



Primary Dealership

banking and financial indicators

NATIONAL ECONOMIC INDICATORS



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Table of Contents

— International News Finance and Economy Politics	01
— International Capital Markets Review	03
— Commodities Review Crude Oil Price Movements - OPEC™ monthly oil market report Metals Commentary - BNP Paribas Fortis/VM Group™ metals monthly report	04
— International Economic Forecasts Wells Fargo Securities Economics Group™ Report	10
— National News Finance and Economy Politics	12
— Domestic Capital Markets Review	16
— National Economic Indicators	17
— Banking and Financial Indicators	18
— Regulatory Affairs	19
— Financial Institution of the Month United Leasing Company Limited	19
— Article of the Month Primary Dealership	20
— CSR Activities	21
— Appointments	21
— MTB News and Events	22
— Financial Glossary	23

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INTERNATIONAL NEWS

FINANCE AND ECONOMY

Kuwait to spend \$87b on oil projects

Kuwaiti Oil Minister Sheikh Ahmad Abdullah al-Sabah said that the emirate plans to spend 25 billion dinars (87 billion dollars) on oil projects until 2030. "We plan to spend 25 billion dinars on capital projects and annual maintenance and services works from now until 2030," he told reporters after opening an oil exhibition. The projects include building a new oil refinery, he said. Opposition from parliament over procedural flaws forced the government to scrap a project earlier this year to construct a 15-billion-dollar refinery. Kuwait, which sits on about 10 percent of proven global crude reserves, has been working on increasing its oil production capacity from the current three million barrels per day to four million bpd by 2020. The country's emir, Sheikh Sabah al-Ahmad al-Sabah, said that a "fair oil price" for both producers and consumers was needed to justify the costly oil developments in Gulf exporting countries. (AFP, Kuwait City)

British bank chief admits 'mistakes' on bonuses

A top British banker said "mistakes were made" within the industry as bank employees racked up huge bonuses, in an interview with The Sunday Telegraph newspaper. Bob Diamond, the president of British banking group Barclays, said banks had done a "pretty poor job" of handling the bonus process, adding that his company would be deferring up to 60 percent of payouts -- more than double the usual level. It comes after Britain announced it was slapping a one-off 50-percent tax rate on bonuses above 25,000 pounds (27,600 euros or 40,700 dollars) amid public fury at 70 percent government-owned Royal Bank of Scotland awarding some 1.5 billion pounds in bonuses for senior staff. (AFP, London)

P-01

Apple hits back at Nokia



Apple, maker of the iconic iPhone, hit back in a legal row with Nokia and countersued the Finnish telecom giant, alleging it had breached 13 Apple patents. Apple accused Nokia, the world's largest mobile phone maker, of infringing the patents held by the Cupertino, California company. The move came after Nokia in October accused its US rival of infringing 10

Nokia mobile phone technology patents with the iPhone. According to Nokia, the patents cover "wireless data, speech coding, security and encryption and are infringed by all Apple iPhone models shipped since the iPhone was introduced in 2007." Apple countersued in federal court in the eastern state of Delaware, where Nokia filed its complaint against Apple. Nokia is trying to buoy a sinking position in the mobile telephone market by getting its hands on iPhone technology and charging "exorbitant" fees for patented technology allegedly intrinsic to industry standards, Apple charged. Nokia told AFP that it is studying Apple's claim "and will respond in due course." (AFP, New York)

Just in time for holidays, US retail sales sparkle

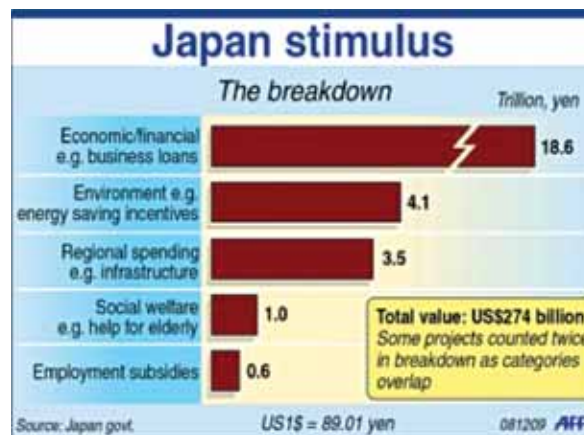
US retail spending leapt 1.3 percent in November, according to official data that showed a brighter outlook for the troubled American consumer going into the critical holiday shopping period. The Commerce Department report on retail sales, seen as a key to renewed economic growth, was much stronger than analyst expectations for a 0.6 percent rise. Some special factors pushed up sales, including a 6.0 percent rise in gasoline sales, a figure affected by higher prices. But electronics sales rose 2.8 percent and auto sector sales 1.6 percent. Excluding volatile vehicle and gasoline sales, retail spending were up 0.6 percent, a positive sign for the economy in which two-thirds of activity comes from consumer spending. Nonetheless, the

report suggests American consumers began to gain confidence at the start of the holiday season, which represents a large portion of overall sales and is critical for many retailers. (AFP, Washington)

Japan firms owed \$7.5b by Dubai

Japan's non-financial firms had some 7.5 billion dollars in uncollected bills from the Dubai government and its affiliated firms as of the end of October, the Nikkei business daily reported. The data, excluding bank loans, was derived from a total of 18 projects worth about 15 billion dollars and involving Japanese general contractors, trading houses and electric machinery manufacturers, the daily said. (Source: AFP, Tokyo)

Japan launches new recovery package



Japan announced 80 billion dollars in new spending as part of a stimulus package it said would be worth 274 billion dollars to jump-start a fragile recovery in Asia's biggest economy. The pump-priming is meant to boost a gradual return to health from Japan's worst post-war recession, a rebound that started early this year but is now threatened by deflation and the strong yen's impact on exports. The cabinet of centre-left Prime Minister Yukio Hatoyama decided the size of the package, to be financed by an extra budget for the fiscal year to March, after disagreements in the ruling coalition delayed it previously. The extra budget will require approval by the Diet legislature which is next scheduled to convene in January. The whole package includes direct spending as well as loan guarantees and other measures that do not necessarily require government outlays totaling 24.4 trillion yen (274 billion dollars), the government said. It would extend a reward program for consumers who buy energy-efficient appliances, give loan guarantees for small and mid-size businesses, and include spending to help struggling companies retain workers. Japan's economy, after plunging into deep recession last year amid the global downturn, grew 4.8 percent on an annualized basis in the July-September quarter, the fastest rate in two and a half years, preliminary data showed. Unemployment fell to 5.1 percent in October from 5.3 percent in September. However, falling consumer prices and a surging yen, which hit a 14-year-high of about 84 to the dollar last month, have raised fears the recovery could stall. The dollar traded at around 89 yen in Tokyo Tuesday. The latest plan means Japan has since the start of the global downturn launched four emergency stimulus packages totaling about 130 trillion yen, including direct spending of 26 trillion yen. However, some measures overlapped or were counted more than once. Hatoyama's government earlier froze part of its predecessor's latest supplementary budget, which was worth 13.9 trillion yen. It cited the need to slash government waste in Japan, where public debt is around 180 percent of gross domestic product, largely due to massive stimulus spending during the economic



"lost decade" of the 1990s. However, to help finance the new package and other spending, the government plans to issue new bonds worth more than 100 billion dollars, said Finance Minister Hirohisa Fujii, who warned that "Japan's fiscal situation is serious." Japan's public debt this fiscal year will reach 53.5 trillion yen, topping the year's tax revenue for the first time since 1946, the government said. Hatoyama's Democratic Party of Japan needs the support of Kamei's smaller People's New Party to ensure passage of laws in the upper house. (Source: AFP, Taipei)

Debt-laden Nakheel takes big first half loss

Real estate giant Nakheel, at the centre of the Dubai debt crisis, reported a 13.4 billion dirhams (3.64 billion dollar) loss for the first half of 2009 after a large write-down of asset values. The developer, whose 3.5 billion dollar Islamic bond debt sparked parent Dubai World's move to ask lenders for a temporary payment suspension, said revenues had plunged 78.1 percent in the six months to June 30 to 1.97 billion dirhams (537 million dollars) from 9.0 billion dirhams (2.45 billion dollars) a year earlier. The developer of the Gulf emirate's extravagant palm-shaped islands took 12.2 billion dirhams in "impairment losses" stemming from a write-down of land values as the property market in Dubai has plunged in the past year. Also included are projects the company said would be delayed or scaled down. "The management no longer considers these project costs to be fully recoverable," it said in the six month report. Nakheel is part of the government-controlled Dubai World group, which late last month shocked global financial markets by asking for a six-month delay in repayments on Nakheel's sukuk bond which matures on December 14. (Source: AFP, Dubai)

Ireland braces for pay cuts, tax rises in budget

Recession-ravaged Ireland is set to unveil a four-billion-euro (5.9-billion-dollar) austerity package for its 2010 budget to stabilize a huge gap in public finances and reassure financial markets. Delivering his second tough budget in a year, Finance Minister Brian Lenihan will slash costs as the country struggles to get public finances back under control. He is expected to reduce the public sector pay bill by 1.3 billion euros, cut health services, trim most welfare payouts except pensions by some 3-4 percent and even reduce his own salary by around 15 percent. Ireland's government is already locked in a battle with the public sector over money-saving cuts. Earlier, an offer from unions representing some 250,000 public servants to take 12 days unpaid leave instead of a pay cut was rejected by Prime Minister Brian Cowen. (Source: AFP, Dublin)

World debt to soar 45pc: Moody's

The debt weighing on national budgets will have soared by up to 45 percent worldwide in the period from 2007 to 2010, leading ratings agency Moody's estimated. "Preliminary estimates suggest that the total stock of sovereign debt will have risen by as much as 45 percent or 15.3 trillion dollars (10.2 trillion euros) from 2007 to 2010," Moody's analyst Jaime Reusche said in a statement. This is "over 100 times the inflation-adjusted cost of the Marshall Plan," the huge US investment program launched to revive Europe after World War II, he added. Moody's estimated in a report that the total global debt in 2010 would reach more than 49 trillion dollars. The members of the G7 grouping of rich countries will account for more than three-quarters of the increase, "as their fiscal accounts have been hit hardest by the crisis," Reusche said. "As growth turns negative in 2009 for most countries, the relative debt load becomes harder to bear." (Source: AFP, New York)

Taiwan approves \$125b for infrastructure

Taiwan's cabinet approved infrastructure projects worth nearly four trillion Taiwan dollars (125 billion US), to be rolled out over eight years in a bid to boost its economy. The government is

expected to finance 2.70 trillion and raise another 1.2 trillion from the private sector, a cabinet statement said. Projects include the expansion of Taoyuan international airport in the north, Kaohsiung harbor in the south and one of the island's largest science parks, located in the centre. Urban and rural renewal as well as flood prevention is also among the items in the spending plan. (Source: AFP, Taipei)

POLITICS

US senate to vote on \$1.1 trillion spending bill

Senate Democrats overcame a Republican filibuster to clear the way for a vote on a huge end-of-year \$1.1 trillion spending bill that includes money to run much of the government and pay for Medicare and Medicaid benefits. The spending measure gives the Education Department, the State Department, the Department of Health and Human Services and others generous budget increases far exceeding inflation. Democrats held Saturday's vote open for an hour to accommodate Independent Sen. Joe Lieberman of Connecticut, an Orthodox Jew who walked more than three miles to the Capitol to vote on the Sabbath after attending services at his synagogue. Lieberman finally provided the crucial 60th vote.

The 1,000-plus-page bill brings together six of the 12 annual spending bills that Congress had been unable to pass separately even though the new fiscal year began Oct. 1 because of partisan roadblocks. (Source: AP, Washington)

Obama, Netanyahu meet close door on ME crisis



P-02

US efforts to revive the Middle East process floundered after President Barack Obama and Israeli Prime Minister Benjamin Netanyahu held closed-door talks amid signs of friction. The two went into talks with the United States having renewed its opposition to Israeli settlements in the West Bank. Netanyahu left the White House after spending an hour and 40 minutes, without making the customary public appearance with the US president. "The president reaffirmed our strong commitment to Israel's security, and discussed security cooperation on a range of issues," the White House said in a brief statement. "The president and prime minister also discussed Iran and how to move forward on Middle East peace." Ahead of the meeting, Netanyahu said he was ready to immediately start peace negotiations with the Palestinians, but prospects appear dim. "The policy of the United States government for many decades has been, no more settlements, that's not something that is new (with) this administration," said White House Press Secretary Robert Gibbs. Aides to Mahmud Abbas warned that if US efforts to re-launch Middle East peace talks stay deadlocked, the president could resign in a move that would probably lead to the collapse of the Palestinian Authority. (Source: AFP, Washington)

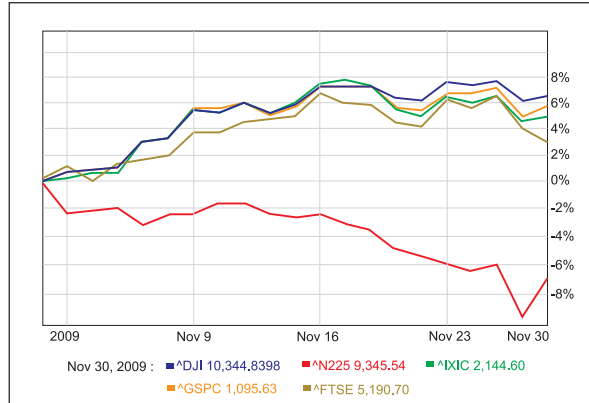


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INTERNATIONAL CAPITAL MARKETS

SELECTED GLOBAL INDICES

Global Indices Round-up



U.S. stocks rose on Monday, the 30th of November, helping the Dow post its fifth straight monthly gain, on hopes that possible fallout from Dubai's debt woes will be contained. Shortly before the market closed, Dubai World, informed about its planned restructuring of some units involved \$26 billion in debt, which eased some of the concerns regarding the emirate's financial worries. For the month, the Dow rose 6.51%; the S&P 500 added 5.74% and the NASDAQ climbed 4.86%. Retail shares limited the advance as investors worried that the holiday shopping season might have gotten off to a tepid start. Black Friday data suggested weak sales during retailers' most important sales period and underscored concerns about the economy. Bucking the retail share trend, online retailers' shares rose after analytics firm comScore said that online spending was the highest it had ever been on Black Friday, with Cyber Monday spending expected to be even stronger. Volume was below average on the NYSE, with about 1.35 billion shares changing hands, under last year's estimated daily average of 1.49 billion. On the Nasdaq, about 2.02 billion shares were traded, yet it was below last year's daily average of 2.28 billion. Advancing stocks outnumbered declining ones on the NYSE by a ratio of about 18 to 13, while on the Nasdaq, advancing stocks only slightly outnumbered the decliners. European shares fell to their lowest close in more than three weeks on Monday, with oil companies among the biggest losers, as worries about Dubai's debt continued to unsettle global equity markets. However, after declines significant previously in the month, the FTSE closed at 5190.7 on the last trading day of November, a 2.9% increase from the previous month. The German index DAX also gained ground over last month, closing at 5625.95 a 3.90% increase. Over in Asia, the Hong Kong HANG SENG closed at 21821.50, a 0.32% increase from last month. India's SENSEX was also up by a significant 6.48% from October. Japan's Nikkei share index closed 6.87% lower, primarily due to fears about a global contagion from Dubai's debt problems. The Bank of Japan called an emergency policy review on December 1 so as to discuss ways to boost the ailing economy, which had a slightly positive effect on the index value. Japanese officials have sounded increasingly worried about the yen's strength, which will hurt exporters and potentially derail the country's economic recovery. (Source: Yahoo! Finance and Reuters)

P-03

INTERNATIONAL MARKET MOVEMENTS

INDEX	VALUE (As of Nov 30)	1 MONTH AGO (As of Oct 30)	CHANGE	% CHANGE
DJIA	10344.84	9712.73	632.11	6.51%
S&P 500	1095.63	1036.19	59.44	5.74%
NASDAQ	2144.60	2045.11	99.49	4.86%
FTSE 100	5190.70	5044.50	146.20	2.90%
DAX	5625.95	5414.96	210.99	3.90%
NIKKEI 225	9345.55	10034.74	-689.19	-6.87%
BSE SENSEX	16926.22	15896.28	1029.94	6.48%
HANG SENG	21821.50	21752.87	68.63	0.32%



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কৃষি কাজে ঘাটতি পুঁজি সরবরাহে
আপনার পাশে আছে
মিউচুয়াল ট্রাস্ট ব্যাংকের
কৃষি ঋণ প্রকল্প।



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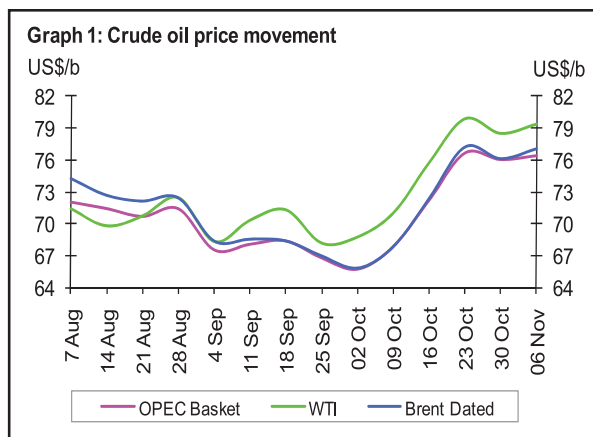
COMMODITIES REVIEW

CRUDE OIL PRICE MOVEMENTS - EXTRACTED FROM "OPEC MONTHLY OIL MARKET REPORT™"



The bullish market sentiment has intensified following upward revision of the world economic outlook by the IMF and rising demand projection for 2010 by various institutions lifting petroleum complex prices across the globe. Depreciation of the US dollar against other currencies, particularly versus the euro, has also contributed to the positive price developments.

The OPEC Reference Basket price rose to \$67.88/b in the



week ended 9 October from \$65.75/b in the week ended 2 October. Over the same period, WTI and Dated Brent crude prices also increased to \$71.03/b and \$67.79/b respectively from \$68.79/b and \$65.78/b (see Graph 1). The Dubai crude price also continued the same trend and soared to \$68.31/b from \$66.09/b.

The positive momentum of the market continued in the following week due to equity gains and rising hope for an ongoing economic recovery as well as a continuation of US dollar weakness. Additionally, the rising business confidence in China in the third quarter from 110 in the second quarter has also lent some support to the market.

The weekly average price of the OPEC Reference Basket jumped by \$4.33 and reached \$72.21/b on 16 October from \$67.88/b on the 12th of the same month. WTI and Brent crude prices also hiked to \$75.75/b and \$72.33/b respectively on 16 October from about \$71.03/b and \$67.79/b the previous week. Similarly, the Dubai crude price rose to \$72.59/b from \$68.31/b on 12 October.

The upward trend of prices has been reinforced amid an unseasonable gasoline stock draw, higher-than-expected bank earnings reports and increasing technical buying in the market.

These circumstances have led to a sharp upward movement of the weekly average price of the OPEC Reference Basket again to record \$76.64/b on 23 October from \$72.21/b on 16 October. WTI and Dated Brent crude prices also jumped to \$79.87/b and \$77.18/b respectively from \$75.75/b and \$72.33/b during the same period. The Dubai benchmark crude price rose to \$76.87/b from \$72.59/b on 16 October. In the latter part of October, due to crude and gasoline stock builds in the US, the stronger US dollar and a relative easing in equities, the previous bullish sentiment of the market was undermined, exerting pressure on prices. But higher-than-expected US GDP

growth in 3Q capped any sharp downward correction on market momentum and prices. In the last week of October, the OPEC Reference Basket price fell to \$76.03/b from \$76.64/b the previous week. The other benchmark crudes also slipped by around \$1 during the same period.

Coming market direction will depend on developments regarding interest rates, real economic performance and growth indices as well as movements of financial market players on both equity and exchange-rate markets. Furthermore, a cold snap in the Western Hemisphere and improving distillate demand may also provide some support for crude prices. In the spot market, US crude differentials for both light sweet and medium sour grades improved moderately compared to last month. This was attributed to fewer arbitrage cargoes from the other side of the Atlantic Basin. Light Louisiana Sweet crude differentials, which had fallen to below \$1/b in September, rose by more than 40¢ to reach \$1.20/b above WTI. Mars sour crude differentials, which were trading at minus \$4/b versus WTI in September, also narrowed to \$3.20/b in October.

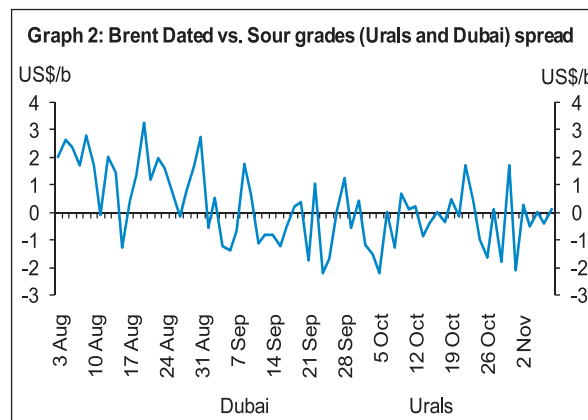
Furthermore, amid crude stock building in the US, the WTI spread versus Brent, which widened to over \$4/b in late September, narrowed to about \$2/b in October (see Graph 1). These developments have limited arbitrage from Europe to the US.

Market sentiment for West African crude, especially from Nigeria, improved in October due to more buying interest from American refiners. Nigerian Benchmark crude Qua Iboe differentials against Dated BFOE soared from around \$1.20/b in September to over \$1.50/b in late October.

Middle East crude lost ground compared to September amid lower refining margins in Asia and less demand for sour spot cargoes. In line with these circumstances, Oman crude differentials against Dubai crude fell from a premium to a 20¢-discount in the latter part of October. Qatar Marine crude was also dealt at a 20¢-discount from a premium the previous month. The recent announcement by Saudi Arabia of official selling prices in December provided support for lighter grades, but heavier grades were under more pressure due to widening of the high sulfur fuel oil discount against crude oil.

The sour/sweet crude spread

Due to refinery run cuts in Europe and continuing OPEC



production adjustments, the light sweet crude spread against sour benchmark crude is still much lower than the typical level. Limited arbitrage opportunity to the US and Asia also exerted pressure on the Brent spread versus Urals and Dubai crude. Increasing Russian exports to Europe in October due to sharply lower domestic throughputs has relatively capped the narrowing level of the Urals crude spread versus Brent crude.



This spread remained around 10¢ in October (see Graph 2). Throughput growth after October and the launch of the ESPO pipeline could undermine Urals exports to Europe in the next months, but due to weakness of the fuel oil market it may not be sufficient to significantly provide support for the discounted level against Brent crude.

The Brent crude spread also widened in favour of Dubai crude. This is partly attributed to lower refinery utilization rates in Europe and is partly related to an improved performance of the fuel oil market in Asia. As Graph 2 shows, Brent crude prices remained below Dubai crude prices most of the time in October and the spread versus Dubai crude sometimes widened to minus \$2/b, whereas from a quality point of view, its value is more than Dubai crude. A persistent spread between a physical barrel of Dubai and Brent crude would encourage traders to export further western barrels to Asia.

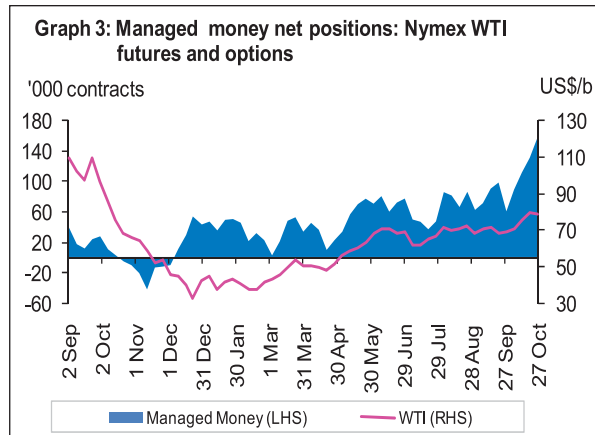
Table 1: OPEC Reference Basket and selected crudes, US\$/b					
	Change		Year-to-Date		
	Sep 09	Oct 09	Oct/Sep	2008		2009
OPEC Reference Basket	67.17	72.67	5.50	103.98	58.25
Arab Light	67.64	73.36	5.72	104.76	58.57
Basrah Light	67.30	72.63	5.33	101.35	57.74
Bonny Light	68.74	74.41	5.67	110.27	60.54
Es Sider	67.44	72.71	5.27	106.30	58.66
Girassol	67.69	72.97	5.28	105.04	59.04
Iran Heavy	66.43	72.54	6.11	100.83	57.65
Kuwait Export	66.45	72.50	6.05	100.51	57.92
Marine	68.44	73.61	5.17	104.13	59.54
Meray	62.88	66.90	4.02	-	53.21
Murban	69.79	75.06	5.27	108.68	60.96
Oriente	63.67	68.57	4.90	95.05	53.11
Saharan Blend	67.84	73.36	5.52	108.70	59.61
Other Crudes					
Minas	70.25	76.43	6.18	110.42	61.97
Dubai	67.74	73.15	5.41	103.07	58.90
Isthmus	67.16	72.91	5.75	105.01	58.13
T.J. Light	66.22	71.74	5.52	101.89	56.97
Brent	67.39	72.76	5.37	107.03	58.93
W Texas Intermediate	69.34	75.73	6.39	109.62	59.04
Urals	67.09	72.67	5.58	104.15	58.45
Differentials					
WTI/Brent	1.95	2.97	1.02	2.59	0.11
Brent/Dubai	-0.35	-0.39	-0.04	3.95	0.03

Note: As per the request of Venezuela and as approved by the 111th ECB, the Venezuelan crude BCF-17 has been replaced by Meray as of 2009. ORB has been revised as of this date.
Source: Platt's, Direct Communication and Secretariat's assessments.

P-05

The oil futures market

Growing optimism about economic recovery and future demand have combined with the depreciation of the US dollar, resulting in a sharp inflow of managed money to the oil market, lifting crude prices. Following these developments, net-long positions of managed money on Nymex surged to 88,715 contracts on 6 October from 60,002 contracts on 29 September (see Graph 3).

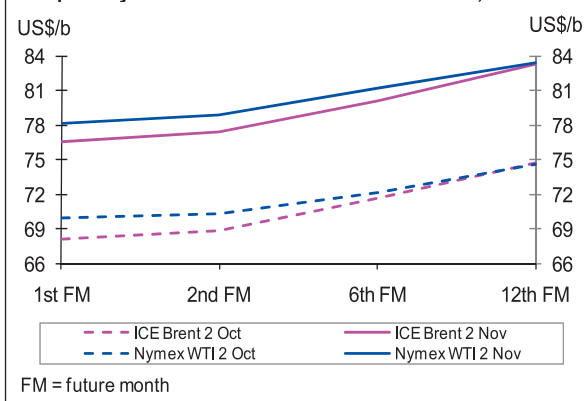


It is worth noting that the CFTC recently began producing a disaggregated report which replaces the old, discredited "commercial" and "non-commercial" categories with a new four-way classification: (a) producers, merchants, processors and

users; (b) swap dealers, including index operators; (c) money managers, including trading advisers, pool operators and hedge funds; and (d) other reportable traders not included elsewhere. The most important changes are to remove swap dealers from the old commercial category, and break out managed funds of various types from old non-commercials. Among these items, the money manager positions appear to be a key category, as this movement has a higher statistical correlation with the oil price.

Money managers extended their long positions in the market in the following weeks due to an increase in corporate earnings and gasoline stock draws in the US. The net-long positions of these players rose by 68,000 to reach 157,563 contracts in the week ended 29 October from 88,715 early in the month.

Graph 4: Nymex WTI and ICE Brent forward curve, 2009



Positive developments in the futures market have also affected both absolute price levels of WTI and Brent crude, as well as inter-month and inter-crude spreads on the forward market. The absolute price level of WTI for the first month on Nymex rose to \$78.13/b on 2 November from \$69.95/b on the same day in October. The intermonth spread between WTI first month versus WTI 12th month also widened to \$5.22/b in early November from \$4.70/b in early October (see Graph 4).

The European futures market also followed the same trend and the absolute price level of Brent crude for the first month on ICE surged to \$76.55/b on 2 November from \$68.07/b on the same day in October. Due to increasing optimism about future demand, the inter-month spread between Brent first month versus the Brent 12th month also widened to \$6.68/b in early November from about \$6.61/b early last month. As Graph 3 shows, the contango level, especially for Brent crude in nearby months, was wider over the last weeks and it may increase market players' incentive for further crude stock builds.

Looking ahead, the futures market momentum would depend on the real economic performance in the next months and policy makers' commitment with regard to the interest rate level which will affect both currencies and the oil market.

Table 2: Nymex WTI and ICE Brent forward price, US\$/b

Nymex WTI					
	1st FM	2nd FM	3rd FM	6th FM	12th FM
2 Oct 2009	69.95	70.33	70.78	72.17	74.65
2 Nov 2009	78.13	78.82	79.51	81.17	83.35
ICE Brent					
	1st FM	2nd FM	3rd FM	6th FM	12th FM
2 Oct 2009	68.07	68.86	69.57	71.62	74.68
2 Nov 2009	76.55	77.36	78.12	80.14	83.23

FM = future month



METALS COMMENTARY - EXTRACTED FROM BNP PARIBAS FORTIS/VM GROUP™ METALS MONTHLY REPORT

Introduction



**BNP PARIBAS
FORTIS**

The spectacular rise in the gold price has overshadowed what has been a remarkable rally in

base metals – the prices of all of which, except aluminium, are at levels well above the marginal cost of production. This across-the-board price strength in base metals has (and is) encouraging the resumption of output everywhere, even though Western demand levels remain subdued. 2010 is therefore shaping up to be a battleground between OECD recovery, continued robust Chinese demand, and the degree to which production might threaten surpluses.

This price boom has had little to do with fundamentals – they are still playing second fiddle to speculation. If simple supply-demand logic held sway then a severe price correction for most base metals would be the outlook. But 2010 will see steadily improving economic recovery in combination with interest rates in the biggest economies remaining close to zero. In such an environment, where reinvigorated speculative investment is hunting for good returns, base metals (and other commodities) will remain attractive. Prices next year could therefore well burst through the peaks of 2008.

Gold

News

Nov 11th: The State Bank of Vietnam said it would allow unlimited gold imports by five or six companies, reversing a ban on gold imports that has been in place since early 2008.

Nov 2nd: The IMF said it had sold 200t of the 403.3t it plans to sell to the Reserve Bank of India.

Analysis

Investors slow down a bit but the price doesn't

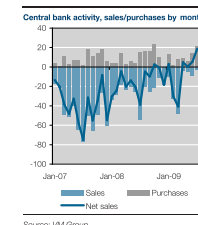
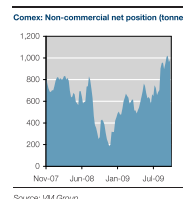
Gold soared over \$1,100/oz in early November, a delayed reaction to the news that the RBI had purchased nearly half the gold the IMF plans to sell. Obviously this means that 200t less gold than previously expected will now be sold onto the open market – possibly even less, if the IMF finds another buyer (Mauritius recently bought two tonnes) – and that is a bullish signal if ever there was one. But over the longer-term the symbolism of the deal is much more important. India's is arguably the first central bank purchase of gold in recent decades that is a pure endorsement of gold as a reserve asset. Nevertheless we would caution against expecting central banks to become large net buyers, as they already hold 30,000t collectively and some central banks in Europe still seem 'overweight' in gold. More likely, if Asian central banks do want to add to their holdings, is a gradual transfer (not necessarily directly) over time from European banks to Asian banks – a kind of redistribution of ownership. That too will be price supportive however, as gold that might otherwise have come onto the open market could more simply and less disruptively be transferred to different owners. In any case, the RBI's purchase of IMF gold is a strong indicator that the days of large net sales are over for a while.

That central banks have switched from being a negative to a more positive element perhaps makes up for a rather more subdued investment interest. The exchange-traded funds (ETFs) had a modest October, with just 7t of gold purchased across all 16 ETFs and November, up to the 9th, continued to witness modest inflows. Comex speculators have been more active – total net longs rose to 1,021t in the week ending 20th October, a full 336t higher than at the start of September, and an all-time high. Comex net longs have since declined to 992t

as of 9th November, but given the rally above \$1,100/oz it is likely that the record will soon be surpassed.

Outlook

Gold's rally is understandable given the best central bank news for two decades, although exchange investors don't seem as convinced that prices at these levels are sustainable. There might, of course, be other factors behind the strong price, such as a renewed bout of mining company dehedging. The risk at these prices is that any news, not even particularly bad, will be received as such. Short-term London fix: \$1,050/oz-\$1,175/oz.



Silver

News

Nov 5th: Coeur d'Alene, the US mining company, announced production of 5.2 Moz of silver in Q3 2009, 86% higher than the previous year.

Oct 30th: Mexico's silver output in August was 257.67t, up 23.5% from August 2008.

Oct 26th: Fortuna Silver Mines, the Toronto-listed group, increased its estimates of silver-equivalent ounces at its San José project in Mexico to 37.6 Moz, 112% higher than original estimates. Earlier in the month the company said production of silver from its Peruvian Caylloma silver-zinc-lead mine was 438,186 oz of silver in Q3 2009, up 80.1% year-on-year.

Oct 20th: The Bolivian government banned mining above 4,700 metres at the Cerro Rico mine because of fears it might collapse. Mining in the vicinity is carried out by many small-scale operators as well as US miner Coeur d'Alene, which said their San Bartolome mine at the mountain would not be affected by the ban.

Analysis

Silver lags gold

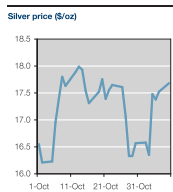
The renewed central bank interest in gold provides an interesting comparison with silver, for there is no significant official sector buying or selling of silver nowadays. Indeed for a while it looked like silver was underperforming, with its price on 13th November of \$17.32/oz, \$0.31/oz lower than it was on 9th October, despite gold during that time having moved from \$1,052/oz to \$1,104/oz. We remarked last month that this was a bit of a puzzle – after all, silver usually outperforms gold on the way up, and base metals have been strong – and perhaps the lack of a central bank effect is part of the explanation. It might also imply that, as silver is uniquely positioned as part financial instrument and part industrial metal, that the continued poor industrial demand outlook for silver is weighing on sentiment. Silver has not enjoyed the sort of demand from China that has characterised the base metals in 2009; there have been no reports of Chinese stockpiling or improving consumption of silver, both of which have wholly supported base metals' prices since Q1 2009. Silver's industrial demand prospects have been weak, and its price behaviour testifies to this.

Outlook

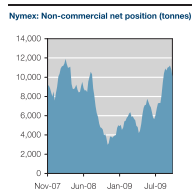
On 16th November silver finally stirred, rising to well over \$18/oz in London trading, bringing the gold/silver ratio down to 62 from its high of 64.9 earlier in the month. As the PGMs also soared, this might be a sign of greater confidence in the



economic outlook, but a more likely cause is investor interest - the US ETF saw an 183t inflow on the 12th, its largest daily move since June.



Source: London Bullion Market Association



Source: Comex



Source: VM Group

Aluminium News

Nov 2nd: Rusal signed a deal to supply a total of 1.68 Mt to Chinese state defence firm NORINCO during 2010-2016.

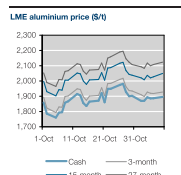
Analysis

An ocean of metal amid the drip-drip of demand

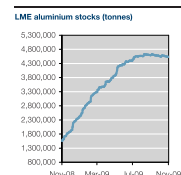
LME aluminium stocks appear to be gently declining-by 13th November they were around 70,000t less than their record high of 4.629 Mt in mid-September, and premiums are on the rise, with some offers for Q1 2010 metal at \$130/t over LME cash prices. But this decline on the LME is a drop in the ocean compared with the vast amount of metal around and stocks continue to build elsewhere. Shanghai Futures Exchange stocks are near a 5-year high of 272,307t in the week ending 13th November, up almost 45,000t from mid-September. Meanwhile, China's imports of unwrought aluminium and aluminium products in October fell by a substantial 56% (v. September's figures), to 86,611t, but this was offset by an increase in Chinese production to a record of 1.26 Mt the same month, which suggests softer Chinese imports may lie ahead. Notably, some of the term financing deals holding LME aluminium, which have kept metal offmarket for the past few months, are likely to expire by year-end or in Q1 2010, possibly freeing large volumes of metal to return into a market that has yet to show any real appreciable recovery in industrial output. Moreover, the high price has encouraged China's smelters and those elsewhere to return to full capacity, apparently oblivious of the risk they run of merely adding to the global glut. Australia has now imposed a 16% import tax on certain Chinese-made aluminium extrusions-and this may be replicated by other states, anxious to prevent the kind of 'dumping' of Chinese aluminium products that has been seen in steel products. China may consume about 13 Mt of aluminium in 2009, up 6% from 2008, but its own production and imports will amount to approximately 14.5 Mt; put that together with some 600,000t bought by China's State Reserves Bureau early this year and China could end the year with some 2.1 Mt surplus to its needs - metal that Chinese producers will do their best to export, rather than finance. Perhaps of greater concern to the international market is China's exports of aluminium products. China's production of aluminium products in 2009 looks certain to outstrip 2008 levels by as much as 20%, at more than 17.4 Mt. We estimate that means about 2 Mt of aluminium products will look for a home outside China. That is not excessive during normal economic times-but these aren't normal times.

Outlook

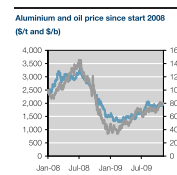
With only tentative signs of recovery in OECD demand, aluminium close to \$2,000/t is over-priced and we believe there is considerable downside price risk in Q4 2009 and Q1 2010. Mini trade wars over China's steel exports are already in place and that might happen with its aluminium, too, unless OECD industrial recovery picks up sharply early in 2010. Short-term LME three-month price: \$1,750/t-\$2,100/t.



Source: Reuters Ecowin



Source: LME



Source: Reuters Ecowin

Copper News

Nov 11th: Chile's state copper commission, Cochilco, raised its 2010 copper forecast to \$2.70/lb (\$5,950/t).

Nov 6th: China's imports of unwrought copper and copper products in October fell 34% v. September, to 263,109t. Its domestic production of refined copper rose 1.1% (again, v. September), to a record 399,300t.

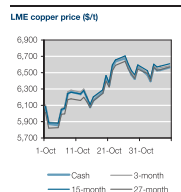
Analysis

Price to trade sideways for the rest of the year

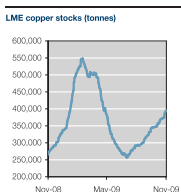
Numerous negative indicators are beginning to overshadow the copper price, the latest being China's easing appetite for imported copper. Its imports of unwrought copper and copper products, at 263,109t in October, were down 34% on the previous month and much worse than consensus expectations. Stocks have been rising on the LME, the Shanghai Futures Exchange and Comex warehouses - suggesting that OECD demand remains weak and China is in oversupply. Yet against these bearish factors the copper price has resolutely stood its ground since August. Why? Firstly, China's refined copper production soared to a new monthly record of 399,300t in October, implying at first glance that demand remains strong. Also, the weak dollar has clearly been supportive, as has speculative investment interest, which is still betting that when OECD recovery materialises, then the restocking phase will be extremely vigorous and quickly erode surplus metal. Importantly, there have also been supply-side disruptions, with an estimated ~100,000t of copper output lost (from the technical failure at BHP Billiton's Olympic Dam operation in Australia, strikes at the Konkola copper mine in Zambia, at BHP's Spence mine in Chile and Vale's operations in Canada). And there remains the Chinese question - do October's lower import figures spell a new trend or just a pause for breath before its copper-gorging recommences? Judging by the rise in stocks in SHFE and LME Asian warehouses, and to bonded warehouse inventories at more than 350,000t, we expect Chinese imports to decline for the last two months of 2009, as restocking weakens. We do not expect to see an appreciable pick-up in OECD copper demand in Q4 2009, and therefore softer Chinese demand will largely cap the copper price. Whether this spells a weaker price or a spell of price stability depends on the volume of buying on the lows. We suspect it could be the latter - there remains a strong propensity on price weakness.

Outlook

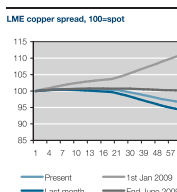
The latest rally in the copper price was sparked by larger than expected Chinese refined copper imports in September and the end to the US recession, as indicated by better than expected Q3 GDP. But now that the dust has settled prices have weakened slightly, as doubts remain over the strength of OECD recovery. It is likely, due to the wall of money waiting to pounce on the lows, that copper will remain range-bound for the rest of 2009. Short-term LME three-month price: \$6,000/t-\$6,850/t



Source: Reuters Ecowin



Source: LME



Source: VM Group from Reuters Ecowin

P-07



Steel

News

Nov 11th: China's iron ore imports fell 30% in October v. September, to 45.47 Mt.

Nov 6th: Indian iron ore shipments rose 88% in September from a year ago, to 6.25 Mt.

Nov 6th: The US imposed preliminary anti-dumping duties of up to 99% on Chinese-made oil well steel pipe. This followed preliminary duties ranging between 2%-438% on imported steel wire decking from China.

Oct 30th: DMC Mining revised its estimate of iron ore reserves at its Mayoko mine in the democratic Republic of Congo, to 1bn tonnes from a previous estimate of 33 Mt.

Analysis

2009 glut clouds 2010 recovery

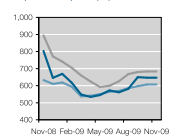
The steel industry faces extreme challenges in 2010, since the anticipated recovery in 2009 has not yet materialised. This has not stopped China from pumping out crude steel and products like there is no tomorrow, leaving large inventories that threaten to spill over into the international market. This has compelled the EU and US to impose duties on certain Chinese-made steel products to ensure their steel sectors are protected and able to survive and thrive once demand picks up. These blocks against Chinese steel may be fairly shortterm in nature, since we doubt that the West will chance a trade war by continuing to protect their domestic industry and risk Beijing taking retaliatory measures. China's crude steel production in October rose to an estimated 51.50 Mt, from September's 50.71 Mt, despite weak steel products prices and government efforts to rein-in output. Inventories of steel within China are now a massive 50 Mt-plus. October's total production was down by only 1.6% from August's record

monthly production, but up 43% year-on-year. This excess will add to the burden of surplus material that will overhang China's domestic market well into 2010. The biggest challenge therefore facing international steel makers is keeping output in line with demand-unlike the Chinese. Their path to recovery will be stony, given that they will be competing with Chinese made steel products. Improvements in orders in OECD economies are beginning to tempt mills to switch on idled supply and push up prices, but with the demand base at such a low level it will take several months before downstream consumers reverse their 'hand-to-mouth' behaviour.

Outlook

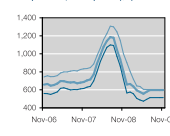
The threat of cheap Chinese steel products flooding international markets will either delay recovery of international steel makers or lead to a tit-for-tat trade war. The only positive will be if OECD recovery comes soon and is strong enough to enable both Chinese and other steel-makers to rub along together. Mills everywhere will need to keep output inline with demand or else choke off price recovery. Short-term LME 3-month price: Med \$380/t- \$420/t, Far East \$480/t-\$560/t.

Composite steel prices (\$/t)



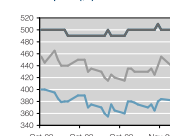
Source: MEPI, Reuters Ecowin

Steel products, world prices (\$/t)



Source: MEPI, Reuters Ecowin

LME steel prices (\$/t)



Source: Reuters Ecowin



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Tin

News

Nov 11th: Indonesia exported 7,060t of tin in October, down 9% from the previous month. In the first ten months its tin exports totaled 82,613t, up 3.3% year-on-year.

Nov 4th: Tin ore supply problems for the seven small tin smelters that make up the Bangka Belitung tin consortium (BBTC) are continuing to impact refined production, with only 20% of their combined 3,500t/month capacity utilised by early November.

Nov 2nd: China reduced its quota for tin exports in 2010 to 21,000t, from 23,300t in 2009. China has been a net importer of tin since late 2007.

Oct 29th: PT Timah's net profits plunged 66% year-on-year, to \$13.25m, in Q3 2009, while Q3 production volumes of tin in concentrate were 15,466t, the highest in almost two years.

Oct 30th: Chinese imports of refined tin were 1,901t in September, according to customs data, up 91% year-on-year and 14% on the previous month.

Analysis

Prices, stocks mark time

The LME three-month tin contract price has inched up since late August 2009 by about \$900/t, to \$14,700/t as of 13th November, while LME warehouse stock builds have stabilised at 26,000t-27,000t as of 16th November. The steep backwardation between the cash to three-month contracts is also significantly shallower than a month ago, with the spread at approximately \$50/t on 13th November, from more than \$400/t in early October. We believe this is due to an increase in readily available supply, which has been accompanied by rising demand. China, the dominant consumer, is clearly still on an upward trend in terms of its appetite for tin as we see this trend as being likely to continue, as the premium between the higher Chinese tin ingot price at \$17,200/t and LME price at ~\$14,800/t encourages cheaper metal inflows. Chinese imports also have to fill the gap left by the decline in its own refined tin production, which was down by 26% year-on-year in October, to 12,559t. Over the ten months to October, refined tin output is down 5.5%, at 106,313t. However, the recovery in Chinese exports of electronic products is still in its infancy, suggesting there is little upside for the Chinese tin price in Q4, but the LME price could find support from any higher imports into China. Offsetting this potential upside to prices is the restart of previously idled capacity in Indonesia, suspended in the past few months following the government crackdown on illegal tin ore mining on the islands of Bangka and Belitung. Near full capacity in Indonesia should be reached in Q4 or Q1 2010.

Outlook

Tin is likely to be in a slight global surplus of more than 10,000t in 2009, but the recovery in demand, albeit slow, should offset the resumption of idled Indonesian capacity and therefore keep prices fairly range-bound in Q4 2009 and Q1 2010. Short-term LME three-month price: \$14,000/t-\$15,500/t.

LME tin price (\$/t)



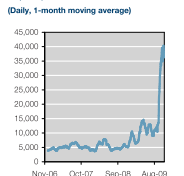
Source: Reuters Ecowin

LME tin stocks (tonnes)



Source: LME

Tin, LME, contracts volume traded (Daily, 1-month moving average)



Source: LME

Plastics

News

Oct 30th: The US Department of Commerce issued preliminary determinations in the antidumping duty investigations of imports of polyethylene retail carrier bags from Indonesia, Vietnam and

Taiwan. Duties range from 67.18% to 67.62% for Indonesia, from 52.30% to 76.11% for Vietnam, and from 28.69% to 95.81% for Taiwan.

Analysis

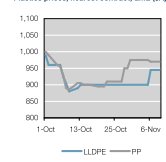
Price rise on supply concerns

The sudden outage at the 1.1 Mt/year Marun petrochemical refinery in Iran and shipping delays have seen ethylene prices rise by \$65/t, to \$965/t as of 9th November, and up by \$100/t from October. This has had a knock-on effect to linear low-density polyethylene prices, which had increased to \$1,250/t by 9th November, from \$1,175/t a month earlier. However, once the supply bottlenecks are cleared, prices are likely to revert to October levels. The illiquid LME LL contract has shown little price movement since early October, and can be largely discounted, but the PP contract has shown a rise of \$80/t, to \$975/t as at 6th November, suggesting that demand is recovering. However, we expect the rally will soon be halted by the huge production capacity due online from several plants across the Middle East and China. In total we expect about 1.7 Mt/y of new output in Q4 2009. We expect the global structure of polypropylene and polyethylene production will change dramatically over the next several years, as capacity additions in China and the Middle East soar; as a result, the market share of Western Europe and the US is set to fall substantially. Global polyethylene capacity was 93.87 Mt/year in 2008, with the Asia Pacific, North America and Europe regions accounting for over 76% of market share. Capacity is expected to increase to 127.89 Mt by 2015, at a compound annual growth rate of 4.5%. The change in production structure will come about because of the manufacture of propylene and ethylene - which are the main raw material feedstocks for polypropylene and polyethylene polymer - will increase rapidly in the Middle East and China will be a big consumer of such material. Moreover, large-scale production of the polymers themselves will rise. The Asia Pacific region accounted for over 43% of the global polyethylene capacity in 2008, but is expected to account for nearly 50% of the planned capacity additions to 2015. The region will increase capacity by 12 Mt during the period 2008-2015, in our estimates, with China and India accounting for more than 8 Mt. Most of the Chinese capacity has come in the last decade and is dominated by state owned Chinese energy companies. In contrast, US capacity will decline by 0.5 Mt, as a result of demand stagnation and diminishing export markets.

Outlook

The market is still oversupplied relative to demand, and prices later this year and Q1 2010 will be under pressure. Short-term LME Global LL: \$880/t-\$920/t, Global PP: \$875/t-\$1,020/t.

Plastics prices, nearest contract, LME (\$/t)



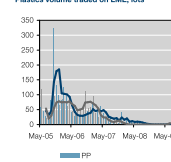
Source: Reuters Ecowin

Plastics prices, various contracts, LME (\$/t)



Source: Reuters Ecowin

Plastics volume traded on LME, lots



Source: VM Group

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INTERNATIONAL ECONOMIC FORECASTS - WELLS FARGO SECURITIES ECONOMICS GROUP™ REPORT

U.S. OVERVIEW

The Recovery Shapes up but not Quite as Expected



SECURITIES

The return of economic growth during the third quarter has done little to quell the debate among economic forecasters as to what

letter the economic recovery will most likely resemble. Will it be a U, V, L, W or some exotic letter from a language long gone? Our vote is for a little v, with most of the rebound in year-to-year real GDP growth occurring below the zero line. We are not expecting a double dip but do expect growth to remain relatively modest through 2011. After rebounding at a 3.5 percent pace in the third quarter, real GDP is expected to average a 2.4 percent pace over the next two years

All of the discussion about the shape of the recovery misses the most important point, which is what the composition of growth will look like. Consumer spending and business fixed investment are expected to remain exceptionally weak over the next five quarters, with real private final domestic demand averaging just a 1.3 percent pace for all of 2010. Inventory rebuilding, a continued narrowing in the trade deficit and increased federal government outlays will help bridge the gap between that disappointing growth in private demand and the mediocre 2.4 percent rise in real GDP we are forecasting.

The weakness in private domestic demand is the primary reason we expect the unemployment rate to rise further next year. High unemployment should keep the Fed on the sidelines through most of the year but we still expect to see short-term interest rates rise before the end of 2010.

INTERNATIONAL OVERVIEW

Most Major Central Banks on Hold for Now

The Reserve Bank of Australia (RBA) slashed rates in the aftermath of last autumn's financial market meltdown. Now that the emergency has passed, the RBA has started to tighten policy again. The Norwegian central bank also hiked rates recently. Will other foreign central banks follow suit in the near term and commence their own tightening cycles?

Probably not. With real GDP in the United Kingdom still contracting, rate hikes by the Bank of England do not seem imminent. Indeed, the Bank recently eased policy further by sanctioning an increase in its unprecedented asset purchase program. Although growth probably has turned positive again in the Euro-zone, we believe the ECB will also be on hold for the foreseeable future. The core rate of CPI inflation in the Euro-zone is benign, and very slow growth in the M3 money

contraction in decades, and the unemployment rate is at a record high. With the core rate of inflation in negative territory, any rate hike by the Bank of Japan seems to be years in the future. Whether the Bank of Canada tightens before the Fed is very much an open question. However, the high unemployment rate and the low rate of CPI inflation north of the border do not argue for near-term rate hikes in Ottawa.

Not Enough Growth to Move the Needle

There is little doubt the recession ended this summer, when the restart of domestic motor vehicle production lifted output in the auto sector and a whole host of related industries. Real GDP growth rebounded at a 3.5 percent annual rate in the third quarter, with consumer spending, residential construction and federal government spending accounting for large portions of the increase. Various stimulus programs, including cash-for-clunkers, the first-time home buyers' tax credit and increased federal government outlays accounted for roughly two thirds of the improvement in final demand during the quarter.

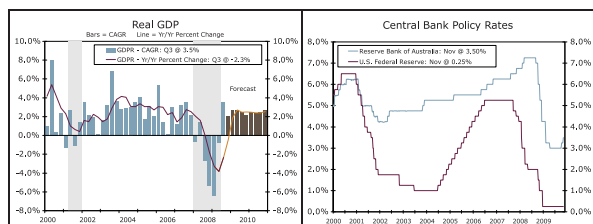
Absent the stimulus programs there was not enough improvement in final demand to move the growth needle all that much. We expect private final domestic demand, which we call "core" GDP, to slip back a bit in the fourth quarter and remain weak through all of 2010. The weakness in domestic demand is one reason the unemployment rate jumped over the past two months and is the primary reason we expect the jobless rate to rise well above the current consensus estimate.

Rising unemployment will continue to weigh on consumer spending. Outlays are expected to decline slightly during the current quarter, reflecting some payback from the cash-for-clunkers program. Holiday retail sales are also expected to be down slightly from last year, but should not fall anywhere near as much as they did last year. Following a modest drop in the fourth quarter, consumer spending is expected to gradually ramp up over the course of 2010. Spending for motor vehicles and other big-ticket discretionary items will be held back by continued job losses and rising unemployment but spending on nondurables should rise modestly, as food, energy and housing take a smaller bite out of household budgets.

Business fixed investment in equipment and software rose at a 1.1 percent annual rate during the third quarter and is expected to make an increasingly positive contribution to growth over the next two years. Investment outlays plummeted late last year and during the early part of 2009. Corporate profits have improved since then and businesses have been building up their cash positions. Outlays are expected to rise modestly over the next several quarters, with spending rising the most for equipment. Investment in alternative energy and power projects is also growing solidly.

One area where we do not expect to see much improvement is commercial construction. Values for commercial buildings have fallen around 40 percent from the peak hit two and a half years ago, making it hard for investors to raise capital for new projects. Lower natural gas prices have also cut into energy exploration, which had been one notable area of strength. Power plant construction has also slowed. One possible bright spot is foreign investment in new manufacturing facilities, which should garner increased interest with the recent slide in the dollar. Residential construction bottomed out earlier this year and is now in recovery mode. We expect outlays for new single-family homes to increase modestly over the next two years but look for spending for new apartments, condominiums and townhomes to continue to lag.

P-10



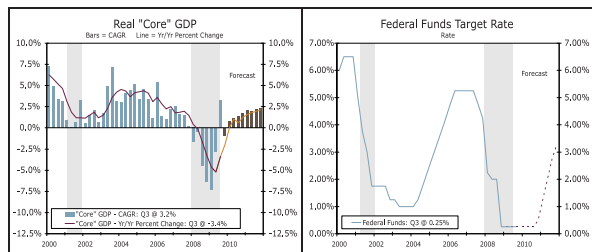
Source: Bloomberg LP, U.S. Department of Commerce and Wells Fargo Securities, LLC

supply, which the ECB watches like a hawk, does not portend an increase in inflationary pressures anytime soon.

Real GDP in Japan is growing again. However, over the past year the Japanese economy experienced its sharpest



Spending for residential additions, alterations and repairs is a notable bright spot. Growth is being driven by investor purchases of distressed properties, many of which are being



Source: Federal Reserve Board, U.S. Department of Commerce and Wells Fargo Securities, LLC

converted to rental housing. In addition, tax incentives to weatherize homes are also driving outlays, particularly for government-owned units.

Federal government spending is expected to bridge the gap between modest growth in private domestic demand and the mediocre 2.4 percent real GDP growth we expect. The impact of federal government stimulus, however, is expected to steadily wane over the forecast period. Moreover, the persistence of large federal budget deficits creates uncertainty, which tends to restrain hiring and business fixed investment.

Do Australia and Norway Foreshadow Higher Rates?

Over the past few weeks, some central banks, including those in Australia and Norway, have tightened monetary policy. The Reserve Bank of Australia (RBA) has announced two 25 bps rate hikes since early October (see chart on front page). Do the rate hikes down-under and in Norway mean that central banks in large foreign economies are on the cusp of tightening policy?

No. The RBA responded to the emergency of the global financial meltdown by slashing rates by 425 bps between September 2008 and April 2009. Not only has the financial crisis passed, but the Australian economy has held up better than many had expected. Therefore, the RBA is in the process of withdrawing some policy accommodation. Similarly, a policy rate of only 1.25 percent is probably no longer appropriate in Norway now that the economy is showing signs of recovering.

ECB and Bank of England on Hold for Some Time

Although major foreign central banks (e.g., the European Central Bank, the Bank of England (BoE) and the Bank of Japan) will not keep their respective policy rates close to zero percent forever, we do not look for imminent tightening from those banks. Let us start with the United Kingdom. With real GDP contracting for six consecutive quarters (see chart below), the Bank does not need to tighten policy in a hurry. Indeed, the Monetary Policy Committee eased policy further this month by sanctioning an increase in its program to purchase assets from the commercial banking system from £175 billion to £200 billion. In our view, the BoE will not hike rates until the second half of 2010, at the earliest.

Across the English Channel in Frankfurt, the ECB has maintained its main policy rate at 1.00 percent since early May. Although real GDP in the Euro-zone probably expanded in the third quarter for the first time since 2008-Q1, rate hikes by the ECB do not appear imminent either. After only one quarter of positive GDP growth, it would be premature to say that a truly self-sustaining recovery in the euro area has taken hold. Moreover, there are few inflationary pressures evident at present. Although the negative CPI inflation rate overstates the amount of deflation in the economy—the overall CPI inflation rate was pulled below zero by the collapse in oil prices last year—the core inflation rate has been trending lower recently. The ECB closely monitors the money supply.

With the year-over-year growth rate of the M3 money supply plunging to less than two percent, there is little reason for heartburn among even the most hawkish members of the ECB Governing Council. As with the BoE, we do not look for the ECB to start tightening policy until well into next year.

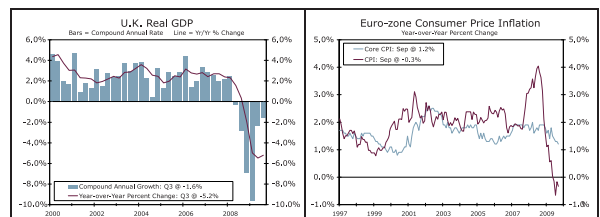
Will the BoJ Ever Tighten?

The Bank of Japan (BoJ) may refrain even longer from raising rates. Real GDP in Japan rose 0.6 percent (not annualized) in the second quarter, and most monthly indicators suggest that output continued to expand in the third quarter. That said, the economy contracted more than eight percent between the first quarter of 2008 and the first quarter of this year, the sharpest downturn in Japan in decades, so the actual level of GDP is still well below potential GDP. Unemployment has risen to its highest rate since records began in the early 1950s, and the core CPI is down 1.0 percent on a year-over-year basis.

The consensus forecast projects that the BoJ will be on hold well into 2011, an expectation that we share.

Among G-7 countries, the economic contraction in Canada has been the least extreme. Nevertheless, the Bank of Canada probably is on hold for the foreseeable future as well. Nearly nine percent of the Canadian workforce is unemployed. The core rate of CPI inflation is only 1.5 percent at present and further dis-inflation seems likely. Whether or not the Bank of Canada tightens policy before the Fed is very much an open question. In any event, there probably will not be any rate hikes until Canada starts to thaw, both literally and figuratively.

P-11



Source: IHS Global Insight and Wells Fargo Securities, LLC

Wells Fargo International Economic Forecast

(Year-over-Year Percent Change)

	GDP			CPI		
	2009	2010	2011	2009	2010	2011
Global (PPP weights)	-1.0%	3.7%	4.0%	2.7%	3.7%	4.0%
Global (Market Exchange Rates)	-2.2%	2.5%	2.8%	n/a	n/a	n/a
Advanced Economies ¹	-3.4%	2.3%	2.5%	-0.4%	1.2%	1.7%
United States	-2.5%	2.4%	2.4%	-0.4%	1.8%	2.0%
Eurozone	-3.8%	1.9%	2.5%	0.3%	1.0%	1.5%
United Kingdom	-4.7%	1.7%	2.2%	2.1%	2.1%	1.6%
Japan	-5.8%	1.9%	1.6%	-1.3%	-0.7%	0.5%
Korea	0.2%	5.1%	3.6%	2.7%	2.6%	2.9%
Canada	-2.6%	2.2%	2.7%	0.2%	1.5%	1.9%
Developing Economies ¹	2.0%	5.2%	5.7%	6.4%	6.6%	6.8%
China	8.2%	8.8%	9.1%	-0.8%	1.9%	2.5%
India	5.8%	7.3%	8.0%	11.0%	9.9%	7.7%
Mexico	-7.2%	2.2%	2.5%	5.3%	3.7%	4.1%
Brazil	-0.1%	2.6%	3.5%	4.9%	4.8%	4.9%
Russia	-8.1%	2.3%	3.0%	11.9%	7.5%	9.2%

Forecast as of: November 11, 2009

¹Aggregated Using PPP Weights

Wells Fargo International Interest Rate Forecast

(End of Quarter Rates)

	3-Month LIBOR						10-Year Bond					
	2009		2010		2011		2009		2010		2011	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
U.S.	0.30%	0.35%	0.35%	0.40%	0.65%	1.40%	2.15%	3.50%	3.60%	3.60%	3.70%	3.90%
Japan	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	1.40%	1.40%	1.40%	1.50%	1.60%	1.80%
Euroland	0.65%	0.65%	1.00%	1.40%	2.00%	2.75%	3.20%	3.25%	3.30%	3.60%	3.90%	4.25%
U.K.	0.60%	0.60%	0.65%	0.90%	1.45%	2.20%	3.20%	3.65%	3.70%	3.90%	4.20%	4.50%
Canada	0.50%	0.50%	0.60%	1.00%	2.00%	3.00%	3.75%	3.30%	3.40%	3.60%	4.00%	4.40%

Forecast as of: November 11, 2009

Source: Wells Fargo Securities, LLC



NATIONAL NEWS

FINANCE AND ECONOMY

RMG Sector to Have Trade Union

A meeting of ministers, garment factory owners, garment workers and union leaders decided to introduce trade unionism in the garment industry recently after related unpleasant incidents took place in the capital city. The meeting held at the labor and manpower ministry formed a 12-member committee to recommend ways to introduce trade unionism in the sector.



Prime Minister Sheikh Hasina, meanwhile, expressed bitter disappointment at police firing on garment workers' demonstration that left three people dead. The PM said she could not understand why the law enforcers had to open

fire on the demonstrators. Even if it had been necessary to open fire, they could have fired blank shots or shot in the leg, Hasina was quoted as saying by an official of the Prime Minister's Office. He said the prime minister expressed her deep shock over the deaths of three workers and expressed sympathy to the bereaved family members. The meeting was convened at the home ministry against the backdrop of the latest violence in the apparel industry. Home Minister Sahara Khatun, who chaired the meeting, said the culprits, is they godfathers, owners or laborers must have to face trial. "Nobody will be spared," she told reporters after the meeting. The committee is comprised of representatives from home ministry, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and workers. (Source: Fibre2Fashion)

Banking Enters New Era

Hassles are about to be over. Shoppers will no longer have to go to market spending hours in traffic jams. One does not need to stand in long queues to pay utility bills. All are now possible on the internet. Bangladesh Bank introduced online payment systems facilitating fund transfers and payment of utility bills on the net. The new move allows people to use local currency credit cards for online transactions within the country. Although these services are being introduced on a smaller scale, it is seen as the first step toward a full-fledged online banking. This move will certainly enhance the use of e-commerce



and online banking services facilitating subscribers of all commercial banks in Bangladesh. The central bank issued a circular to all commercial banks saying subscribers to internet banking will now be able to pay utility bills online from customers' accounts to billing accounts. "This will create a revolution in e-commerce and online banking," said Bangladesh Bank Governor Dr Atiur Rahman. Online fund transfer between two accounts under the same name in the same bank will also be possible. The circular mentioned that e-commerce-based transaction between buyers and sellers can also be done through internet banking. Online transactions by credit card in local currency will also be possible. However, Banks need to be prepared for offering such services. Customization and integration are necessary for this purpose. Security measures along with a legal framework need to be put in place to safeguard both customers and banks. Bangladesh Bank had taken the initiative to implement the e-Payment Gateway back in 2008. According to a report, the system should be ready for deployment within the next six to eight months and is expected to be operational at the beginning of the next financial year. (Source: The Daily Star)

Financial Sector Logs Hefty Profit

Bangladesh's financial sector has recorded impressive profit growth in the first three quarters of 2009, showing strong resilience against fallout from global recession. Both banks and non-banks posted 30 percent growth in net profit in the January-September period, compared to the same period a year ago. Sector people linked the growth to a booming capital market, growth in remittances and a revival of congenial investment climate in the third quarter. "Institutions with operations in capital market have achieved substantial gains this year," said Mafizuddin Sarker, Managing



Director of LankaBangla Finance, a joint venture leasing and finance company. LankaBangla Finance's net profit a joint venture leasing and finance company. LankaBangla Finance's net profit grew nearly 45 percent to more than Tk. 52 crore for

the first three quarters, compared to the same period of 2008. Pubali Bank's net profit rose 25 percent to Tk 90 crore in the first three quarters from the same period a year earlier. Most banks out of the 48 banks and 29 non-bank financial institutions have achieved significant growth during the period, offsetting fear that the global economic slowdown would cost Bangladesh and its financial sector heavily. These financial institutions are the prime source of funding for investment in industries and trade. AB Bank, one of the largest private banks, has logged Tk 210 crore in net profit in the Jan-Sept period of 2009, up from Tk. 181 crore in the same period a year ago. Of the banks, Eastern, IFIC, First Security, Prime, Mutual Trust and Mercantile also grew by double-digit rates during the period. Our capital market is still underserved compared to the total economy. There is ample scope to grow up more. (Source: Bangladesh Economic News)

Ban on 'Jatka' Catching Takes Effect

A seven-month ban on catching 'jatka' (hilsa less than 9 inches or 23 centimeters in length) from November 1 to May 31 began in all hilsa regions of the country Sunday. Abdul Aziz, Deputy Director and Bankim Chandra, Assistant Director of Barisal office of fisheries department said, hilsa fries grow 2-2.5 cm in length per month and start moving towards sea after reaching 15-17 cm in length. They start return journey to sweet water rivers after growing 25-28



cm, each having an average 300-450 grams weights, for laying eggs. So, if only 10-20 per cent of 'jatka' could be saved from catching, then hilsa resources of around of two lakh tons worth hundreds of cores of taka could be increased every year, said the officials. Local fisheries department officials said, they were unable to take action against 'jatka' catchers due to fund constraints, lack of manpower and other logistic support and also for loopholes in the law. Fish Research Institute sources here said hilsa resources doubled in last 14 years as catching of hilsa was 1.47 lakh metric tonnes in 1983; 2.20 lakhs MTs in 2002, 2.8 lakh MTs in 2007 and more than 3 lakh MTs in 2008. A study says the contribution of hilsa to the country's gross domestic product is 2 per cent and this fishing sector earns about 9 to 12 per cent of total forex. Steps taken by the government for strictly imposing and monitoring ban on using thinly knitted current nets, seven months (November-May) ban on 'jatka' catching, two months (March-April) ban of hilsha fishing in four sanctuaries, 10-day (October 15-24) ban on hilsa fishing in 7000 kilometer areas in the country have started giving



on hilsa fishing in 7000 kilometer areas in the country have started giving positive results in increasing hilsa resources of the country hopefully. (Source: Bangladesh2Day)

Automated Clearing House Starts on Trial

The central bank finally launched an automated clearinghouse on trial for faster settlement of transactions and payment systems. Three commercial banks Janata, Dutch-Bangla and Eastern Bank took part in the trial operation, posting 40 cheques each for online clearing at Bangladesh Bank (BB). The system will significantly reduce settlement time from three days to only two hours. "We moved one step ahead of many other countries by introducing this modern technology-based payment and transaction system," BB Governor Atiur Rahman told reporters at the inauguration of the trial run. Rahman said the automated clearinghouse will formally be operational once all the banks operating here are fully prepared. But he hinted it will take several months. The Department for International Development (DFID) of United Kingdom funded \$8.5 million to implement the Bangladesh Automated Clearing House (BACH). Cash and cheques are the two main mediums of transactions in Bangladesh. Of these, cheques dominate in terms of payment value. Cheques are settled through the clearinghouses of BB and the state-owned Sonali Bank. According to BB officials, the existing clearinghouses settled over two and a half crore-payment instruments worth nearly Tk 4, 50,000 crore in 2008. So, the system takes up to 10 days, depending on the location of the bank branch to settle a transaction. Under the new system, banks will not physically need to send cheques to the clearinghouse at BB. Banks can do the job online from their own offices using machine-readable cheques and the funds will be transferred electronically. Banks will have to issue magnetic ink character recognition (MICR) cheque books and set up communication links, hardware and software that are a must for the system. Initially, the automated clearinghouse will run for about 1,100 bank branches in Dhaka. All branches will come under the system in phases. The BB governor said the trial run will continue until all banks are ready to integrate with the new system. Quoting a World Bank study, Stefan Austin, DFID chief in Bangladesh, said modern payment systems contributed up to one percent of economic growth in many countries. He can hope that adoption of the new technology-based payment system will help Bangladesh achieve higher growth in future. (Source: The Daily Star)

P-13

Sylhet Industrial Hub can Boost Economy

The visiting UK business delegation has suggested that the government set up an industrial hub in Sylhet for strengthening Bangladesh's economy. The Bangladesh British Chamber of Commerce team met Industries Minister Dilip Barua at his office. The minister called upon the British investors and Bangladeshi expatriates in UK to invest in Bangladesh's potential sectors such as shipbuilding, textiles, leather goods, food processing and real estate. "We can ensure that all facilities will be provided to the British investors," he said while exchanging views with a UK business delegation, which arrived here in search of business and investment prospects. Referring to the business agreement between Bangladesh and UK signed in 1980, the minister said UK companies can invest in the aforesaid sectors availing of generous facilities offered to foreign investors." The government is very much serious about the foreign investors and we will try our level best to ensure security for the foreign investors and their capital in Bangladesh. The UK companies can invest as Bangladesh might be the best location for future production due to very low cost and availability of labor", he said. Referring to the country's emerging and potential ship building sector, Dilip Barua said many countries, including Germany, Sweden and

Norway, shown their interest to invest their capital in shipbuilding sector. (Source: Bangladesh Economy)

Forex Reserve Crosses \$10b Mark for First Time

Foreign exchange reserve has crossed the \$10 billion mark for the first time in the history of the country riding on remittance, export growth and lower import. "Entrepreneurs can get loan at easier term to import capital machinery and foreign investors can have more confidence in the economy due to huge foreign exchange reserve," said Bangladesh Bank Governor Atiur Rahman at a press conference. The country's capacity to face sudden catastrophes including food shortage will increase and Bangladesh will have more bargaining chips in negotiating for aids with its foreign counterparts due to high reserve, he explained. "Hundi or informal channel of sending money has declined as the central bank allowed banks to open exchange houses in different locations including Kuala Lumpur, New York and London," he said adding "Bangladesh Bank has thrown a challenge to hundi traders and they are losing their business." The Governor said confidence of businessmen is growing and this reserve can help them in doing business. "The investment situation was weak in the past but now there is a turnaround and the economy is picking up," he said. "The country has excess production capacity now as the entrepreneurs imported capital machinery more than their requirement keeping future production prospect in mind. Thus capital machinery import has dropped but raw material import has increased in recent times," he added. The central bank is planning to increase export retention quota for the exporters and the size of export development fund as it has huge foreign reserve, Dr Atiur said. About the multilateral lending agencies' veiled warning about suspension of funding, he said problems with multilateral lending agencies can happen. "The government will handle the situation keeping the national interest in mind," he added. Deputy Governor of Bangladesh Bank Ziaul Hasan Siddiqui said with huge reserve the central bank now can offer innovative products which would help the economy. "The central bank has recently allowed Pran Group and Apex Group to procure loans in foreign currency from local banks which could not be imagined even last year," he said. Bangladesh Bank has started to open the door for getting loans in foreign currency for local business houses as it can afford to do so because it has an enormous reserve of foreign exchange. (Source: Choice)

BB Services to Go Rural

The Bangladesh Bank (BB) will introduce next year a loan scheme styled 'one banking product in each upazila across the country in an effort to generate jobs for more people. The central bank will implement the program under a five-year strategic plan from 2010 to 2014, BB Deputy Governor Murshid Kuli Khan said at a press briefing at a conference recently. Mr. Khan said the plan aims at taking the services of the central bank to more people apart from its traditional roles in controlling inflation and regulating banks. In line with the plan, highest emphasis will be laid on small and medium enterprises after agriculture sector. Under the plan, different loan programs will be launched targeting upazilas and villages so more rural people will get involved with the process of economic development. (Source: Bangladesh Economy)

Bangladesh Now a Hub of Sportswear Outsourcing

Bangladesh has become a global hub for outsourcing sportswear as internationally renowned brands in large numbers are flocking here to purchase such special clothing ahead of big global sports events. Quality and cheaper rate of such local apparels attract the buyers, industry insiders say. (November-May) ban on 'jatka' catching, two months (March-April) ban of hilsa fishing in four sanctuaries, 10-day (October 15-24) ban held in Germany.



I am sending huge number of such item for the South Africa World Cup, too," said M. A. Rahim Firoz, a director of DBL Group, mainly a knitwear maker. He sees the rise in buying orders from renowned companies as a sign of better days in the



coming years. "The higher demand manifests that foreign buyers have confidence in Bangladesh made sportswear items," Firoz said. Dozens of garment factories are now getting export orders round the year, he added.

This clothing is being used as a fashion item as western styles pass through a wider change. Nowadays, people also wear sportswear as casual dresses at home or office. This is why the demand for such clothing is increasing in the western world. Bangladesh has been supplying sportswear for different renowned football, cricket and baseball clubs in USA, EU and other countries. (Source: The Daily Star)

Shykh Seraj Receives FAO Award

Media personality Shykh Seraj has been awarded the prestigious AH Boerma Award of the UN Food and Agriculture Organisation (FAO) for 2008-09. Shykh Seraj, director and head of news of Channel i, received the award on the last day of the World Food Security Conference in Rome on November 18, said a press release. He is the first Banglali and the fifth Asian to receive this prestigious award. Since 1979, FAO has presented the award every two years to journalists from around the world who have helped focus public attention on food security and rural development in developing countries. French journalist Laetitia Clavreul also received the award this year.



FAO Director General Dr Jacques Diouf handed over the award to Shykh Seraj. In his speech, Dr Jacques Diouf highlighted Seraj's contribution to fighting hunger and poverty. Seraj stood by the farmers when they are in trouble and brought it to the notices of policymakers during his long journalistic career, he added. Seraj has been working relentlessly to promote the use of world's new technology among farmers, he said. Jacques Diouf also said the whole world is fighting against starvation. Bangladesh continues its fight with less number of strength in which the mass media is a dominant one and Seraj is playing a pivotal role in it. (Source: The Daily Star)

Private Sector Credit Falls Sharply

Credit to private sector dipped below 14 per cent in September the first time in about two years as lending to new factories dried up due to an acute energy crisis and a major fall in exports, officials said. Bangladesh Bank statistics revealed the grim figure Sunday, showing that private sector credit has come down to 13.65 per cent in September, from 14.26 per cent in August and almost half that of the same month last year. Banks lent private companies, flat buyers, consumers, farmers and traders Tk 272.492 billion in September 2009, down from Tk 418.662 billion in the same month last year, the BB data showed. Officials said the rate was the lowest since the second part of the 2007-8 fiscal year when industrial production started to rise from the downturn caused by the takeover of the army-backed caretaker government in early 2007. "We thought credit flow would grow in September as August figures have showed first increase in ten months. But the opposite has happened," a senior BB official said. He blamed the global recession and a nationwide acute crisis of gas and electricity for the fall. "The

entrepreneurs are cautious in investing in new facilities or expanding their existing units against the backdrop of global meltdown. As a result, there is fewer demand for project loans," he said. (Source: All Headline News)

UK's CDC to Invest \$10M in BD

The UK's Commonwealth Development Corporation (CDC) will put US\$ 10 million into a Swedish-financed private equity firm, as it looks to garner the potential of Bangladesh's recession-proof economy, its top boss has said. Richard Laing, chief executive officer of the British development finance institution, has said his organization is on an investment trail and would funnel the fund through the Bangladesh unit of Brummer and Partners to ensure that companies in emerging economies have access to "patient" capital flow. Last year, Brummer and Partners, which manages \$ 7.0 billion assets across Europe and Asia, established the Frontier Fund with \$ 53 million. This year the World Bank's private lending arm International Finance Corporation (IFC) also provided it with \$ 10 million to invest risk capital in Bangladesh's responsibly managed companies. Currently, South Asia and sub-Saharan Africa are the largest destinations for CDC investments. (Source: The Daily Star)

BB Appoints Four More Primary Dealers

The central bank has appointed four more financial institutions as primary dealers, aiming to bring dynamism to the government securities market. Mercantile Bank, Mutual Trust Bank and non-bank institutions IPDC and LankaBangla Finance were awarded the licenses. Officials said. With the new four, the number of primary dealers now stands at 13. Of them, 10 are banks and three non-bank institutions. In August, Bangladesh Bank sought applications from commercial banks and non-bank financial institutions for appointment as primary dealers. "We've given approval to more dealers to boost the country's under-performing securities market," said an official with the Debt Management Department of Bangladesh Bank. "We hope the primary dealers will play a role in creating a competitive atmosphere for the government securities market." A primary dealer is a bank or securities broker-dealer that may trade directly with the central bank. Such institutions are required to make bids or offers when Bangladesh Bank conducts open market operations, provide information to its open market trading desk, and to participate actively in government treasury securities auctions. These dealers purchase a vast majority of government treasury securities such as T-bills and T-bonds sold at auction and resell them to the public. The central bank will select the top primary dealers considering their performance on participation in the primary auction and transactions of the government-approved securities in the secondary market on a quarterly basis. (Source: The Daily Star)

SME Fund Flow Rises 120pc in One Year

The fund flow in the Small and Medium Enterprises (SME) sector increased by 120 percent in the last one year as commercial banks and financial institutions responded to the demand for loan, SME Foundation officials said. Almost 48 private commercial banks (PCBs) opened SME service centers planned for infusing their capital, investments and employment in the sector following the Bangladesh Bank's directives in this regard. According to a central bank's figure, the banks and financial institutions have distributed loans of Tk 48,475 crore between April to June this year, which is Tk 13,435 crore more than the same period of the previous year. The state-owned banks provided higher amount of loans compared to private ones as the state banks distributed 33.33 percent of the total loans alone. Specialized banks clinched second position with 19.15 percent, while PCBs 18.77 percent, (Source: Bangladesh Economy)

Banks Raise Interest Rates on Deposits

At least eight banks increased interest rates on deposits this month after slashing the rates nine months continuously while the interest rates on lending were almost stable.



"The commercial banks have offered higher interest rates on deposit aiming to attract clients for depositing their money with them," a chief executive of a private commercial bank told. He also said the banks are interested to consolidate their fund base by collecting deposit from public avoiding short-term lending from the country's money market. The country's commercial banks now offer interest rates ranging from 1.25 per cent to 10.03 per cent on fixed deposit schemes, while the rates for savings accounts vary between 1.00 per cent and 8.00 per cent, according to the central bank statistics.

"The banks have raised their interest rates on deposit to minimize mismatch of their fund position by the end of this calendar year," Managing Director and Chief Executive Officer of the Agrani Bank Limited Syed Abu Naser Bukhtear Ahmed said. "More banks may raise their interest rates on deposit in the month of December to square up their fund position," a senior official of the Bangladesh Bank (BB) said, adding the central bank is monitoring the overall interest rate situation closely to ensure implementation of its instructions properly. (Source: The Financial Express)

POLITICS

PM Promises to Introduce E-Tender Soon to Stop Tender Manipulation

Recently on an occasion, promising to introduce e-governance from the grassroots level to the central administration, the Prime Minister revealed that the government had decided to introduce e-tender system to put an end to tender manipulation. She has asked the ministries, all government institutions and departments to keep their websites always updated to provide people with the latest information. The Prime Minister said the government wanted to stamp out corruption from all sectors utilizing the information technologies. "We don't want to be known as a corrupt nation in the world as we used to be during previous governments. Work hard to uphold Bangladesh's image abroad as an honest, hard-working and modern nation," she said. Sheikh Hasina said "Digital Bangladesh is a modern philosophy of using appropriate technology in implementing all the government's pledges, including poverty eradication, ensuring quality education and health facilities and generating employment opportunities for the people." The Prime Minister said the main purpose of building Digital Bangladesh was to ensure people's empowerment, establishing transparency, accountability and good governance at every level and sector, taking the government services to doorsteps of people. Prime Minister's Adviser HT Imam, State Minister for Science and Technology architect Yafes Osman, Cabinet Secretary MA Aziz and UNDP country director Stefan Priesner were also present. (Source: The Financial Express)

Government Cancels All Riverbank Leases

The government has cancelled all leases of the riverbanks given by the Bangladesh Inland Water Transport Authority (BIWTA) on daily basis and decided to stop unauthorized sand trading for checking river pollution and maintaining navigability. The government also decided to cancel gradually leases on long-term and yearly basis given by the BIWTA except for those having public interest. The leases given only for kitchen markets, landing stations and docks for fuel oil will be allowed to continue. The decisions were taken at a meeting of the high-powered taskforce formed to make recommendations and take implementation measures for ensuring navigability of the country's important rivers held at the shipping ministry with its Minister Shahjahan Khan in the chair. The BIWTA used to give leases mainly to the sand and brick traders who often fill up and grab riverbanks. To protect the riverbanks, the government will construct walkways, start a forestation and set up benches on the riverbanks. The shipping and environment ministries have already taken separate projects in this regard. The meeting also decided that communications, local government and rural development ministries will be requested to destroy the low bridges on the rivers and construct them in a way so that they do not hamper water transport. The government will take stronger measures to save the rivers

from industrial wastes. Besides, water buses will be introduced around the capital while fences will be built up on recovered riverbanks. (Source: The Daily Star)

Stimulus-Plus for Ship Building, Frozen Food, Apparel Sectors Soon

The government is likely to announce an additional recession package of Tk 2,000 crore to promote different sectors suffering from the global meltdown. Finance ministry sources say they are considering allocating the money to the new areas like product diversification, ship building, frozen food and apparel sector. A committee, recently formed by the government and headed by former finance minister M Syeduzzaman, already submitted its report on the issue to the finance ministry. The finance ministry is now finalizing the stimulus package on the basis of the report. Subsidy under the new recession package might be given to the readymade garment exporters and their backward integration only for new export destinations as per the recommendation of the committee, finance ministry sources said. The committee recommended giving five percent cash incentive to the readymade garments including knitwear and woven garments for the next five years. According to the committee, all the export destinations except EU, the US and Canada will be considered as new markets. The ministry is also considering forming a fund for product diversification and small and medium apparels sector affected by the global recession. The shipbuilding, evolving as a potential export-earning sector in the country, may get 7.5 to 10 percent export subsidy. Besides, the government is considering giving banking facilities to help export sector overcome the pinch of global economic downturn. (Source: The Daily Star)

Involvement of Women Crucial to Fight Global Concerns

Prime Minister Sheikh Hasina stressed the need for involving women in all levels of policy and planning of climate change, food security and agriculture issues to fight these global concerns together. "They must have equal access to information, skills development, market linkage and technology and financial resources to effectively participate in climate change initiatives," she said. Hasina said this while co-chairing a roundtable titled 'Climate change adaptation and mitigation: Challenges for agriculture and food security' held at FAO headquarters as part of the World Summit on Food Security-2009. Later, the prime minister gave her place to Agriculture Minister Matia Chowdhury who concluded the event on behalf of Bangladesh. Addressing the roundtable, the premier said women have knowledge in agriculture and food security. Therefore, they must be involved in all policy and planning levels. Women are disproportionately vulnerable to climate change. Yet they play a major role in adoption and mitigation in agriculture, she said, adding that rural women are responsible for half of the world's food production, producing 60-80 percent of foods in most developing countries. (Source: The Daily Star)



DOMESTIC CAPITAL MARKETS REVIEW

CAPITAL MARKETS - DSE (For the week Nov. 29th to Dec. 3rd, 2009)

Top 10 Losers of the Week (by Closing Price of all Companies)

Sl. No.	Name	Category	% Change	Deviation % (High & low)	Value in BDT (million)
1	Apex Spinning.	A	-12.48	844,000	281,333
2	Samorita Hospital	A	-12.17	442,000	147,333
3	Alpha Tobacco	Z	-11.52	44,000	14,667
4	Alltex Ind. Ltd.	B	-7.38	20,301,000	6,767,000
5	Eastern Lubricants	A	-6.39	2,162,000	720,667
6	Renwick Jaineswar	A	-6.21	4,397,000	1,465,667
7	Pubali Bank	A	-6.13	733,993,000	244,664,333
8	Apex Weaving	A	-5.85	10,577,000	3,525,667
9	Al-Haj Textile	Z	-5.55	4,293,000	1,431,000
10	Aziz Pipes	Z	-5.3	1,410,000	470,000

Top 10 Losers of the Week (by Closing Price of all Companies)

Sl. No.	Name	Category	% Change	Deviation %	Deviation % High & Low	Turnover BDT (million)
1	Apex Spinning.	A	-12.48	19.76	844,000	281,333
2	Samorita Hospital	A	-12.17	25.35	442,000	147,333
3	Alpha Tobacco	Z	-11.52	20	44,000	14,667
4	Alltex Ind. Ltd.	B	-7.38	20.34	20,301,000	6,767,000
5	Eastern Lubricants	A	-6.39	15.45	2,162,000	720,667
6	Renwick Jaineswar	A	-6.21	14.34	4,397,000	1,465,667
7	Pubali Bank	A	-6.13	17.18	733,993,000	244,664,333
8	Apex Weaving	A	-5.85	14.6	10,577,000	3,525,667
9	Al-Haj Textile	Z	-5.55	13.11	4,293,000	1,431,000
10	Aziz Pipes	Z	-5.3	12.61	1,410,000	470,000

Top 10 Gainers by Closing Price (for the A Category)

Sl. No.	Name	% Change	Deviation %	Value in BD Tk. (million)	Volume
1	City General Insurance	19.34	19.76	196,333,000	409,100
2	BDFINANCE	18.78	25.35	386,274,000	539,850
3	Peoples Leasing & Fin Services	16.32	20	261,257,000	507,900
4	IPDC	12.61	20.34	202,849,000	438,650
5	Golden Son	12.16	15.45	69,349,000	1,183,500
6	Agrani insurance	11.89	14.34	132,738,000	297,700
7	Bank Asia	10.8	17.18	185,988,000	425,500
8	Dhaka Bank	10.43	14.6	477,344,000	980,400
9	National Housing Finance and Investments Ltd.	10.24	13.11	124,593,000	115,300
10	Northern General Insurance Company Ltd.	9.7	12.61	128,761,000	271,250

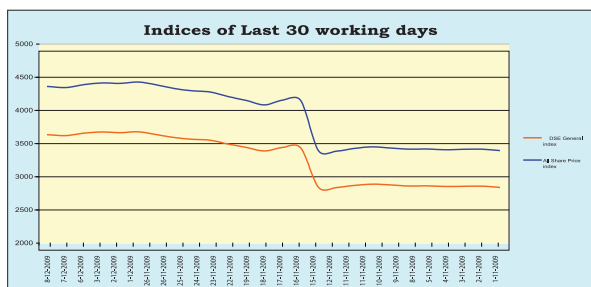
Top 10 Companies by Turnover for this Week

Sl. No.	Name	Category	Turnover in BDT (million)	Turnover Volume	% of Total Turnover	% Change
1	AB Bank	A	1,266,237,000	1,163,050	4.13	-1.15
2	Titas Gas	A	851,324,000	1,218,900	2.78	-1.03
3	Social Islamic Bank Ltd.	A	779,489,000	2,457,950	2.54	-0.32
4	BEXIMCO	A	751,746,000	2,499,400	2.45	2.38
5	Pubali Bank	A	733,993,000	1,129,435	2.39	-6.13
6	NBL	A	630,109,000	951,840	2.06	3.71
7	Jamuna oil	A	523,657,000	1,208,000	1.71	5.37
8	S. Alam Cold Rolled Steels Ltd.	A	496,541,000	549,200	1.62	9.1
9	Grameenphone Ltd.	N	494,652,000	2,807,400	1.61	-3.56
10	Southeast Bank	A	486,514,000	1,401,200	1.59	5.75
			7,014,262,000	15,386,375	23	

Top 10 Gainers by Closing Price (for the-B,G, N & Z Category)

Sl. No.	Name	Category	% Change	Deviation % (High & low)	Value in BD Tk. (million)	Volume
1	Rupali Bank	Z	17.59	17.79	59,569,000	32,300
2	Paramount Insurance	B	11.21	14.5	71,178,000	187,900
3	Islami Insurance BD. Ltd.	N	10.4	13.9	88,152,000	168,200
4	Lafarge Surma Cement	Z	9.06	8.82	373,487,000	700,050
5	Information Services Network	B	8.61	15.71	32,823,000	645,000
6	Standard Insurance Limited	B	7.58	9	107,014,000	262,050
7	Fu-Wang Ceramic	B	7.36	7.27	165,321,000	375,350
8	Asia Insurance Limited	N	7.06	11.44	153,075,000	238,900
9	Samata Leather	Z	6.54	17.1	997,000	10,500
10	Standard Ceramic	B	5.73	7.11	1,798,000	5,650

DSE Market Round Up



The DSE General Index (DGEN) of the prime bourse Dhaka Stock Exchange hit all time high of 4424.02 on December 01, 2009. Just on November 26, 2009 DGEN crossed the 4300 mark. The index crossed the psychological 4000 points mark for the first time on November 16, 2009, the day the largest company of the country Grameenphone debuted on the bourses. DGEN started moving north from September this year but the record breaking rally began in November. The main reason of the recent DGEN movement is attributed to renewed interest in high-cap banking sector riding on higher

third-quarter earnings compared to previous quarters and the anticipation of year-end dividend declarations. Meanwhile, the Insurance, NBF and IT sectors also aided strong support to the buoyancy. The anticipation of amendment in the insurance pushed the sector performance positive while NBFs were in safe territory due to the expectation of bonus and rights as most of them require enhancement of capital base. Market remained green in post-Eid trading as investors' enthusiasm continued. However volatility increased. Gainers beat losers by 140/98. Liquidity flow was healthy. Average daily turnover backed to BDT 10b level although total turnover decreased from previous week due to shortened trading session because of Eid holiday. But market is getting overvalued following a long rally since the April lows. Weighted average market PE stood 25 in last trading day which is the highest in recent periods and significantly higher from the 52 weeks moving average of 18. All sectors increased last week with financial stocks leading the way. DSE General Index reached at 4410.48 rose by 29.53 points or 0.67% from the previous week. Total turnover reached at BDT 30,653.31m with 33.36% decrease from the last week's BDT 45,995.10m. On the other hand, market capital rose by 1.08% and stood at BDT 1,514,32b (USD 21.79b) at the weekend against BDT 1,498,19b. DSE-20 has moved upward by 45.46 points (1.81%) and closed at 2558.99 points against 2513.53 points. Last week weighted average Market PE was 25.03 which was 16.64% lower than previous week's 21.46. During the week, DSE General Price Index was above of both 9 and 18-day moving average line. (Source: AIMS Weekly Newsletter)



CAPITAL MARKETS - CSE (For the week Nov. 29th to Dec. 3rd, 2009)

Weekly Summary

Total Turnover (BDT Million):	2,222.18
Volume of Share (Nos):	10,756,412.00
Total Contact(Nos)	60,694
Total Scrip Traded	182

Category-wise turnover

Group	Turnover Value (BDT mil.)	% of Total
A	1,858.08	83.59
B	61.39	2.76
N	209.81	9.44
Z	92.90	4.18

Script Performance in the Week

Advanced	99
Declined	75
No Change	8
Total Traded Issues	182

Top 10 Gainers of the Week (by Closing Price of all Companies)

SI No.	Names	Category	Deviation % (High & Low)	Turnover BDT (million)
1	QUASEM DRYCELLS	A	43.68%	2.19
2	BDCOM ONLINE LIMITED	A	31.64%	1.72
3	DHAKA FISHERIES	B	16.95%	0.01
4	ANWAR GALVANIZING	Z	15.26%	0.04
5	EASTERN INS	A	14.96%	0.02
6	GOLDEN SONS LIMITED	A	13.29%	12.38
7	BERGER PAINTS BANGLADESH LTD.	A	12.85%	3.26
8	INFORMATION SERVICES NETWORK LTD	B	10.67%	2.56
9	AGNI SYSTEMS LIMITED	A	9.97%	3.81
10	CITY GENERAL INSURANCE CO.LTD	A	9.63%	4.17

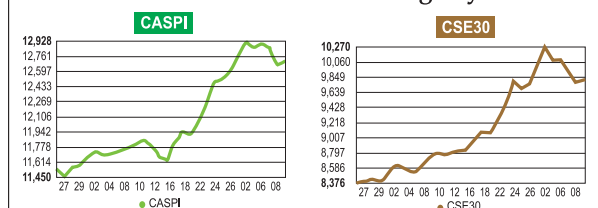
Top 10 Losers of the Week (by Closing Price of all Companies)

SI No.	Names	Category	Deviation % (High & Low)	Turnover BDT (million)
1	CTG. VEGETABLE	Z	14.81%	0.06
2	H.R. TEXTILES	B	11.50%	0.04
3	8TH ICB MF	A	11.25%	0.10
4	6TH ICB MF	A	8.78%	0.03
5	ANLIMA YARN	B	8.33%	0.06
6	ALLTEX IND.	B	5.65%	10.61
7	FIRST SECURITY ISLAMI BANK LTD	Z	5.57%	25.51
8	THE PREMIER BANK LTD.	A	4.78%	34.71
9	ONE BANK LIMITED	A	4.75%	12.21
10	AFTAB AUTO.	A	4.69%	12.78

Top 10 Companies by Turnover for this Week

SI No.	Names	Turnover BDT (million)	Volume
1	GRAMEENPHONE LIMITED	124,905,680.00	712,400
2	PUBALI BANK	96,680,136.50	148,028
3	BEXIMCO	95,749,883.00	318,046
4	AB BANK LTD.	94,115,926.50	86,319
5	SOCIAL ISLAMI BANK LIMITED	91,258,223.00	287,264
6	BEXTEX LTD	78,438,640.00	935,190
7	NATIONAL BANK	66,191,040.00	100,351
8	SOUTHEAST BANK LIMITED	50,226,943.25	144,360
9	TITAS GAS TRANSMISSION AND DISTRIBUTION COMPANY LTD	46,146,062.50	66,050
10	ISLAMI BANK	44,525,342.50	72,272

Indices of Last 30 Working days



NATIONAL ECONOMIC INDICATORS

Foreign Exchange Reserve:

The Foreign Exchange Reserve as of December 02, 2009, was registered at USD 10,425.68 from US\$ 10,336.40 million, reported on November 30, 2009, a 1.00% growth. At the end of June'09, the reserve was US\$ 7,470.96 million. The year-over-year increase on December 02, 2009 is a significant 94% as the foreign exchange reserve on December 02, 2008 was US\$ 5,384.31 million.

Exchange Rate Movements:

The average Taka-Dollar exchange rate of BDT 69.0518 reported on December 02, 2009, has increased slightly from the previous month's exchange rate of BDT 69.0400, as reported on November 30, 2009. On a year-over-year basis, the exchange rate has experienced an increase from the December 02, 2008 figure of BDT 68.8556 showing that Dollar has become stronger against the Taka in FY2009.

Wage Earner's Remittance:

Bangladesh received US\$ 1053.54 million as inward foreign remittance in November 2009 registering 38.37% growth over year-over-year. The remittance for the period of July - September 2009 stood at US\$ 4,662.34 million, a 24.44% increase, year-over-year.

Import:

Import figures in September 2009 was US\$ 1,813.50 million as compared to US\$ 2,168.70 million in September, 2008, a -16.38% decrease year-over-over. Imports for the quarter July - September 2009 stood at US\$ 5,122.50, a -19.02% decrease year-over-year.

Export:

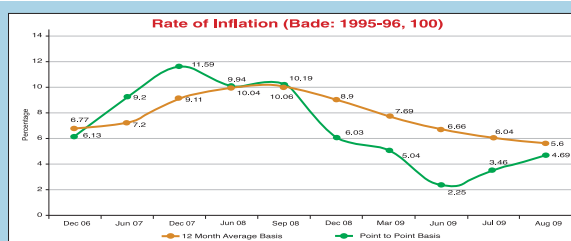
Export figures for September 2009, is reported as US\$ 1,060.22 million, a decrease of -28.27% from the previous year. Yet, the quarterly figure was reported at US\$ 3,870.68 million, a -11.66% decrease from the previous year.

Investments in National Savings Certificates

The September 2009 figure of sales of National Savings Certificates was reported as BDT 11,313.2 million, a significant increase from September 2008 figure of BDT 1,835.1 million. The quarterly figure stood at BDT 28,099.6 million. The total certificates outstanding for July - September 2009 was BDT 526,007.50 million, a 12% increase from the figure reported on the previous year.



December 9, 2009	Currency	Buying	Selling
USD/BDT Rates (based on inter-bank transaction)			
	USD	69.17	69.17
Cross Rates			
	SEK	9.68	9.69
	JPY	0.78	0.78
	GBP	112.71	112.73
	EUR	101.74	101.76
	CAD	65.09	65.11
	AUD	62.58	62.59

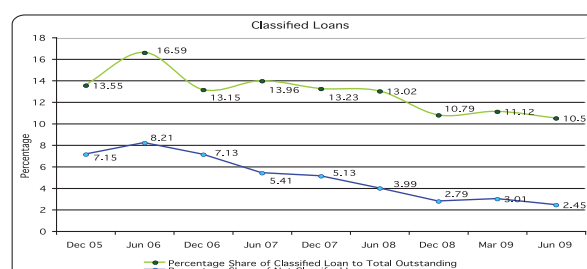


BANKING AND FINANCIAL INDICATORS

Classified Loans	Dec 05	Jun 06	Dec 06	Jun 07	Dec 07	Jun 08
Percentage Share of Classified Loan to Total Outstanding	13.55	16.59	13.15	13.96	13.23	13.02
Percentage Share of Net Classified Loan	7.15	8.21	7.13	5.41	5.13	3.99

	Sep 08	Jun 09	Sep 09	Jul-Sep 2009-10	Jul-Sep 2008-09	FY 08-09
Percentage Change (%)						
Reserve Money (BDT billion)	597.89	693.90	746.02	7.51%	13.26%	31.45%
Broad Money (BDT billion)	2,669.04	2,964.99	3,120.57	5.25%	7.28%	19.17%
Net Credit to Government Sector (BDT billion)	506.47	581.85	565.11	24.04%	30.16%	13.96%
Credit to Other Public Sector (BDT billion)	134.20	124.40	129.39	-2.88%	7.97%	24.04%
Credit to Private Sector (BDT billion)	1995.56	2179.28	2268.05	4.01%	15.37%	6.94%
Total Domestic Credit (BDT billion)	2636.23	2885.53	2962.55	4.07%	4.95%	14.62%

L/C Opening and Settlement Statement (US\$ million)	Jul-Sep 08-09		Jul-Sep 09-10		Percentage Change (%)	
	Open	Sett.	Open	Sett.	Open	Sett.
Food Grains (Rice & Wheat)	245.06	147.03	323.55	107.17	32.03%	-27.11%
Capital Machinery	388.61	423.74	396.74	337.58	-0.47%	-20.33%
Petroleum	760.64	766.10	554.77	353.67	-27.07%	-53.84%
Industrial Raw Materials	2,748.49	2,474.87	2,252.89	1905.7	-18.03%	-23.00%
Others	2,480.02	2,119.68	2,910.40	2143.12	17.35%	1.11%
Total	6,632.82	5,931.42	6,438.35	4,847.24	-2.93%	-18.28%



P-18

YEARLY INTEREST RATES							
End of Period	Bank Rate	Call Money Market's Weighted Average Interest Rates on		Schedule Banks' Weighted Average Interest Rates on		Spread	
		Borrowing		Lending		Deposits	Advances
2009*	5.00	2.80		2.80			
2008	5.00	10.27		10.27		7.31	12.31
2008	5.00	9.31		9.31		6.77	12.75
2007	5.00	7.17		7.17		6.98	12.99
2006	5.00	8.41		8.41		5.90	11.25
2005	5.00	4.93		5.74		5.56	10.83
2004	5.00	6.88		8.17		6.25	12.36
2003	6.00	9.49		9.56		6.49	13.09
2002	7.00	8.26		8.57		6.75	13.42
2001	7.00	6.82		7.21		7.08	13.75

Interest Rate Development *a													
Period	Treasury Bills			BGTB				Repo		Rev. Repo	Call Rate	Lending Rate	Deposit Rate
	91-Day	128-Day	364-Day	5-Year	10-Year	15-Year	20-Year	1-2 Day	1-2 Day				
2008-09 *b													
July	7.78	8.01	8.51	10.6	11.72	12.14	13.06	8.5	6.5	8.27	....	....
August	....	....	....	10.6	11.72	12.14	13.07	8.5	6.5	9.88	....	....
September	7.81	8.06	8.53	10.6	11.72	12.14	13.07	8.75	6.5	9.89	12.34	7.71	
October	7.87	8.08	8.56	10.6	11.72	12.14	13.04	8.75	6.5	7.64	....	....
November	7.91	8.12	8.57	10.6	11.72	12.14	13.04	8.75	6.75	7.56	....	....
December	7.91	8.16	8.58	10.6	11.72	12.14	13.02	8.75	6.75	10.42	12.31	7.31	
January	7.93	8.16	8.59	10.6	11.72	12.14	13	8.75	6.75	9.82	....	....
February	....	8.16	8.6	10.6	11.72	12.14	12.99	8.75	6.75	9.25	....	....
March	....	8.16	8.6	10.6	11.72	12.14	12.98	8.5	6.5	8.31	12.34	7.52
April	6.53	7.48	8.31	9.97	11.68	11.79	11.48	....	....	1.95	....	....
May	3.97	5.43	6.16	10.01	10.22	10.57	11.09	....	....	3.28	....	....
June	3.54	4.24	5.96	9.21	10.05	10.09	10.07	....	....	1.79	11.87	7.01
2009-10 *c													
July	1.86	3.75	5.01	8.2	9.42	9.39	8.97	....	....	1.08	....	....
August	....	....	....	7.47	8.55	8.59	8.59	....	....	0.72	....	....
September	2.05	3.5	4.33	7.49	8.43	8.8	....	8.5	....	4.39	11.59	6.57
October	2.14	3.51	4.57	7.8	8.75	8.69	9.1	....	2.5	2.82	....	....
November	2.3	....	4.6	....	....	....	....	4.5	2.5	4.01	....	....

Source: MRP, DMD, Statistics Dept., Bangladesh Bank *a Weighted Average Rate *b Provisional *c Revised Data Unavailable



REGULATORY AFFAIRS

Bangladesh Bank Eases Foreign Exchange Rules for Foreign Going Students

Bangladesh Bank decided to allow banks to release foreign currency for the students who pursue higher education abroad. From now onward, no prior BB's approval is required to release foreign currency in this purpose. By submitting some required document the foreign going students could remit foreign currencies from any bank.

Rules for Advance Payment against Imports Relaxed

Bangladesh Bank has relaxed some foreign exchange regulations relating to advance payment against imports, specially by exporters. Under the amended regulatios, a local exporting firm will be allowed to send a maximum of US\$ 10,000 instead of US\$ 10,000 without any bank guarantee against a bonafide business purposes using their own Exporter's Retention Quota (ERQ). At present, merchandize exporters are entitled to a foreign exchange retention quota of a certain portion of repatriated FOB (free on board) of their export.

Banks to operate Merchant Banking through Subsidiary Company

Bangladesh Bank has asked the commercial banks to run their Merchant Banking business through forming subsidiary companies. Under the new regulations, the banks will have to convert their existing merchant banking wing or department into a separate subsidiary company by January 31, 2010.

FINANCIAL INSTITUTION OF THE MONTH

P-19



United Leasing *aiming to serve better...everyday*



United Leasing Company (ULC) was established in 1989 as a public limited company by reputed foreign and local institutions in collaboration with International Development Agencies. The company provides lease finance for acquiring assets for industrial and commercial use, term loans for meeting term funding requirement, channel financing for working capital management and syndication services for arranging funds for large projects. The company is dedicated to broadening the depth and width of its services while maintaining high asset quality.

Syed Ehsan Quadir
Managing Director

Incorporation Date: April 27, 1989

No. of Branches: 5

Head Office:

Camellia House

22, Kazi Nazrul Islam Avenue

Dhaka-1000, Bangladesh

Call: 880-2-9669006, 9660666, 9663248

9667588, 9675450, 9671022

Fax: 880-2-9662596

E-Mail: webmail@ulc.com.bd

Financials as reported on Dec, 2008

Total Revenue: BDT 1,052 million

Total Assets: BDT 8,271 million

Total Liabilities: BDT 7,125 million

Total Operating Profit: BDT 203 million

Total Equity: BDT 1,146 million

EPS (Par Value BDT 100): 66

No. of Employees: 128



ARTICLE OF THE MONTH

Primary Dealership

Introduction:

Bangladesh Bank, our central bank operates in the Securities Market through selling and buying Bonds and Treasury Bills, as a measure to control money supply, inflation and also as a source to meet Government demand for debt including its efficient management. The main objective of government debt management is to cover its borrowing needs as inexpensively as possible. Primary and secondary markets for trading government securities are developed to accomplish this objective. Generally, in developing countries, this sale and purchase of government securities is carried out by the primary dealer system. The main purpose of a primary dealer system includes strengthening the primary market by helping build a stable and dependable source of demand for securities.

Business Description

In the primary dealer system, a group of highly qualified financial firms play a role as specialist intermediaries in the government securities markets, between the authorities on the one hand, and the market on the other. They are generally called primary dealers. In the primary market, the investors purchase government securities from the auction held by the central bank, where primary dealers play the intermediary's role. Generally, in exchange for specific privileges, primary dealers agree to perform specific functions in the operation of markets for government securities.

Industry Assessment:

The present government securities market scenario in our country is at its early developmental stage. We are yet to have a vibrant money market, which is needed for its development. In addition, a well established yield curve, for Government bonds, in a relatively large number of popular standard maturities is yet to be developed. Besides, the secondary market lacks depth and efficiency. However, at present, the government has given a directive that the corporate houses, NBFIs, insurance companies must hold government securities, which will ensure a ready market for the primary dealers.

At present, there are nine (9) primary dealers in the market who directly participate in the BB auctions along with other Non-PDs. The names of the Primary Dealers are as follows:

Agrani Bank
Sonali Bank
Janata Bank
Prime Bank
Jamuna Bank
NCC Bank
South East Bank
International Leasing
Uttara Bank

In addition, there are 30 Non primary dealers, who usually participate in the government auction market. Following are statistics of the business transacted by the primary dealers (PDs) over the last twelve months.

(In BDT crore)

Month	Bill		Bond	
	Total Borrowing	Devolved to PD	Total Borrowing	Devolved to PD
July,08	3600	1653	1075	451.80
August,08	0	0	1075	507.10
September,08	1800	548.90	1075	744.75
October,08	3300	1341.20	1075	368.45
November,08	2300	1701.10	1075	618.15
December,08	1800	1099.00	1075	789.20
January,09	3000	2832.55	1075	765.42
February,09	1000	610.55	1075	722.75
March,09	12500	2677.5	11000	2587.5
April,09	20000	60.000	11000	0
May,09	29250	0	11000	0
June,09	13000	0	5600	0
Total	91,550.00	12,523.80	47,200.00	7,555.12

The above figures depict that, at present on an average, market share of each PD is about BDT 5.80 billion for bonds and BDT 11.17 billion for T-Bills where nine PDs are in the market. It is also seen that share of PD in T-Bill market is 41.44% and in Bond market 41.95%. It is anticipated that the new directive from Bangladesh Bank regarding mandatory holding of Government securities by different corporate, institutions and financial institutions would reduce the share of devolvement to PDs.

P-20







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



CSR ACTIVITIES

Students Get Bank Asia's Scholarship

Bank Asia has given higher studies scholarships to 17 meritorious students of Malkhanagor under Sirajdikhan Upazila in Munshigonj Friday as a part of its corporate social responsibility, said a press release. (Source: The Financial Express)

GP Targets Massive Carbon Cut

Grameenphone (GP) has set a target for reducing carbon emission by 30 percent from its entire operations by 2015. The mobile operator started adopting green technology in 2007 and so far has set up 12 solar and one wind power network sites. With an aggressive move, the company targets to set up 100 more base stations using green technology in off-grid areas. (Source: The Daily Star)

Jamuna Bank Awarded Scholarships

Jamuna Bank recently awarded meritorious but poor students who obtained GPA 5 in SSC, HSC and Dakhil examinations this year at a function in Dhaka recently. Sakhawat Abu Khair Mohammad, Chairman of Jamuna Bank Ltd, formally handed over the scholarships to 30 students for their outstanding results. (Source: The Financial Express)

Islami Bank Foundation (IBF) Awards Scholarship

The foundation on November 14, 2009 organized a scholarship awarding ceremony for the selected students at BCIC Bhaban auditorium in Dhaka. This year 150 students at SSC or equivalent level, 200 students at Degree and Masters Level and 119 students at higher level have received BDT 4.5 M. (Source: The Daily Star)

Mercantile Bank Donated 2.5 M

Mercantile bank handed over a cheque for BDT 2.5 M as donation to Ahsania Mission Cancer Hospital at a simple ceremony in Dhaka on November 04, 2009. Dhaka. Ahsania Mission President Kazi Rafiqul Alam received the cheque on behalf of the organization. (Source: The Financial Express)

Janata Bank Limited Donated BDT 0.1 M

Janata Bank donated 0.1 M to a poor kidney patient Md Rezaul Karim from bank's CSR (corporate social responsibilities) fund at a simple ceremony in Dhaka recently. (Source: The Financial Express)

P-21

APPOINTMENTS

FINANCIAL INSTITUTIONS

Name	Position	Organization
Md Abu Taher Chowdhury	Chairman	Foreign Investors' Chamber of Commerce and Industry (FICCI)
Faruq A Choudhury	Chairman (Re-elected)	Delta Brac Housing Finance Corporation Ltd.
M Lutfar Rahman Mian	MD	Nitol Insurance Company Ltd

DIPLOMATIC APPOINTMENTS

Name	Position	Organization
Annisul Huq	President	SAARC Chamber of Commerce and Industry
AM Hamim Rahmatullah	President	Foreign Investors Chamber of Commerce and Industry (FICCI)

OTHER INSTITUTIONS

Name	Position	Organization
Qazi Kholiquzzaman Ahmad	Chairman	Palli Karma Sahayak Foundation (PKSF)



MTB NEWS AND AFFAIRS



Training on selling and handling of WES Bonds



The formal inauguration of MTB Dhorkora Branch took place on November 23, 2009



MTB has recently organized (as lead organizer) a training program on Anti Money Laundering for the officials of the commercial banks operating in Madaripur, under the directive of Bangladesh Bank.



Banker's Forum Award 2009 picks MTB as the Best Bank for CSR activities



MTB Feni Branch was formally inaugurated by its Chairman Samson H. Chowdhury on November 22, 2009 at a simple ceremony held at its Feni Branch premises. MTB founding Chairman Syed Manzur Elahi and founding Director Saifuddin Ahmed Chowdhury were present at the function as guests of honour. MTB Director Kh. Rashiduzzaman MP and Rashed Ahmed Chowdhury, MTB Managing Director & CEO Anis A. Khan and DMD Md. Hashem Chowdhury, President of Feni Chamber of Commerce & Industries Jamal Uddin and President of Feni City Byabsayi Samity Ziauddin Mister were also present.



MTB recently celebrated the 2nd Anniversary of its Madaripur Branch



MTB recently organized a day long workshop on "Internal Control & Compliance" for the senior officials of the bank. A total of 28 officials participated in the workshop. MTB Deputy Managing Director Md. Ahsan-uz Zaman inaugurated the course as chief guest while Sheikh Mozaffar Hossain, Deputy General Manager and Md. Tofazzal Hossain, Joint Director of Bangladesh Bank conducted the workshop as resource persons. Principal of MTB Training Institute Md. Sirajul Haque chaired the inaugural function.



MTB has recently opened its 42nd branch at Mohammadpur in Dhaka. The branch was formally inaugurated by its Director Kh. Rashiduzzaman MP and Chairman of the Parliamentary Committee on Public Accounts on November 25, 2009 at a simple ceremony held at the Mohammadpur Branch premises at 80/C Asad Avenue, Mohammadpur, Dhaka 1207. Anis A. Khan, MTB Managing Director & CEO and Md. Hashem Chowdhury, Deputy Managing Director were also present at the ceremony.



MTB, in association with Dhaka University Alumni Association (DUAA), recently awarded scholarships to the less advantaged but meritorious students of the University of Dhaka at a ceremony held at Nabab Nawab Ali Chowdhury Senate Building Auditorium, University of Dhaka. Bangladesh Bank Governor Dr. Atiur Rahman graced the event as chief guest while Professor A A M S Arefin Siddique, Vice Chancellor of the University of Dhaka, was present as the Guest of Honour. Samson H. Chowdhury, Chairman of Mutual Trust Bank Ltd attended the function as special guest. Syed Manzur Elahi, President, DUAA & MTB Founding Chairman presided over the program. Among others, MTB Managing Director & CEO Anis A. Khan and DUAA General Secretary Raquibuddin Ahmed were present at the event.

P-23



MTB Managing Director & CEO and Bangladesh Bank Executive Director Md. Abul Quasem seen exchanging documents in the presence of Dr. Atiur Rahman, Governor & Md. Nazrul Huda, Deputy Governor, Bangladesh Bank after signing a participation agreement for sustainable energy financing at the Bangladesh Bank head office in the city



MTB has recently organized a training program on Banker's Loans and Advances for the officers of the Bank. A total of 28 officers participated in the training course. MTB Deputy Managing Director Md. Hashem Chowdhury inaugurated the course as chief guest while MTB Deputy Managing Director Md. Ahsan-uz Zaman was present as special guest. Principal of MTB Training Institute Md. Sirajul Haque chaired the inaugural function.

FINANCIAL GLOSSARY

Fixed Income Securities

Securities that pay a fixed rate of interest. Government bonds (gilts, in the UK) are the best known example. Compared to shares, fixed income securities have the attraction of certainty - you know what income you will get in advance - and they are less risky than shares. But the potential financial upside is not as good as with equities.

Futures Contract

A legal agreement to make or take delivery of a specified instrument (for example, a commodity such as coffee or a financial instrument such as a bond, currency or share) at a fixed future date at a price determined at the time of dealing. Futures are a zero-sum game in the sense that the financial gain of one party equates to the loss of the other. In contrast to options, there is an obligation to complete the transaction. Futures contracts are forward contracts, meaning they represent a pledge to make a certain transaction at a future date. By making an offsetting trade, selling goods that had been bought in a previous contract, futures contracts can be closed.

Due Diligence

The process that companies, or more particularly their lawyers and accountants, carry out when one is about to acquire another. Basically, due diligence involves checking as much as possible about a company's financial performance and its liabilities before a deal is done, so that there are no nasty surprises afterwards. If, despite due diligence, there are some unforeseen surprises, the lawyers and accountants can expect heavy criticism from their client and possibly a lawsuit for negligence.

Dutch Auction

Named after the Dutch tulip auctions, this form of auction is one where the auctioneer starts with a high asking price, which is then lowered until a bidder accepts the auctioneer's price. This is a quick way of auctioning goods, since a sale only requires one bid.

Yankee Auction

An auction of multiple identical items in which the winning bidders pay the prices that they have bid.

(Source: Financial-glossary.com)

MTB Network

Dhaka Division

- Principal Branch**
Tel: 02-7113237, 02-7113238
- Panthapath Branch**
Tel: 02-8613807, 02-8629887
- Babu Bazar Branch**
Tel: 02-7314821, 02-7314822
- Sonargaon Branch**
Tel: 02-038959-88105, 02-06723-88105
- Uttara Branch**
Tel: 02-8924379, 02-8951474
- Progati Sarani Branch**
Tel: 02-8411804, 02-8410948
- Sreenagar Branch**
Tel: 02-038942-88222
- Pallabi Branch**
Tel: 02-9016273, 02-8055630
- Dilkusha Branch**
Tel: 02-7171301, 02-7171002
02-7170137
- Dhanmondi Branch**
Tel: 02-8155607, 02-8158334
- Bashundhara City Branch**
Tel: 02-9124021, 02-9120982
02-9111440, 02-8121071
- Chandra Branch**
Tel: 02-06822-51968
- Gulshan Branch**
Tel: 02-8837840, 02-8832343
02-9882473
- Savar Branch**
Tel: 02-741452, 02-7741453
- Fulbaria Branch**
Tel: 02-9559842, 02-9559867
- Madaripur Branch**
Tel: 02-0661-62483, 02-0661-62482
- Dholaikhal Branch**
Tel: 02-7172542, 02-7172602
- Aganagar Branch**
Tel: 02-7762226, 02-7762227
- Narayanganj Branch**
Tel: 02-7648209
- Banani Branch**
Tel: 02-988-3831, 02-988-3861
02-0666-2685833, 02-0666-2629407
- Tongi Branch**
Tel: 02-9816250, 02-9816251
- Shanir Akhra Branch**
Tel: 02-7551169, 7551195
- Mohammadpur Branch**
To be provided

SME Service Centers

Kaliganj Center
Tel: 01718883140

Rajshahi Division

- Pabna Branch**
Tel: 073151829
- Joypurhat Branch**
Tel: 0571-63584, 0571-63585
- Rangpur Branch**
Tel: 0521-52325, 0521-52326
- Bogra Branch**
Tel: 051-78108

Brokerage Houses

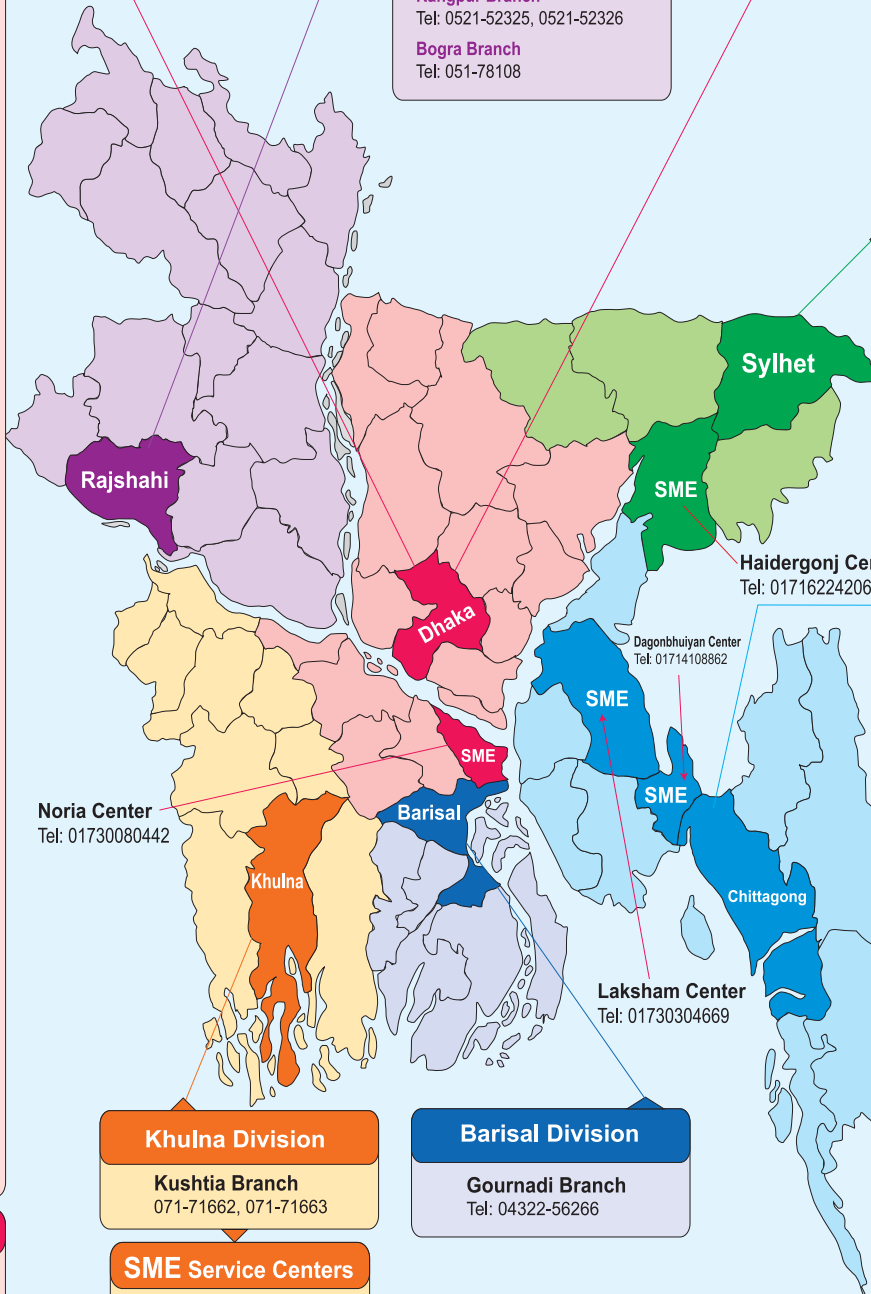
- Main Office**
Tel: 02-9570563, 02-9568163
- Gulshan Office**
Tel: 02-9895969, 066-62044390
- Pallabi Office**
Tel: 02-9015919, 066-62607136
- Uttara Office**
Tel: 044-76150106
- Narayanganj Office**
Tel: 02-7648210
- Dhanmondi Office**
To be provided
- Progati Sarani Office**
Tel: 02-8840507

Sylhet Division

- Sylhet Branch**
0821-2830271, 0821-2830272
0821-716820
- Moulvi Bazar Branch**
0861-62840, 0861-62841

Brokerage Houses

Sylhet Office
Tel: 081-2830319



Khulna Division

Kushtia Branch
071-71662, 071-71663

SME Service Centers

Kushtia Branch
071-71662, 071-71663

Barisal Division

Gournadi Branch
Tel: 04322-56266

Chittagong Division

- Office of the Head of Chittagong Br.**
Tel: 031-2516681; Fax: 880-31-721091
- CDA Avenue Branch**
Tel: 031-623559, 031-625336
- Khatungonj Branch**
Tel: 031-612254, 031-626966
- Jubilee Road Branch**
Tel: 031-624922, 031-627533
- Nazirhat Branch**
0821-4483498, 0443-4483498
- Chakoria Branch**
034-2256502
- Raipur Branch**
038-2256495
- Aman Bazar Branch**
031-681022, 01713106375
- Agrabad Branch**
031-2523287
- Feni Branch**
033-161984

Brokerage Houses

Chittagong Office
Tel: 031-2514797, 037-31000768



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
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