group, told reporters at a briefing at the office of the Export Promotion Bureau (EPB). The EPB, Bangladesh Furniture Exporters Association, Bangla Kraft, Bangladesh Jute Diversified Products Manufacturers and Exporters Association, and Bangladesh Furniture Industries Owners Association in cooperation with Bangladesh Jute Diversification Centre are organising the show. Businesspeople said the market has been growing despite limitations in the availability of raw materials and high import duty. He said the use of furniture among Bangladeshis was comparatively low, so the local market has a big opportunity as people's income level was rising. The EPB statistics show that export earnings from the furniture sector were USD 49.79 million in 2016-17, up from USD 46.25 million in the previous year.

IMF projects 7.0pc growth in FY '18

Bangladesh economy is set to grow by 7.0 per cent in the current fiscal year (FY), according to the latest projection of the International Monetary Fund (IMF). Fund's regional economic outlook for Asia and the Pacific, released on Wednesday, also showed Bangladesh would be the second fastest emerging market and developing economy in the region after India. Indian economy is projected to grow by 7.40 per cent in the current year. "In Bangladesh, growth should slow slightly to 7.0 per cent in FY2018, while inflation should drop toward target as the effects of food price shocks wane," said the report. It also mentioned that growth was above 7.0 per cent in Bangladesh in the past year which was mainly driven by consumption. The report also said Asia is embracing the digital revolution. "While mobile payments are expanding sharply in such economies as Bangladesh, India, and the Philippines, on average Asia is lagging sub-Saharan Africa," it added.



MTB DONATES BDT 50 MILLION TO THE PRIME MINISTER'S RELIEF FUND

Mutual Trust Bank Limited (MTB) Chairman, M. A. Rouf, JP and Director, Md. Wakiluddin are seen handing over a cheque of BDT 50 million to the Honorable Prime Minister of Bangladesh, Sheikh Hasina for the Prime Minister's Relief and Welfare Fund as part of the bank's Corporate Social Responsibility (CSR) at a simple ceremony held at Gonobhaban, Dhaka 1207 on Friday, April 13, 2018.

MTB INKS DEAL WITH BANGLADESH BANK

MTB has recently signed a participatory financial institutions (PFI) agreement on refinancing under "Second Small and Medium Sized Enterprise Development Project–2 (SMEDP-2)", with Bangladesh Bank at a simple ceremony held at Bangladesh Bank premises on Tuesday, April 24, 2018.

Anis A. Khan, Managing Director & CEO, MTB and Md. Abul Bashar, General Manager, Financial Inclusion Department, Bangladesh Bank signed the agreement on behalf of their respective organizations. Tarek Reaz Khan, Head of SME & Retail Banking, MTB along with other senior officials of both the organizations were also present.

MTB OPENS "GERMAN DESK - FINANCIAL SUPPORT AND SOLUTIONS" WITH DEG

MTB and Deutsche Investitions-und Entwicklungsgesellschaft (DEG), have jointly launched "German Desk - Financial Support and Solutions" at a city hotel on Tuesday, April 17, 2018. DEG is a Development Finance Institution (DFI) based in Germany and a subsidiary of KFW Group.

With a view to boosting bilateral trade volumes between Bangladesh & Germany, MTB and DEG will be offering products and services through the mentioned German Desk for Bangladeshi companies and German SMEs. The German Desk will enable companies to gain access to financial solutions through a single point-of-contact that combines all the products and services offered by MTB with the network and support of DEG. The range of services extends from setting up a bank account to trade finance products and through transaction banking, credit lines or investment financing for local companies wishing to acquire German equipment and services.

The event was graced by Dr. Mashiur Rahman, Economic Affairs Adviser to the Honorable Prime Minister of Bangladesh, as the Chief Guest. Among others, Dr. Thomas Prinz, Ambassador, Federal Republic of Germany in Bangladesh, Bruno Wenn, Chairman, Management Board, DEG and M. A. Rouf, JP, Chairman, Syed Manzur Elahi, Founding Chairman and Director, Anis A. Khan, Managing Director & CEO, MTB along with high profile customers and senior officials of both MTB and DEG were also present at the event.

MTB LAUNCHES STUDENT BANKING SERVICES

MTB launched Student Banking services at a simple ceremony held at the Samson H. Chowdhury Auditorium, MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka 1000 on April 15, 2018.

The bank launched four deposit products for students, MTB Junior, MTB Graduate, MTB Education Plan and MTB Children Education Deposit Scheme and one loan product, MTB EDU Finance. It also launched MTB Student File service, a one stop fund transfer facility for students going abroad for education purposes.

Anis A. Khan, Managing Director & CEO, Md. Hashem Chowdhury, Additional Managing Director & Chief Operating Officer (COO), Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer (CBO), Goutam Prosad Das, Deputy Managing Director, Tarek Reaz Khan, Head of SME & Retail Banking, MTB along with other senior officials were present at the launching ceremony.

MTB STUDENT BANKING
Secure your child's future
MTB Junior
MTB EDU Finance
MTB Children Education Deposit Scheme
MTB Graduate
MTB Education Plan
MTB Student File Services

MTB RETAIL BANKING
pleasure in life
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Mutual Trust Bank Ltd.
you can bank on us
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MTB DISTRIBUTES CO-BRANDED CREDIT CARDS AT CHITTAGONG CLUB LIMITED (CCL)

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

Chittagong Club Limited

MTB and Chittagong Club Limited (CCL) have recently launched an exclusive MTB-Chittagong Club Limited (CCL) World Mastercard Credit Card for the members of CCL. Under this scheme, Anis A. Khan, Managing Director & CEO, MTB has handed over the first card to Meah Mohammed Abdur Rahim, Chairman, CCL and subsequently, to the CCL Committee members alongside other club members in a simple ceremony at the club premises on Thursday, April 12, 2018.

Among others, Al Sadat Dubash (Sagar), Vice Chairman, CCL, Md. Zakir Hussain, Deputy Managing Director (DMD) & Group Chief Risk Officer (GCRO), Md. Khurshed Ul Alam, Head of MTB Chittagong Division Branches, MTB along with other senior officials from CCL and MTB were present at the ceremony.

MTB INKS DEAL WITH AG MOTORS

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

AG MOTORS

MTB has recently signed an agreement with AG Motors, a concern of Anwar Group at a simple ceremony held at MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka 1000 on Wednesday, April 11, 2018. Under this agreement, the clients and employees of MTB will enjoy special benefits on their car servicing from AG Motors.

AG Auto workshop, a world class workshop for automobiles, which is owned by AG Motors will provide this service.

Tarek Reaz Khan, Head of SME & Retail Banking, MTB and Yousuf Aman, Director Operation, Automobiles Division, Anwar Group have signed the agreement on behalf of their respective organizations.

NATIONAL NEWS

NRBC Bank gets new CEO

Khondoker Rashed Maqsood has recently been appointed as Managing Director and CEO of NRB Commercial Bank Limited. Prior to the appointment, he was Managing Director and Citi Country Officer at CitiBank NA Bangladesh. He also worked at Citi Indonesia as Managing Director for global transaction services. Maqsood started his career at American Express Bank, Bangladesh.

Meghna Bank gets new CEO

Meghna Bank Limited has recently appointed Adil Islam as CEO and Managing Director. Prior to joining Meghna Bank, Adil held the position of Additional Managing Director of The City Bank Limited. He has more than 27 years of banking and business leadership experience with HSBC, ANZ, American Express, Mashreq Bank and other international banks.

Midland Bank gets AMD

Mohammad Masoom has recently joined Midland Bank Limited (MDB) as Additional Managing Director. Prior to joining in the bank, he served in Bangladesh Finance and Investment Company Limited (BD Finance) as its Managing Director and CEO. Masoom started his banking career with AB Bank Limited and subsequently served in Southeast Bank Limited, Trust Bank Limited and National Bank Limited. He also served in Mercantile Bank Limited as Deputy Managing Director.

EBL gets new DMD

Chowdhury MAQ Sarwar has recently joined as Deputy Managing Director of Eastern Bank Limited (EBL). Prior to the appointment, he was a consultant at Islami Bank Bangladesh Limited. He started his career with IFIC Bank Limited as a Probationary Officer and worked for American Express Bank, Citibank NA and Standard Chartered Bank.

Premier Bank gets new CEO

Premier Bank Limited has recently appointed M Reazul Karim as Managing Director of the bank. With over 35 years' experience in the banking sector, Karim started his career with National Bank Limited in 1984 and also worked for Prime Bank Limited as Additional Managing Director. He later joined Premier Bank as Additional Managing Director in 2013.

Jamuna Bank elects Chairman

Mosharraf Hussain has been elected as Chairman of Jamuna Bank Limited. The election took place at the bank's 327th board meeting. He is also the Managing Director of Standard Group, Chairman of the Civil Engineers Limited and Amann Bangladesh Limited (a Bangladesh-Germany joint venture).

IPDC Finance gets new DMD

Rizwan Dawood Shams has recently been appointed as Deputy Managing Director of IPDC Finance Ltd. Prior to the promotion, he was general manager and head of business finance and special asset management of IPDC, the non-bank financial institution. Shams also worked for GSP Finance Company, Habib Bank, Standard Chartered Bank in different strategic senior positions.

New DMD for National Bank

Syed Rois Uddin has recently been promoted as Deputy Managing Director of National Bank Limited. Prior to the new role, he held the position of Senior Executive Vice President of the bank. Uddin started his banking career as a Probationary Officer at Uttara Bank Limited in 1996. He also served in Social Islami Bank Limited and NCC Bank Limited before joining National Bank Limited as Vice President in 2005.

Digital Payments

Plastic cards (number) 12.70 million

Credit	Debit	Prepaid
0.9 million	11.7 million	0.1 million
7%	92%	1%
E-commerce Transaction BDT 755.9 million	E-commerce Transaction BDT 282.5 million	

Number of Subscribers

Mobile phone	147.00 million
Internet	75.40 million
Mobile Internet	75.05 million

Transactions (BDT in million)

Debit cards		Credit cards	
ATM	POS	ATM	POS
100,468.10	4,781.40	1,058.20	7,532.30

Subscribers

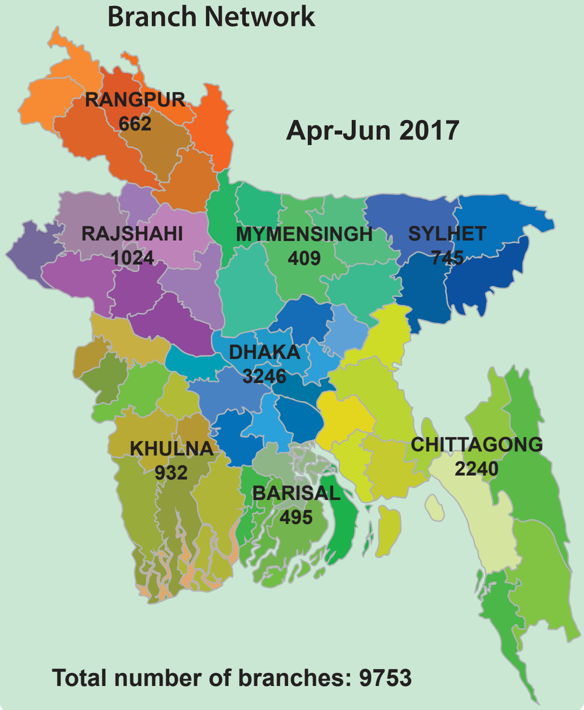
Agent Banking	1.21 million
Internet Banking	1.74 million
Mobile Banking	58.79 million

No. of ATM 9,522

No. of POS 37,379

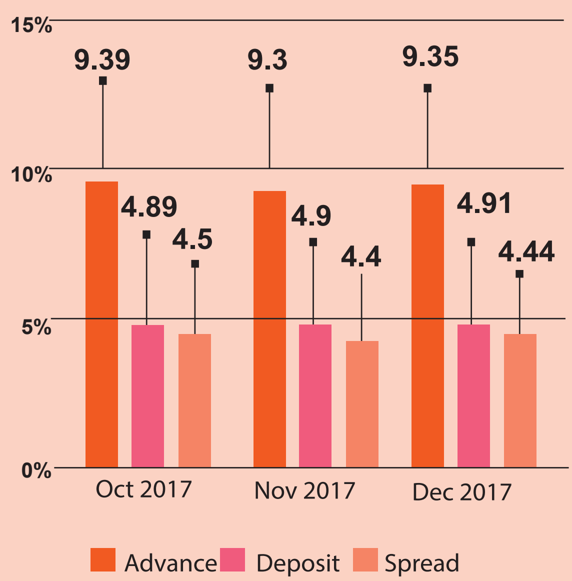
Source: Bangladesh Bank, Dec 2017; BTRC, Jan 2018

Scheduled Banks
Branch Network



Total number of branches: 9753

Industry Rates
Deposit - Advance - Spread



Source: Bangladesh Bank

Global

Rice
USD 430.00 / metric ton
March 2018

Palm Oil
USD 681.00 metric ton
March 2018

Sugar
USD 545.20 / metric ton
March 2018

Soybean Oil
USD 834.00 / metric ton
March 2018

Source: The World Bank

Weekly Rice BDT/KG

Year 2018	Mar 30	Mar 31	Apr 01	Apr 02	Apr 03	Apr 04	Apr 05
Rate (Avg.)	44.00	44.00	44.00	44.00	44.00	44.00	44.00

Monthly Price Change (%)

Domestic (coarse)	Domestic (fine)	Global
-3.30%	3.17%	1.18%
Monthly Increase Feb- Mar 2018	Monthly Increase Feb- Mar 2018	Monthly Increase Feb- Mar 2018

Source: TCB (Average of max and min price), The World Bank

Import L/C (in million)

Bangladesh

Pulse
Opened USD 191.19 (during July 2016- January 2018)
Outstanding USD 231.85 (as on January 31, 2018)

Rice
Opened USD 1,601.70 (during July 2017- January 2018)
Outstanding USD 1,133.32 (as on January 31, 2018)

Sugar
Opened USD 533.03 (during July 2017- January 2018)
Outstanding USD 649.02 (as on January 31, 2018)

Source: Bangladesh Bank

Domestic

Rice (fine)
BDT 65.00 per kg
March 2018

Palm Oil
BDT 71.00 per kg
March 2018

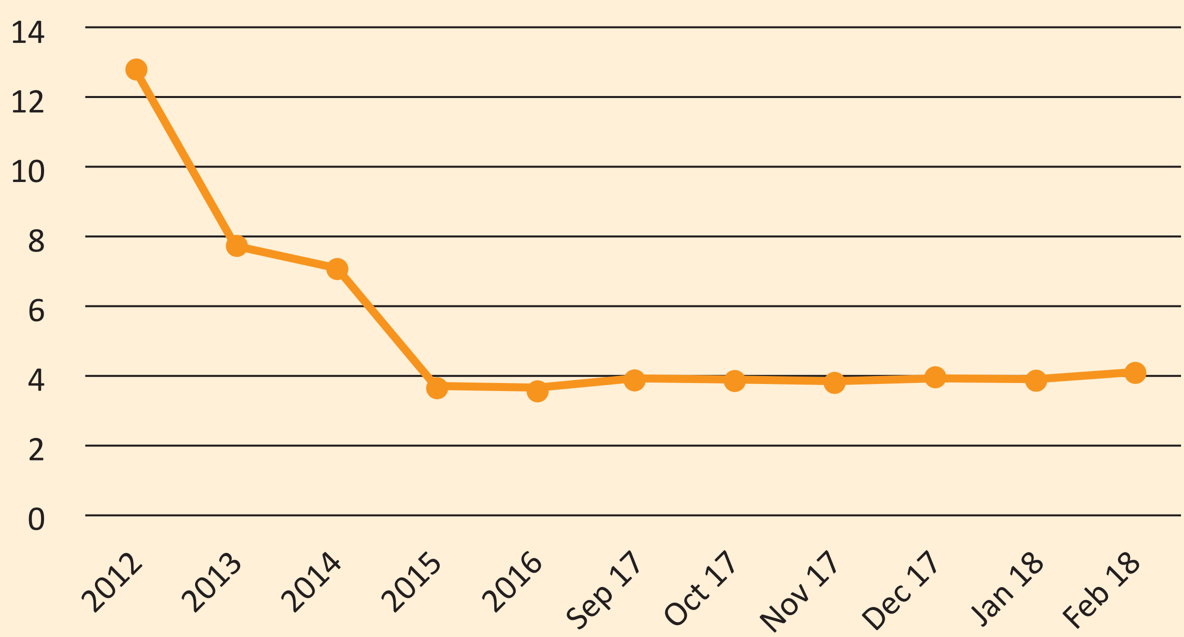
Sugar
BDT 57.30 per kg
March 2018

Rice (coarse)
BDT 44.35 per kg
March 2018

Soybean Oil
BDT 86.50 per kg
March 2018

Source: TCB (Average of max and min price)

Call Money Market



POWER SECTOR OF BANGLADESH
AT A GLANCE (Feb 2018)

Generation Capacity
Public Sector 56%
Private Sector 44%

Distribution Loss
9.98%
(June 2017)

Per Capita Generation
433 KWh

Distribution Line
4,20,000 km

Generation Capacity
16,046 MW

Access to Electricity
90%

Transmission Line
10,680
Circuit Kilometer

LPG

Liquefied petroleum gas (LPG)	2015	2014	
LPG Production (BPC)	18000	18000	Metric Ton

Import (in million BDT)	2016-17	2015-16	Growth
Petroleum gases & other gaseous hydrocarbons	14,053	6,755	108%

Source: United Nations; Bangladesh Bank

Natural Gas Reserve & Production at a glance, October 2017

	Bcf (Billion cubic feet)
Gas Initially in Place (GIIP)	35,796.19
Recoverable (2P)	28,523.40
Cumulative Production as of November 2017	15,412.01
Remaining Reserve upto November 2017	13,111.39

Gas Production in November 2017	83.28 Bcf
National Oil Company (NOC's) production	39.05%
International Oil Company (IOC's) production	60.95%

Source: Ministry of Energy and Mineral Resources

INTERNATIONAL NEWS

GLOBAL PROSPECTS AND POLICIES: IMF

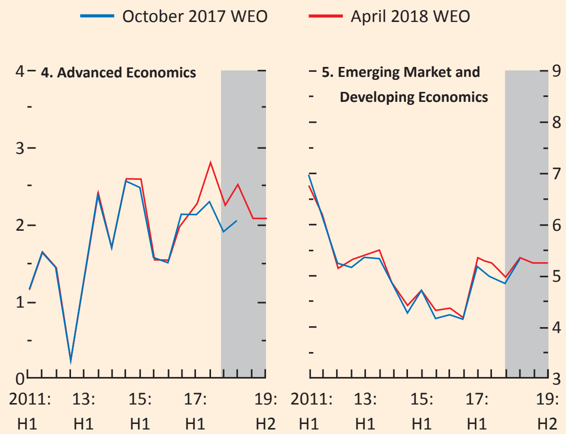
World growth strengthened in 2017 to 3.8 percent, with a notable rebound in global trade. It was driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Global growth is expected to tick up to 3.9 percent this year and next, supported by strong momentum, favorable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. The partial recovery in commodity prices should allow conditions in commodity exporters to gradually improve.

Over the medium term, global growth is projected to decline to about 3.7 percent. Once the cyclical upswing and US fiscal stimulus have run their course, prospects for advanced economies remain subdued, given their slow potential growth. In emerging market and developing economies, in contrast, growth will remain close to its 2018–19 level as the gradual recovery in commodity exporters and a projected increase in India's growth provide some offset to China's gradual slowdown and emerging Europe's return to its lower-trend growth rate. Nevertheless, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies, failing to narrow income gaps vis-à-vis the group of more prosperous countries.

Despite strong aggregate figures in the baseline forecast and buoyant market sentiment, the current momentum is not assured. Upside and downside risks are broadly balanced over the next several quarters, but risks farther down the road are skewed to the downside. With still-easy financial conditions and persistently low inflation that has required protracted monetary policy accommodation, a potential further buildup of financial vulnerabilities could give way to rapid tightening of global financial conditions, denting confidence and growth. The support to growth that comes from procyclical policies, including in the United States, will eventually need to be reversed. Other risks include a shift toward inward-looking policies that harm international trade and a worsening of geopolitical tensions and strife.

GDP Growth

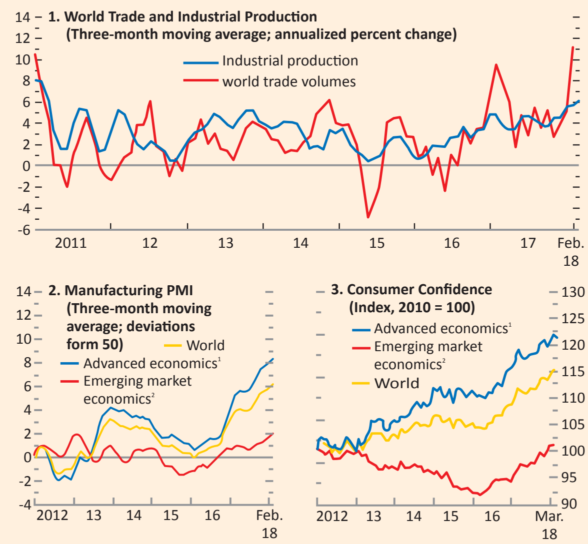
(Annualized semiannual percent change)



Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Market Economices; and IMF Staff estimates.
Note: CC = consumer confidence; PMI = purchasing managers' index; WEO - World Economic Outlook.

Figure 1.1. Global Activity Indicators

Global growth surprised on the upside in the second half of 2017 amid strengthening industrial production and trade

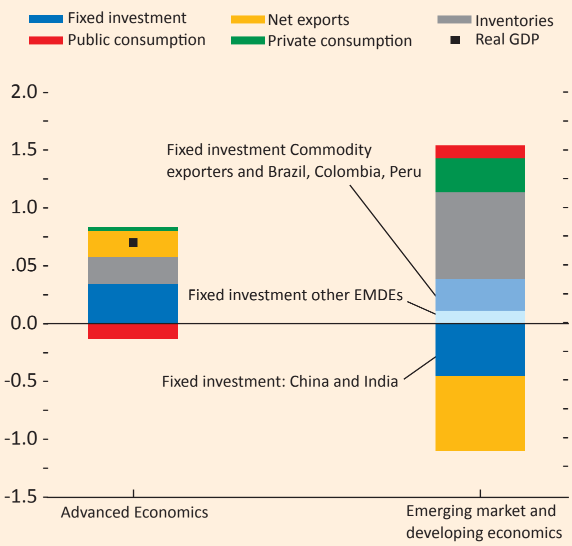


Source: IMF staff calculations. Note: EMDEs = emerging market and developing economies.

The current favorable juncture offers a window to enact policies and reforms that protect the upswing and raise medium-term growth to the benefit of all—strengthening the potential for higher and more inclusive growth, building buffers that will help deal more effectively with the next downturn, improving financial resilience to contain financial market risks, and fostering international cooperation.

Figure 1.2. Contributions to the Change in Real GDP Growth, 2016-17
(Percentage points)

Stronger investment spending in advanced economics and and end to fixed investment contractions in commodity exporters were important contributors to the pickup in global growth.



Source: IMF staff calculations. Note: EMDEs = emerging market and developing economies.

Recent Developments and Prospects An Investment-Led Pickup in Growth At 3.8 percent, global growth last year was ½ percentage point faster than in 2016 and the strongest since 2011. Two-thirds of countries accounting for about three-fourths of global output experienced faster growth in 2017 than in the previous year (the highest share of countries experiencing a year-over-year growth pickup since 2010). The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than forecast in the October 2017 World Economic Outlook (WEO), with upside surprises in the second half of 2017 in advanced as well as emerging market and developing economies.

Resurgent investment spending in advanced economies and an end to the investment decline in some commodity-exporting emerging market and developing economies were important drivers of the uptick in global GDP growth and manufacturing activity (Figures 1.1–1.2).

- Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, which remained weak since the 2008–09 global financial crisis and was particularly subdued in 2016 (Figure 1.2). Both stronger gross fixed capital formation and an acceleration in stock building contributed to the pickup in investment, with accommodative monetary policy, stronger balance sheets, and an improved outlook helping release pent-up demand for capital goods.

- Across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption (Figure 1.2, right column). But the picture is mixed within the group. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. An end to fixed investment contractions in commodity-exporting countries that were severely affected by the commodity price downturn during 2015–16 (notably Brazil and Russia, but also Angola, Ecuador, and Nigeria) instead played an important role in their growth pickup in 2017. Higher fixed investment growth (2.3 percentage points above its 2016 level) also supported the growth performance of other emerging market and developing economies, alongside stronger private consumption.

Key Forces Shaping the Outlook

- Some 40 percent of the 0.6 percentage point cumulative growth surprise for 2016–17 relative to the October 2016 WEO projections is attributed to a faster-than-expected closing of output gaps (a cyclical recovery in demand), while the rest has been matched by an upward revision to estimated potential growth (implying a structurally stronger recovery).

- Likewise, about 40 percent of the 1.7 percentage point revision to cumulative growth in advanced economies during 2016–21 (relative to the October 2016 WEO projections) is attributed to faster closing of output gaps; the rest is attributed to faster potential growth. Higher potential output relative to earlier projections implies that employment is expected to be sustained at a higher level as well. The continued decline in headline unemployment rates, with limited signs of wage and price acceleration, is consistent with this interpretation.

Once the gaps close (estimated to occur by the end of 2018 for the advanced economy group), growth is expected to start declining toward potential. The United States, where recent fiscal policy changes are expected to push output above potential, is projected to see a later, but sharper, return to potential growth than most other advanced economies.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EASY PAYMENT CARD
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বাংলাদেশে এই প্রথম
মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
Prepaid
5508 4312 3456 7890
5508
VALID THRU
MM/YY
12/20
MALIHA MEHZABEEN
mastercard.
আজীবন ফ্রি কার্ড
যেকোনো অনলাইন কেনাকাটার জন্য ইন্সট্যান্টলি রেডি
কোনো বাড়তি ঝামেলা ছাড়াই কার্ড ইস্যু
দেশজুড়ে ১,৭০০+ আউটলেটে থাকছে বিশেষ ডিসকাউন্ট ও প্রিভিলেজ
বাংলালিংক ওয়েব/অ্যাপ থেকে ক্রয়ের উপর থাকছে ইন্টারনেট বোনাস
৩০,০০০+ মাস্টার কার্ড সেলস পয়েন্ট এবং ৭,০০০+এটিএম-এ ব্যবহার করা যাবে
* নির্দিষ্ট বাংলালিংক গ্রাহকের জন্য প্রযোজ্য
বিস্তারিত জানতে ভিজিট:
https://www.banglalink.net/en/personal/digital-services/mobile-financial-services/easy-payment-card
ওয়েলকাম প্যাকে থাকছে দেশের সেরা ৩টি ই-কমার্স সাইটে
৳১,৫০০++ মূল্যের ডিসকাউন্ট ভাউচার
BAGDOOM
Chaldal
pickaboo

INTERNATIONAL NEWS

WELLS FARGO SECURITIES

U.S. Overview

Twenty-First Century Goldilocks

Real GDP growth came in slightly stronger than expected, as the effects of residual seasonality on first quarter growth were less apparent than in prior years. Real GDP grew at a 2.3 percent annual rate in the first quarter, bolstered by solid gains in exports and business fixed investment. Following a strong fourth quarter, consumer spending was weaker and homebuilding was flat. Both appear poised to bounce back. The economy appears to have plenty of momentum, which has shifted the discussion as to whether the Federal Reserve will need to counteract some of the stimulus coming from fiscal policy. Nonfarm employment has risen by an average of roughly 200,000 jobs per month so far this year and the unemployment rate has fallen to 3.9 percent. Labor is scarce but wage pressures still look relatively tame compared with any other period when conventional labor market measures were this tight, giving the Fed support to maintain its policy of gradually nudging short term interest rates higher.

Inflation measures have moved back to the Fed's 2 percent target range. The mix of growth, however, is likely to be more heavily weighted toward sectors that will not exert a great deal of inflationary pressures. Business fixed investment is expected to rise 5.6 percent in the current quarter and 5.7 percent this year. The recent softness in capital goods orders bears watching but anecdotal reports suggest investment in plant, equipment and worker training is set to rise. Consumer spending should also hold up well but sales of motor vehicles may be near a top, which will limit overall growth in consumer outlays.

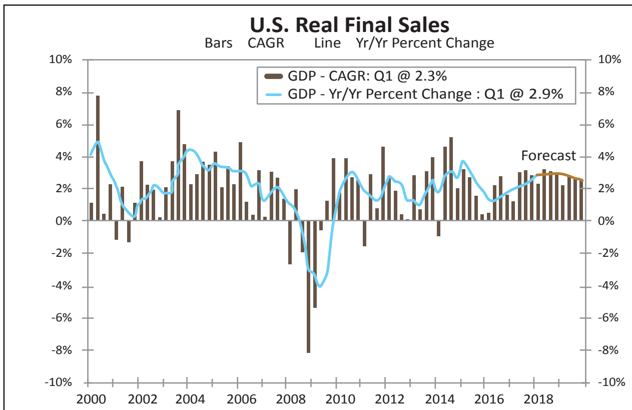
International Overview

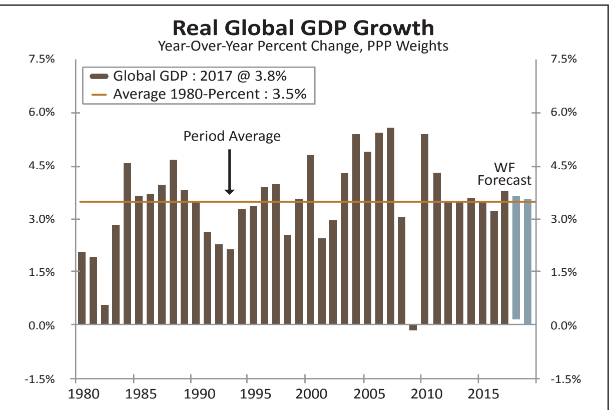
Global Economy: Smooth Sailing For Now?

Global GDP grew 3.8 percent last year, its strongest year since 2011, but there are indications that the global economy is no longer accelerating. Sequential rates of growth slowed in most major economies in Q1-2018. Although global economic growth may ease back somewhat—Wells Fargo looks for global GDP to grow close to its long-run average of 3.5 percent per annum in both 2018 and 2019—a significant slowdown does not seem likely, at least not in the foreseeable future. Monetary and fiscal policies in most major economies of the world are simply not restrictive at present. In Wells Fargo's view, it would require some sort of shock to bring about a meaningful slowdown.

But therein lies the rub. There are a number of potential geopolitical events that could impart a significant slowing effect on the global economy. For example, consider a potential trade war. In our view, the "first order" effects from trade restrictions should be manageable. American exports to China account for less than one percent of all the value added that is created in the U.S. economy. However, the "second order" effects (e.g., the uncertainties that a trade war would impart on spending decisions), which are more difficult to quantify, could be more meaningful. A trade war, should one occur, could lead to a deterioration in the global economic outlook.

But absent some significant shock, whether via a trade war or some other unforeseen event, the global economy should continue to enjoy solid growth for the foreseeable future. In that environment, Wells Fargo looks for most major central banks to gradually normalize their policy stances in coming quarters.





Source: U.S Department of Commerce, International Monetary fund and Wells Fargo Securities

Together we'll go far

Calendar Effect: The theory that certain days of the week, weeks of the month, and months of the year are more likely to produce rises/falls in share prices than others. 'Sell in May and go away' is an example. One stock market commentator has claimed that the 6th June is the best trading day of the year, that 26th

September is the worst, prices more often than not fall during the last week of October, and that the UK stock market usually rises in January in US presidential election years.

Random Walk: The theory espoused by French Mathematician Louis Bachelier in 1900 which posits that past share prices are of no use in predicting future prices. According to the theory, share prices reflect reactions of the market to information being fed into the market completely randomly. Since the information is coming in randomly, the price movements they cause are no more predictable than the steps of a drunk.

Taper Relief: Taper relief was introduced into the UK taxation regime with effect from 6th April 1998. Its purpose is similar to indexation, in that it aims to reduce the amount of capital gains tax you have to pay when you sell shares, to account for the effect of inflation.

Cadbury Committee: A committee chaired by Adrian Cadbury which produced the first Code of Best Practice on corporate governance, in 1992. Its stated objective was "to help raise the standards of corporate governance and the level of confidence in financial reporting and auditing by setting out clearly what it sees as the respective responsibilities of those involved and what it believes is expected of them." It has since been followed by the Greenbury report on Directors' Remuneration (1995), the Hampel Committee on Corporate Governance (1998), which produced The Combined Code, and the Higgs Review of the Role and Effectiveness of Non-Executive Directors (2003), which led to further revisions.

Vanilla: The term Vanilla derived from vanilla or plain ice cream Vanilla is applied to a bond or other security that has no unusual features, paying interest in a standard way and redeemable on maturity.

Calendar Spread: The sale (purchase) of a near month call option (put option) and the simultaneous purchase (sale) of a longer dated call option (put option) at the same exercise price.

Rally: An upturn in a share or a market's performance, following a fall or on breaking upwards out of a trading range.

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