

MTBiz

Monthly Business Review, Volume: 02, Issue: 07, July 2010

Green Energy MTB Goes Green



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

[Pleasure of Seniority!]

MTB SENIOR, a savings account for senior citizens

Interest adds daily, payment comes monthly
Lifetime free Debit Card
Higher interest rate than regular savings rate
Discount on locker charges
Free cheque books
Free Internet Banking

*Conditions Apply

MTB *Consumer
Banking*
Pleasure in life



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

Contact: +88 01730080631-2, Email : consumer@mutualtrustbank.com, www.mutualtrustbank.com

TABLE OF CONTENTS



International News	02
Finance and Economy	
Politics	
International Capital Markets	05
International Economic Forecasts	06
Wells Fargo Securities Economics Group™ Report	
National News	08
Finance and Economy	
Politics	
Domestic Capital Markets Review	12
National Economic Indicators	14
Banking and Financial Indicators	15
Financial Institution of the Month	16
Janata Bank Ltd.	
Enterprise of the Month	17
Unilever Bangladesh Ltd.	
Know your Association	19
Bangladesh Textile Mills Association (BTMA)	
Article of the Month	20
Green Energy : MTB Grows Green	
CSR Activities	21
Appointments	22
Financial Glossary	23
Point of View	23
MTB News and Events	24

Disclaimer

MTB takes no responsibility for any individual investment decisions based on the information in MTBiz. This commentary is for informational purposes only and the comments and forecasts are intended to be of general nature and are current as of the date of publication. Information is obtained from secondary sources which are assumed to be reliable but their accuracy cannot be guaranteed. The names of other companies, products and services are the property of their respective owners and are protected by copyright, trademark and other intellectual property laws.

Developed and Published by
MTB Research and Development Dept.

All Rights Reserved © 2010

Please Send Feedback to: mtbiz@mutualtrustbank.com

Design & Printing : Preview



FINANCE AND ECONOMY

India Develops World's Cheapest "Laptop" At USD 35

India has come up with the world's cheapest "laptop," a touch-screen computing device that costs USD 35. Human Resource Development Minister Kapil Sibal this week unveiled the low-cost computing device that is designed for students, saying his department had started talks with global manufacturers to start mass production.

"We have reached a (developmental) stage that today, the motherboard, its chip, the processing, connectivity, all of them cumulatively cost around USD 35, including memory, display, everything," he told a news conference. Sibal said the Linux based computing device was expected to be introduced to higher education institutions from 2011 but the aim was to drop the price further to USD 20 and ultimately to USD 10.

The device was developed by research teams at the Indian Institute of Technology and the Indian Institute of Science. (July 24, Reuters, New Delhi)

Philips Says Lifestyle Goods Boost Profits Six-fold

Products for lifestyle and lighting, and emerging markets, helped electrical equipment and electronics giant Philips to boost quarterly net profit six-fold, it said on Monday.

Net profit for the second quarter rose to 262 million euros (USD 340 million). This was a rise from 45 million euros in the same period last year and from 201 million euros in the first quarter of this year.

Philips said its profit was based on a 12-percent rise in sales on a 12-month comparison to USD 6.19 billion. "Philips delivered another strong quarter, with good top-line growth and strong profitability in all three operating sectors," Philips president Gerard Kleisterlee said in a statement. "Sales performance was especially strong in emerging markets."

Emerging markets sales growth accelerated to 29 percent, now representing over one-third or 34 percent of total sales, said the company's quarterly report. (July 20, The Daily Star)

Unilever Sells Italian Frozen Foods Arm

Anglo-Dutch food and cosmetics giant Unilever said on Monday it would sell its Italian frozen foods business for 805 million euros (USD 1.04 billion).

"Unilever today announced that it has signed a binding agreement for the sale of its Italian frozen foods business, Findus, to a company in which Birds Eye Iglo has a significant stake, for a consideration of 805 million euros," it said in a statement.

It would not name the company. Unilever said that all 650 of Findus' Italian-based factory and head office employees would go to work for the new company.

The sale included Findus' factory in Cisterna, Italy, and brands 4 Salti in Padella, Sofficini, Capitan Findus and That's Amore, and a dedicated factory in Cisterna, Italy. (July 20, The Daily Star)

Malaysia's Auto Sales To Hit Record High In 2010

Malaysia's auto sales rose 19.8 percent in the first half of 2010 and are tipped to hit a record high this year in Southeast Asia's biggest passenger car market, an industry group said Tuesday (Jul 20). The Malaysian Automotive Association (MAA) revised its 2010 sales forecast for 2010 to 570,000 units, from 550,000 units estimated previously, as the nation's economy recovers.

"Positive consumers' sentiment is expected to continue owing to greater stability in the employment market," the MAA said in a statement. The association said sales for January to June stood at 301,077 units, compared to 251,305 units sold in the same period in 2009.

Local carmaker Perodua led the sales with a 31.5 percent market share, followed by national carmaker Proton with 26.6 percent while Japanese auto giant Toyota came in third with 14.8 percent. (July 21, The Daily Star)

Toyota Expected To Report Sharp Recovery In Q1

Japanese auto giant Toyota is expected to report over USD one billion in operating profit for the April-June period, recovering from the previous year's massive loss. In the quarter, the Toyota group – including Hino Motors and Daihatsu Motor – appears to have sold up to 1.9 million units, about 30 percent more than a year earlier, the Nikkei business daily said without citing sources.

Its operating profit is expected to reach about 100 billion yen (USD 1.14 billion), recovering sharply from the previous year's loss of 194.8 billion yen, due to higher sales in Asia and the Middle East. (July 26, The Daily Star)

World Economic Outlook Update

World growth is projected at about 4.5 percent in 2010 and 4.25 percent in 2011. Relative to the April 2010 World Economic Outlook (WEO), this represents an upward revision of about 0.5 percentage point in 2010, reflecting stronger activity during the first half of the year. The forecast for 2011 is unchanged. At the same time, downside risks have risen sharply amid renewed financial turbulence. In this context, the new forecasts hinge on implementation of policies to rebuild confidence and stability, particularly in the euro area. More generally, policy efforts in advanced economies should focus on credible fiscal consolidation, notably measures that enhance medium-run growth prospects, such as reforms to entitlement and tax systems. Supported by accommodative monetary conditions, fiscal actions should be complemented by financial sector reform and structural reforms to enhance growth and competitiveness. Policies in emerging economies should also help rebalance global demand, including through structural reforms and, in some cases, greater exchange rate flexibility. (July 7, www.imf.org)

Economic Outlook For Asia And Pacific Region

Asia's strong recovery from the global financial crisis continued in the first half of 2010, despite renewed tension in global financial markets. First-quarter GDP outturns were generally stronger than anticipated at the time of the April 2010 WEO, and high-frequency indicators suggest that economic activity remained brisk during the second quarter.

Economic activity in the region has been sustained by continued buoyancy in exports and strong private domestic demand. As envisaged in the April 2010 WEO, exports are being boosted by the global and domestic inventory cycles and by the recovery of final demand in advanced economies. Private domestic demand maintained its 2009 momentum across the region, despite less stimulative policy conditions and increased volatility in capital inflows and equity valuations after the euro area financial turbulence. In particular, private fixed investment has strengthened on the back of higher capacity utilization and the still relatively low cost of capital.

Against this background, GDP growth forecasts for Asia have been revised upward for 2010, from about 7 percent in the April WEO to about 7.5 percent. For 2011, when the inventory cycle will have run its full course and the stimulus is withdrawn in several countries, Asia's GDP growth is expected to settle to a



more moderate but also more sustainable rate at about 6.75 percent. (July 7, www.imf.org)

Financial Market Reforms

Congress gave final approval on Thursday afternoon to an overhaul of the nation's financial regulatory system, intended to address the causes of the 2008 economic crisis and rewrite the rules for a more complex — and mistrustful — era on Wall Street. The New York Times's David M. Herszenhorn reports from Washington.

The bill would create a council of high-level federal officials, led by the Treasury secretary, to try to detect, and perhaps prevent, systemic dangers to the financial system, and it would give the government new authority to seize and shut down failing financial institutions, by liquidating assets and forcing shareholders and creditors to take losses.

It would create a powerful consumer financial protection bureau, to be housed in the Federal Reserve, and widely expand the regulatory authority of the central bank. It would widen the purview of the Securities and Exchange Commission to strengthen regulation of hedge funds, other private equity firms, and credit rating agencies.

The bill also seeks to curb the most risky behavior on Wall Street, by restricting the ability of banks to invest and trade for their own accounts — a provision known as the Volcker Rule, and by creating an extensive new regulatory framework for derivatives, the complex financial instruments that were at the heart of the 2008 crisis. (July 15, NY Times)

US Economy Still Facing Headwinds

WASHINGTON — The U.S. economy still faces strong headwinds despite some positive developments, the White House said on Friday (Jul 23).

Primarily due to the 862-billion-dollar economic stimulus package and aggressive actions by the Federal Reserve and the Treasury Department to stabilize financial markets, the U.S. economy has gradually recovered from its worst recession since the Great Depression, the Office of Management and Budget (OMB), which is in charge of the administration's budget issues, said in its mid-session budget review.

Despite positive signs in terms of output, employment and financial markets, the U.S. economy still faces "strong headwinds," said the report. (July 24, Xinhua News Agency)

US Economy Grew 2.4% In Second Quarter

The U.S. economy slowed in the second quarter as a scarcity of jobs eroded consumer spending, leaving the rebound dependent on a surge in business investment.

Gross domestic product grew at a 2.4 percent annual pace, less than forecast, after a 3.7 percent first-quarter gain that was larger than previously estimated, according to Commerce Department data issued today (July 30) in Washington. Other reports showed business activity unexpectedly accelerated in July and consumer sentiment fell less than projected. (July 30, Bloomberg.com)

Europe Economic Confidence Rises

European confidence in the economic outlook rose to the highest in more than two years in July and German unemployment declined for a 13th month as exports sustained a recovery in the region.

An index of executive and consumer sentiment in the 16 euro

nations increased to 101.3 from 99 in June. Europe's economic prospects, dented by the Greece-led budget crisis, are improving as companies from German bank Deutsche Bank AG to French luxury-goods maker LVMH Moët Hennessy Louis Vuitton SA beat analysts' profit estimates. Growth in Europe's services and manufacturing industries accelerated in July.

The euro-region economy may lag behind other industrialized economies this year, expanding just 1 percent, the International Monetary Fund said on July 8. In Japan, the economy may grow 2.4 percent in 2010 while U.S. gross domestic product is seen increasing 3.3 percent, the IMF forecast. (July 29, Bloomberg.com)

Rising Wages In China: A New Shift Begins At The World's Low-Cost Factory

By shifting large number of farmers into non-agricultural jobs every year, China was once able to achieve extraordinary productivity growth, while keeping inflation under control, write Huang Yi Ping, a professor at Peking University, and Jiang Ting Song, a professor at the Center for International Economics in Australia, in a recent paper. But now, they say, it is heading toward what's known as a "Lewis turning point" — a concept named after W. Arthur Lewis, the Nobel Prize-winning economist in the 1970s, who studied the development process of countries from subsistence to modern economies. Lewis found that as economies develop and move workers from rural to urban jobs, the supply of surplus labor is reduced, driving up wages, consumption and inflation.

In their paper titled, "What Does the Lewis Turning Point Mean for China?" the two professors assert that after 30 years of economic reform, China is now at such a critical juncture. Against this backdrop, they write, the government must carry out policies that maintain economic stability and develop a stronger culture of innovation throughout the country.

It will be a tough transition, says Meyer of Wharton, because of the shift from rapid economic growth underpinned by low-cost manufacturing for exports and low domestic consumption to more moderate growth based on higher domestic consumption.

To manage the change, he says the labor force needs to be provided with more training in service sectors and high-end manufacturing. That might be easier said than done. A country must give up some current growth if it invests in raising the quality of its labor force today to reap the rewards tomorrow. As Meyer notes, the problem is that no one wants to give up current GDP growth.

Amid worries about the strength of the dollar and the euro, he adds, "the fundamental issue is, who controls China's economy? China can't allow its economy depend so much on other countries... Right now, China's economy is very vulnerable to the U.S. and Europe, and to change that requires tough measures." (Knowledge at Wharton)

Japan: A Solid First Half For 2010

The Japanese economy enjoyed a very strong start to the year, with GDP rising 1.2 percent quarter-on-quarter. Growth was led by a strong performance by exports, which rose almost 7 percent on the quarter and accounted for 0.7 percent points of total GDP growth. GDP growth is likely to have slowed in Q2, based on available monthly indicators, but the first half of 2010 will nevertheless have proved a solid period for the Japanese economy. And even with relatively weak growth outturns for the second half of the year, the annual growth rate for 2010 is forecast at 2.8 percent. (World Economic Outlook, Oxford Economics)



POLITICS

D-8 Launches Trade Deal

A group of eight Muslim majority developing states – D-8 (Developing-Eight) – has launched a preferential trade agreement (PTA) to facilitate investment and economic cooperation among the members. The D-8 Business Forum in the Nigerian capital of Abuja on Monday established the PTA to promote free trade among the member states.

The agreement is also aimed at eliminating non-tariff barriers (NTBs) such as quotas, border charges, and fees and taxes on transactions. The D-8 comprises Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey, with a total population of 930 million. It was set up in 1997 to promote economic cooperation and solidarity among the eight Muslim states. (July 7, The Daily Star)

Protests At UN Office In Lanka Over War Panel



Demonstrators led by a Sri Lankan cabinet minister surrounded the United Nations office in Colombo yesterday to protest against a UN panel set up to probe war crimes allegations.

They burnt an effigy of UN Secretary General Ban Ki-moon, and carried banners that accused him of being a puppet of the United States. Sri Lanka has refused to cooperate with the panel, which was named by Ban last month to advise on “accountability issues” during the war between government forces and the Tamil Tiger separatists.

The government has also refused to grant visas to the three members of the panel, meaning they will be unable to visit the island. (July 7, The Daily Star)

Former Leaders of Suu Kyi’s NLD To Form New Party

Former members of Myanmar opposition leader Aung San Suu Kyi’s National League for Democracy (NLD) have been allowed to form a new political party to run in upcoming elections, state media reported.

The activists have been granted permission to create the National Democratic Force (NDF) to stand in the military-ruled country’s first polls in two decades, expected sometime this year, according to state TV and radio. (July 10, AFP, Yangon)

India-US Sign Counter Terrorism Cooperation Initiative

India and the United States yesterday (July 23) signed a Counter Terrorism Initiative that includes steps to check financing of terror activities, joint probe in cases of bomb blasts besides cooperation in cyber and border security.

“Today, with the formal signing of the initiative, we take several significant steps forward against terrorism,” US Ambassador to India Timothy J Roemer, who signed the agreement along with Indian Home Secretary G K Pillai, told reporters.

Terming the pact as symbolic of the “indispensable partnership” against terrorism, Roemer said both the countries will work closely in matters like intelligence sharing and probe into bomb blasts.

“In the coming days and months, there will be even closer information sharing and collaborative efforts on issues ranging from bomb blast probe and major event security to mega-city policing, cyber and border security,” he said.



The initiative provides for strengthening capabilities to effectively combat terrorism; promotion of exchanges regarding modernisation of techniques; sharing of best practices on issues of mutual interest; development of investigative skills and promotion of cooperation in forensic science laboratories.

Besides, it seeks to establish procedures to provide mutual investigative assistance; enhancing capabilities to act against money laundering, counterfeit currency and financing of terrorism; exchanging best practices on mass transit and rail security; increasing exchanges between Coast Guards and Navy on maritime security. (July 24, The Daily Star)

Chavez Threatens Oil Cut To The US

Venezuelan President Hugo Chavez has threatened to cut off oil supplies to the United States if it were to back a Colombian military attack on Venezuela, warning Washington to stay out of the fray.

The firebrand leftist president said on Sunday he had intelligence that “the possibility of an armed aggression against Venezuelan territory from Colombia was higher than it has been in 100 years.”

“If Colombia were to launch an attack promoted by the Yankee empire, we would suspend oil deliveries to the United States, even if everybody over here has to eat stones,” he warned. “We wouldn’t send even a single drop of oil” to the United States, he said.

The United States is the number one consumer of oil from Venezuela, a member of the Organization of Petroleum Exporting Countries (OPEC) and South America’s largest oil producer and exporter. (July 27, The Daily Star)

British PM Off To India Seeking New Relationship

Britain’s Prime Minister David Cameron goes to India this week targeting a new special relationship with the former jewel in its colonial crown, now one of the world’s fastest-growing economies.

His coalition government has singled out India as a key partner, saying it wants the two countries to forge a “new special relationship” and backing India for a permanent seat at the UN Security Council.

Cameron’s finance minister George Osborne wrote in the Sunday Telegraph that this would be the “strongest British delegation to visit India in modern times”, including bosses from mobile phone company Vodafone and defence giant BAE Systems.

Bilateral trade between the two countries was worth 11.5 billion pounds (13.7 billion euros, USD 17.7 billion) last year.

Britain is the most popular business destination in the European Union for Indian companies such as Tata and ICICI Bank – and the richest man in Britain is an Indian, steel magnate Lakshmi Mittal. (July 26, The Daily Star)



SELECTED GLOBAL INDICES

Global Indices Round-up

The Dow and S&P 500 finished July up 7.1% and 6.9%, respectively, their first monthly gains since April and their best months since July 2009. The Nasdaq closed up 6.9%, its best month since March. Much of the gains were due to markets globally stabilizing. For the year, the blue chips are up 0.4%, with the S&P 500 off 1.2% and the Nasdaq down 0.6%. The S&P 500 ended above the psychologically important 1,100 level for a second week in a row.

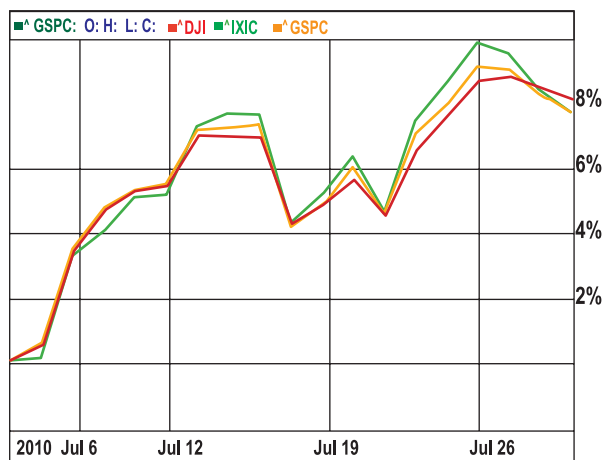
The recovery in stocks, oil and other hard-hit investments puts investors on a more stable footing as they head into August. Concerns about a debt debacle in Europe galvanized Wall Street in May and June, punishing stocks and pushing gold to a string of record highs. July was kinder by far, even as solid earnings results were tarnished by concerns about the slow pace of the U.S. recovery. Such worries were reinforced Friday, when the Commerce Department reported the U.S. economy expanded at 2.4% annualized rate in the second quarter, compared to 3.7% in the previous three months. Nonetheless, the stock market, a barometer of the general mood about the economy, has recovered about half the ground lost since the end of April.

Markets swung widely in May and June as worries spread that high debt and deficit problems in European countries, starting with Greece, would hit European banks, curtail the region's economic growth, and cascade to the U.S. and other parts of the globe. There was even talk about whether the euro would survive the crisis.

Still, stocks lost a bit of air as the month wound down, as the major U.S. indexes posting modest gains or losses for the week. What's proved to be a largely positive second-quarter earnings season has been overshadowed instead by concerns surrounding the domestic recovery, with even bulls agreeing that the U.S. economy hit a rough patch in recent months.

INTERNATIONAL MARKET MOVEMENTS

INDEX	VALUE (As of July 30, 2010)	1 MONTH AGO (As of June 30, 2010)	CHANGE %	CHANGE
DJIA	10,465.94	9,774.02	691.92	7.1%
S&P 500	1,101.60	1,030.71	70.89	6.9%
NASDAQ	2,254.70	2,109.24	145.46	6.9%
FTSE 100	5,258.00	4,916.90	341.1	6.9%
DAX	6,147.97	5,965.52	182.45	3.1%
NIKKEI 225	9,537.30	9,382.64	154.66	1.6%
BSE SENSEX	17,868.29	17,700.90	167.39	0.9%
HANG SENG	21,029.81	20,128.99	900.82	4.5%



(Compiled from Yahoo! Finance and MSN Money)



MTB

Small Business Loan

ব্যবসা পরিচালনা ও সম্প্রসারণে গ্রাহকদের আর্থিক সহায়তা প্রদানে এই ঋণ কর্মসূচী প্রনয়ন করা হয়েছে। যে কোন ক্ষুদ্র ও মাঝারী ব্যবসায়ী (SME) তাদের বাড়তি মূলধনের প্রয়োজনে এই ঋণের জন্য আবেদন করতে পারেন।



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us



INTERNATIONAL ECONOMIC FORECASTS

WELLS FARGO SECURITIES ECONOMICS GROUP“ REPORT

U.S. OVERVIEW

Slower Growth but No Double-Dip

The wave of disappointing economic reports this past month combined with the inability of the Administration to push additional stimulus through an election-wary Congress has reawakened fears about a double-dip. We continue to believe such fears are overblown. We remain concerned that so much stimulus is ending in such a short period of time but expect growth to continue. Real GDP is expected to rise at a 1.6 percent pace in the third quarter and fourth quarter growth should be a little more than 2 percent. The impact from expiring stimulus programs is most apparent in housing. Sales of new homes plummeted 32.7 percent in May, just one month after the incentives expired. Retailers are also already missing the boost from stimulus programs. Sales had gotten a huge boost from rebates for energy-efficient appliance purchases and the formerly resurgent stock market, which has been faltering ever since the Fed's quantitative easing ended. The most pressing concern today is state and local governments, which had been counting on a few hundred billion more federal dollars to tide them over this budget season. Without additional assistance, state and local governments are making deep and painful budget cuts. The prospects of slower growth combined with diminishing inflationary pressures have sent bond yields sharply lower over the past month. We have reduced our interest rate outlook over the forecast horizon and do not expect the Fed to boost the federal fund rate until the latter part of 2011.

INTERNATIONAL OVERVIEW

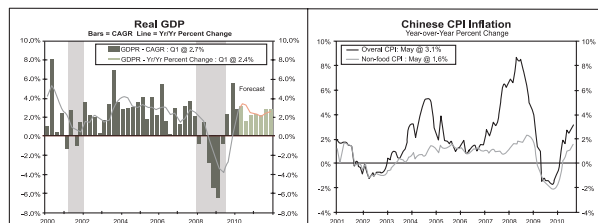
Global Double-Dip Does not Seem Likely Either

Some investors are starting to fear that the global economy will slide back into recession over the next few quarters. How realistic is that scenario? Most recessions occur when something in the economy gets out of balance, and the subsequent correction is large enough to turn overall growth negative. In our view, there are two imbalances at present that could potentially lead to global recession. First, inflation has risen in many developing economies, which could cause

strong global growth. Although the global economy should continue to expand, growth could turn out to be more sluggish than many investors had anticipated.

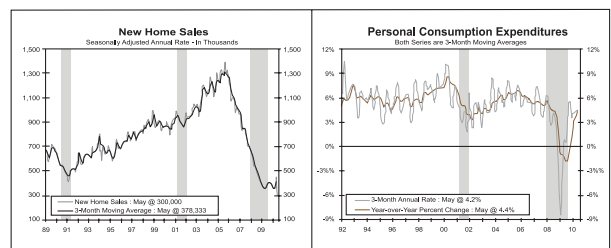
Expectations Have Been Scaled Back

Second quarter economic activity ended on a weak note, with nonfarm payrolls falling in June and most other economic reports posting declines or paltry increases for May and June. The recovery feels like it is running out of gas, as much of the impetus from stimulus programs and inventory rebuilding has begun to wane. To add insult to injury, economic conditions earlier this year turned out not to have been as strong as first reported. The first quarter was revised lower and real GDP for the period now shows an increase at just a 2.7 percent annual rate. Our forecast for the just completed second quarter has the economy growing at a 3.2 percent pace. The economy's performance during its first full year of recovery has been disappointing, particularly given the enormous amount of stimulus thrown at it. The Congressional Budget Office estimates fiscal stimulus provided just more than half of the first quarter's growth. The other half was provided by inventory rebuilding. Now that many stimulus programs have ended or are in the process of winding down, the economy will have to rely on private final demand. Unfortunately, private final demand has been weak, even with billions of dollars of stimulus at its back. As a result, we expect real GDP to rise at just a 1.6 percent pace during the third quarter. Not only is stimulus spending ending but we are also likely to endure a payback for all the incentives put in place to drive home sales and new home construction over the past year. Tax credits for first-time homebuyers and some trade-up purchasers ended in April and the impact on new home sales was unusually harsh and immediate. New home sales plummeted a record 32.7 percent in May and pending home sales fell 30.0 percent. We now expect residential construction outlays to fall 7.5 percent during the third quarter but then look for a legitimate recovery in home sales and new home construction to finally take hold later this year. Faltering home sales will also cut into consumer spending during the third quarter, as reduced sales commission and closing fees will hold back services outlays. Fewer home sales also means fewer trips to discount stores and home improvement centers to buy all the things no one knew they ever needed until they moved. Discretionary spending in general is likely to struggle with hiring sputtering and millions of recipients of extended unemployment benefits seeing their benefits end this summer. Our forecast calls for real personal consumption expenditures to rise at just a 1.5



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

central banks in those countries to tighten policy too much. However, we view the probability of an inflation-induced downturn to be rather low. Inflation is hardly raging at present, and central banks in developing economies will likely move cautiously as long as growth in the developed world remains sluggish. In our view, fiscal retrenchment in advanced economies poses the more credible risk to the global economic outlook. Many European countries, including Greece, Portugal, Spain and the United Kingdom plan major fiscal adjustment programs over the next few years, which will exert powerful headwinds on growth in those economies. The experience of Canada in the 1990s shows that advanced economies can indeed pull off major fiscal adjustment programs. However, Canada spread out its adjustment over a decade rather than just a few years, and it benefitted from



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

percent pace in the third quarter and then looks for outlays to gradually improve in line with some modest improvement in employment and income gains. Prospects for state and local governments have diminished recently. The federal government will still likely come to the rescue but state and local budgets are likely to be squeezed first in order to build a political constituency to support additional federal assistance. We have reduced our forecast for state and local government outlays by about half a percentage point over the near term

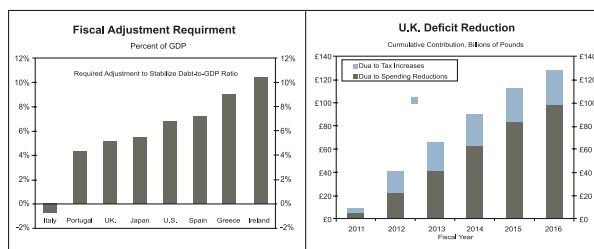


and little less than that in 2011. State and local outlays are expected to fall at a 0.3 percent annual rate during the third quarter and decline on a quarterly basis through most of the forecast period. Slower economic growth has further reduced the chances that inflation will become an issue for policymakers anytime soon. Bond yields have plummeted over the past month, reflecting both the expectation of slower economic growth and realization inflation will be lower. We have pushed back the Fed's first rate hike to late 2011

Double Dip Global Recession Not Likely in Store

Financial markets have weakened recently due to the realization that growth in most countries probably will be slower in the second half of the year than in the first half. Indeed, some investors fear that a double-dip global recession could be in the offing. How realistic is this possibility? Recessions typically happen when something in the economy becomes unbalanced, and the subsequent correction tends to weaken the overall economy. For example, the painful U.S. recession of the early 1980s occurred because growth in aggregate demand outstripped growth in aggregate supply in the late 1970s, which subsequently led to high inflation. The Fed then tightened monetary policy significantly, throwing the economy into recession. Likewise, the Japanese and German recessions of the early 1990s were caused by high inflation (growth in demand outstripping growth in supply again) that led to excessive monetary tightening. More recently, excessive credit growth led to over-investment in residential real estate not only in the United States but in some other major foreign economies as well. The inevitable bursting of the real estate bubbles caused the global economy to tumble into a deep recession. So are there any signs of imbalance in the global economy at present? The United States still has a current account deficit and China still has a current account surplus, but these imbalances are smaller today than they were a few years ago. Therefore, massive dumping of U.S. assets by foreigners does not seem very likely. U.S. consumers still have fairly hefty debt loads, but the household debt-to-disposable income ratio has come down to less than 115 percent at present from 125 percent in late 2007. We believe that balance-sheet adjustments will constrain growth in American consumer spending over the next year or two, but we do not anticipate panicked deleveraging. Real estate bubbles in the economies that experienced them have already burst, so another sharp downturn in house prices does not seem likely. In our view, there are two imbalances that could potentially lead to another global recession. First, inflation rates have crept up in some important developing countries. Although sharp increases in food prices have helped to push up the overall CPI inflation rate in China, non-food price inflation has also picked up (see graph on front page). Similarly, CPI inflation in Brazil has risen this year. There is a risk that central banks in important developing countries could tighten too much, leading to recessions in those economies, but we think this risk is rather low. Inflation rates are not generally out of control at present, and expectations of slower growth in most advanced economies will likely prevent central bankers in developing countries from slamming on the brakes. Fiscal deficits in many advanced economies pose the bigger risk to global prosperity. Greece, Portugal and Spain have announced significant fiscal retrenchment programs, and the United Kingdom plans a fiscal adjustment worth roughly 10 percent of GDP over the next five years. Germany, which is fiscally sound, is also contemplating budget cuts. The experience of Canada, which made a fiscal adjustment equivalent to 9 percent of GDP in the 1990s, shows that significant fiscal adjustment can be done. However, Canada spread it out over a period of almost 10 years rather than just a few years, and it had the benefit of strong global growth to offset the contractionary effects of fiscal retrenchment. Moreover,

Canada, which accounts for only 2 percent of global GDP, did not have a debilitating effect on the global economy. We look for weak growth in Europe over the next year or so, and the risk of another modest downturn in the euro area is not insignificant. Recession in Europe would not necessarily pull other regions under as well, but global growth could turn out to be more sluggish than was expected only a few months ago.



Source: Bloomberg LP, 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)	-0.7%	4.7%	3.9%	2.8%	4.1%	3.8%
Global (Market Exchange Rates)	-2.0%	3.5%	2.7%	n/a	n/a	n/a
Advanced Economies ¹	-3.4%	2.5%	2.0%	-0.3%	1.2%	1.0%
United States	-2.4%	2.9%	2.3%	-0.3%	1.4%	1.2%
Eurozone	-4.1%	0.9%	1.1%	0.3%	1.4%	0.9%
United Kingdom	-4.9%	1.2%	1.8%	2.2%	3.1%	2.3%
Japan	-5.3%	3.4%	1.6%	-1.3%	-0.9%	0.0%
Korea	0.2%	5.7%	3.6%	2.8%	2.7%	3.0%
Canada	-2.5%	3.5%	2.8%	0.3%	1.7%	2.1%
Developing Economies ¹	2.5%	7.2%	6.2%	6.5%	7.4%	7.1%
China	8.5%	10.5%	9.0%	-0.7%	3.0%	3.2%
India	7.4%	8.6%	7.6%	11.4%	11.8%	7.3%
Mexico	-6.5%	4.2%	3.6%	5.3%	4.5%	4.7%
Brazil	-0.2%	7.2%	6.3%	4.9%	5.5%	6.5%
Russia	-8.3%	3.9%	4.1%	11.8%	6.2%	7.7%

Forecast as of: July 7, 2010

¹Aggregated Using PPP Weights

Wells Fargo International Interest Rate Forecast

(End of Quarter Rates)

	3-Month LIBOR						10-Year Bond					
	2010		2011				2010		2011			
	Q3	Q4	Q1	Q2	Q3	Q4	Q3	Q4	Q1	Q2	Q3	Q4
U.S.	0.20%	0.20%	0.20%	0.30%	0.40%	0.90%	3.00%	3.20%	3.30%	3.40%	3.60%	4.00%
Japan	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	1.25%	1.25%	1.30%	1.35%	1.40%	1.40%
Euroland	0.90%	1.00%	1.10%	1.10%	1.50%	1.40%	2.70%	2.75%	2.85%	3.00%	3.50%	3.70%
U.K.	0.75%	0.75%	0.75%	0.80%	1.25%	1.75%	3.50%	3.60%	3.70%	4.00%	4.20%	4.30%
Canada	1.00%	1.40%	1.40%	1.50%	2.25%	2.75%	3.20%	3.45%	3.50%	3.80%	4.00%	4.20%

Forecast as of: July 7, 2010

Source: Wells Fargo Securities, LLC

Wells Fargo Securities Economics Group publications are produced by Wells Fargo Securities, LLC, a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, and the Securities Investor Protection Corp. Limited. The information and opinions herein are for general information use only. Wells Fargo Securities, LLC does not guarantee their accuracy or completeness, nor does Wells Fargo Securities, LLC assume any liability for any loss that may result from the reliance by any person upon any such information or opinions.



FINANCE AND ECONOMY

PCBs' Half-Yearly Operating Profit Records Robust Growth

The operating profit of the country's private commercial banks (PCBs) shot up by around BDT 20,79 billion in the first six months of the current calendar year, recording a 64 per cent growth over that of the same period last year. A total of 27 PCBs earned BDT 53.29 billion as operating profit during the January-June period of 2010 as against BDT 32.50 billion of the corresponding period of the previous year, sources in the banking sector said, adding that profit figures of two banks have not been included. "At least seven PCBs out of 27 made hefty profits during the period from non-banking businesses such as investment in capital market," a senior official of a leading PCB told the FE. He added that such profit might decline in the next six months following the central bank's directive limiting the bank's exposure to stock markets. The Islami Bank Bangladesh Ltd held the top position as usual among the PCBs, earning BDT 5.07 billion as operating profit during the period under review as against BDT 4.04 billion in the corresponding period of 2009. According to the provisional figures, AB Bank took the second position to earn an operating profit of BDT 4.20 billion compared to BDT 2.00 billion earned during the same period last year. The National Bank however came third earning BDT 3.65 billion as operating profit against BDT 1.64 billion. During the period, the Prime Bank earned BDT 3.35 billion as against BDT 2.55 billion while the Southeast Bank's profit jumped to BDT 2.95 billion from BDT 1.77 billion. Among other banks, the Mutual Trust Bank and Jamuna Bank respectively earned BDT 1.04 billion and BDT 990 million respectively as operating profits from BDT 700 million and BDT 980 million in the first half of the last calendar year. (July 5, Financial Express)

BB Cautions Banks Against Quick Profits



The central bank governor has warned the commercial banks against the risks stemming from a short-term outlook. "It won't be wise to throw your banks into high risks by running after quick profits," Bangladesh Bank Governor Dr. Atiur Rahman told the inaugural of a three-day bank and non-bank financial institutions fair in Dhaka yesterday (July 29). The question of short-term benefits comes to the fore on detection of banks' over-exposure to the capital markets and unproductive sectors as well. Bangladesh Bank has recently served notice on seven banks for its over-exposure in the capital market. (July 30, The Daily Star)

WB For Transparent Financial Institutions

World Bank has suggested that Bangladesh's public financial institutions should be strong, transparent and accountable to promote better public service and improve the livelihood of people. The government, with support from donors, will implement the Strengthening Public Expenditure Management Programme or SPEMP, project that aims at modernising core institutions for budgeting and financial management of the country. The project targets key priority areas like budget preparation and execution within

the government, external auditing through Comptroller and Auditor General and legislative and public oversight. (July 30, The Daily Star)

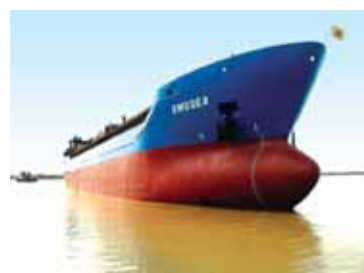
Square To Prepare Insulin



Square Pharmaceuticals Ltd organised an orientation program on its recently launched insulin preparation brand Ansulim at the Dhaka Sheraton Hotel on July 26. The program was inaugurated by the Managing Director of Square Pharmaceuticals Tapan Chowdhury. Prof AK Azad Khan, Prof Emeritus Hajera Mahtab and retired Major General Prof AR Khan spoke on the occasion. A milestone in pharmaceuticals manufacturing was achieved by Square through the establishment of its state-of-the-art "Insulin Manufacturing Unit" on April 28 this year. The plant conforms to standards set by the US Food and Drug Administration and European Medicines Agency. According to World Health Organisation, the diabetic population in the country will cross 11million in 2030. Therefore, many patients require insulin to control diabetes. Square's Ansulim would ensure world-class quality with substantial price reduction over imported counterparts and hence marks a new era in the production and marketing of insulin in Bangladesh. (July 29, The Daily Star)

Western Marine Launches Ice-Class Vessels

Marking a milestone in the shipbuilding industry, Western Marine Shipyard Ltd has rolled out two ice-class vessels. These are specially designed vessels as ice-class ships have strengthened hulls to enable them to navigate through sea ice. "EMSSEA", a 100-metre, 5,200 DWT (deadweight tonnage) multi-purpose dry-cargo ship, was the first to leave the docks on Monday (Jul 26). The second "EMSRIVER", a sister vessel of EMSEA, floated yesterday (Jul 28)



from the shipyard in Chittagong. The EMSSEA is the largest vessel built by a local shipbuilder until now. The two are part of the 12 vessels worth USD 130 million in total, ordered by Grona Shipping, a German company to be delivered by 2012. Built in compliance with Germanischer Lloyds standard

and designed to endure extreme weather conditions, the ice-class vessels will be deployed in the Atlantic Ocean and the Baltic Sea. Marku Vedder, fleet manager of Grona Shipping, expressed his satisfaction over the quality workmanship and timely delivery of the ships. The shipbuilder is now receiving many orders from Germany, Denmark, Pakistan and Middle Eastern countries as Bangladesh is increasingly being recognised as an attractive destination for medium and small vessel building. (July 29, The Daily Star)

GP Posts Strong Revenue

Grameenphone (GP) shares rose around 7 percent yesterday after the telecom company reported a 12 percent increase in revenue for the first half of 2010. The mobile phone operator's total revenue for the first half to June this year was BDT 3,581 crore. Total revenue in the second quarter of 2010 was BDT 1,877 crore – also up by 15 percent compared to the same period a year ago. The growth came mainly in voice revenues because of subscription growth and



revenues from sale of GP handsets and data cards, the company said. Data revenues also contributed to the consistent revenue growth, and increased by 68 percent compared to the first half of 2009. With the rise in revenue, GP's consolidated profit after tax went up to BDT 483.29 crore in the first half of 2010 with weighted average earnings per share (EPS) of BDT 3.58. (July 19, The Daily Star)

Walton To Export Refrigerators To US

RB Group, an electronics maker, has moved to export refrigerators and other items to the US. RB Group produces electronic goods and motorcycles under the Walton brand, has been exporting refrigerators, motorcycles, and other electronic items to Malaysia, Saudi Arabia and some countries in the Middle East for a couple of years now. If successful, Walton will be the first Bangladeshi electronics maker to enter the US. The group also signed initial agreements with traders in Japan. Walton Hi-tech Industries, the group's manufacturing unit, now produces about six lakh refrigerators against a demand for four lakh in Bangladesh. About 2,500 workers are engaged in the manufacturing plant set up on 50 acres. Presently, Walton retails refrigerators in 12 variants through its 600 outlets and dealers throughout the country. (July 18, The Daily Star)

Shrimp Exports Face New Hurdle

Shrimp exports face a new challenge as European Union has recently imposed rules making it mandatory for at least 20 percent of consignments from Bangladesh to go through a check. The EU tightened the rules on the ground of a 'lack of appropriate laboratory capacity for the testing of certain residues' risky for human health according to the Official Journal of European Union. The check will increase the stay time of the consignments at ports and push up the costs of exports, consequently there will have to count increased charges for bank interests, port demurrages and testing fees. Shrimp dominates the export basket of frozen foods, the third biggest exports sector after readymade garments, jute and jute goods. (July 29, The Daily Star)

Landmark Power Deal Signed With India

Bangladesh yesterday (July 26) signed a 35-year power transmission agreement with India aiming to import 250 MW electricity from the neighbour, starting from late 2012. The agreement keeps the provision for Bangladesh to export power to India in the future, and the transmission system will have the capacity to exchange 500 MW of power soon after the system is launched. According to the agreement, Power Grid Corporation of India Ltd (PGCIL) will invest and construct 80 km of transmission line and own, operate and maintain it. The Indian company will recover the construction cost under a fixed rate over 35 years. Bangladesh Power Development Board (BPDB) officials said PGCIL will incur a cost of about 80 crore Indian rupees. The Indian power and transmission tariff will be determined by the Indian Energy Regulatory Commission. BPDB will pay the transmission tariff on a monthly basis. During the tenure of the agreement, if the line is used by any other beneficiary in either country, the transmission charges will be proportionally shared by the beneficiary. BPDB will make the payments through letters of credit within 45 days of billing. In case BPDB delays to pay beyond 60 days, interest will be charged for late payments. (July 27, The Daily Star)

Knitting Unit Fined BDT 2.2 Million For River Pollution

Two knitting and dyeing industries in Fatullah, Narayanganj were fined BDT 2.2 million for violating the environment laws and polluting the Shitalakhya river. They have been running the industries for years without any effluent treatment plant (ETP) violating environmental rules. Both the industries discharge liquid waste to nearby Wapda canal that ultimately flows to the Shitalakhya. The two industries have been asked to set up ETP within next three months otherwise their gas and electricity connections will be snapped. The owners of the industries gave commitments to set up effluent treatment plant (ETP) within three months. (July 27, The Daily Star)

Luxury Cars In Fast Lane

Garment owners and top realtors fuel sales. Sales of German



premium auto manufacturers Audi, BMW and Mercedes-Benz are on a roll, riding on the demands from garment exporters and realtors, sellers of the brands said. Executive Motors, the distributor of the world's leading luxury car maker, BMW, said its sales were up 100 percent in the first half of 2010 from the same period a year ago. Sales of another luxury car Audi that has been marketing for the past one and a half months also got significant response from the local buyers. Thirteen Audi cars were sold during the period, out of 20 the importer brought in. Mercedes-Benz, which is being marketed by Rangs Motors, saw nearly a 50 percent rise in sales in the first half of this year. Some 30 units of the brand were sold in the six months period ending in June 2010. "Garment exporters and realtors were the main buyers of Audis," said Habibullah Don, the Bangladesh importer of Audis. Mokhesur Rahman who distributes BMW agreed that these buyers were driving the luxury car market in the country. An Audi car costs BDT 8.5 million to 12 million, a BMW BDT 7.0 million to 12 million and a Mercedes-Benz BDT 4.0 million to 16 million, according to the sellers. (July 27, The Daily Star)

Apparel Makers Raise Trade Issue With US Official

Leading apparel makers and exporters on Sunday placed a series of demands, including duty-free market access, to a visiting US state department official. But the diplomat was quiet on the demands. The apparel makers and exporters placed their demands before Atul Keshap, Acting Deputy Assistant Secretary for the South and Central Asia region, at The Westin Dhaka hotel. AK Azad, the newly elected president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), hosted a dinner in honour of the US official. Keshap focused on strengthening bilateral relationship and highlighted Bangladesh's potential to grow further. "I am taking the notes of today's discussions to Washington DC," Keshap said. (July 27, The Daily Star)

IFIC Officials Boycott Test For Evaluation

Officials of International Finance Investment and Commerce Bank, popularly known as IFIC Bank, boycotted an evaluation test of the bank officials yesterday terming the exam demeaning. They feared that they would lose their jobs after the test and the board of directors would then replace them with the board's chosen people. The central bank has also asked the IFIC bank why it was taking such a test. Some 1,500 officials, below the rank of assistant vice-president, were asked to sit for the test, which was supposed to be held simultaneously at six divisional cities. Eshna Consulting Team was employed by the bank to conduct the test. "It has created a bad impression of us to our family members. The test raises questions about our abilities," said an official of the bank in Chittagong Zone. "There was no evaluation of the employees in the last 27 years. We don't know who has what qualities," said the chairman. "We can't even promote people without proper evaluation," he said. He said earlier two attempts of evaluation by previous boards were also foiled. "This is a first generation private bank, but runs poorer than a third generation bank," he claimed. (July 24, The Daily Star)

HYDROGRAPHIC SURVEY SHIP ARRIVES IN CTG

A modern hydrographic survey ship named "BNS Anushandhan"



arrived at Chittagong from the United Kingdom yesterday, says an ISPR press release. The ship purchased from Royal British Navy is capable of carrying out international standard survey at any place in the world. The long awaited dedicated hydrographic survey vessel has been purchased in 2009-2010 fiscal year for Bangladesh Navy, which will internationalise the credibility of hydrographic activities of Bangladesh. (July 24, The Daily Star)

Deal Signed With Vietnam To Import 1 Lakh Tonnes Rice

Bangladesh has finalised an agreement with Vietnam for import of one lakh tonnes of rice at BDT 25.5 a kg from the Southeast Asian country, said officials at the Ministry of Food yesterday (July 22). The food ministry settled the terms and conditions with a Vietnamese delegation led by Vietnam Southern Food Corporation's Vice General Director Cao Thi Ngoc Hao at its meeting, said Ahmad Hossain Khan, director general of the Department of Food. The authorities are importing rice despite a good harvest in the last boro season. However, the price went high in recent times hampering the government's target to buy 12 lakh tonnes of rice from the local market. Last April the government fixed rice procurement price at BDT 25 a kg but in the face of repeated demands from the rice millers, it decided to increase the rice price to BDT 28. The government is now buying only around 6 lakh tonnes of rice from the domestic market and has emphasized the import of wheat and some rice from the international market. The government will buy 2.5 lakh tonnes of non-parboiled rice in this season, said Ahmad Hossain Khan. (July 23, The Daily Star)

Regulator Fines Twin Bourses

The stockmarket regulator for the first time has fined the two bourses BDT 1 lakh each for flawed computations in indices and starting trade before transaction hours. The Securities and Exchange Commission (SEC) yesterday through separate letters informed the Dhaka and Chittagong stock exchanges about the penalty, which they will have to submit to the regulator within the next 15 days. SEC officials said the commission has fined Dhaka Stock Exchange (DSE), the premier bourse, for two reasons – flawed counting and starting trade early. The penalty on Chittagong Stock Exchange, the port city bourse, was for starting trade of Grameenphone and Marico shares before opening of the trading hours. Such activities of the bourses appeared to the commission as 'deliberate and clear contravention' of securities rules, the officials said. (July 23, The Daily Star)

FDI Plummets

Unctad Report Tracks 2009 Data

Foreign direct investment (FDI) in Bangladesh dropped by 36 percent in 2009 mainly due to the global recession, according to the World Investment Report 2010 released yesterday. The United Nations Conference on Trade and Development (UNCTAD) prepared the report: "Investing in a low-carbon economy". In 2009, the total investment inflow into Bangladesh was USD 700.16 million, which was USD 1,086.33 million in 2008. The sector-wise FDI inflow fell in telecoms, power, gas and petroleum. However, textiles and wearing, banking, and food products attracted more FDI. The Board of Investment (BoI) launched the report at a press meet at its office in Dhaka. Prof M Ismail Hossain of the Economics Department of Jahangirnagar University made a presentation. Hossain said the flow of FDI fell worldwide due to the global meltdown and Bangladesh also felt its impact. He also said a scarcity of power and gas may be another reason behind the low flow. BoI Executive Chairman SA Samad said: "When foreign investors meet me, they point at bureaucracy as the biggest hurdle to investment in Bangladesh." In Bangladesh, the sector-wise FDI inflow in telecoms in 2009 declined by 60 percent and stood at USD 250 million. It was USD 641 million in 2008. In the power, gas and petroleum sector, FDI fell by 49 percent and stood at USD 51 million in 2009, which was USD 101 million the year before. However, in the flow in textiles and wearing increased by 8 percent and stood at USD 136 million, which was USD 126 million in 2008. In the banking sector, FDI inflow was USD 142 million, which was USD 141 million in last year. (July 23, The Daily Star)

BB UPs Farm Credit Target

Bangladesh Bank (BB) has increased the agriculture loan distribution target by around 13 percent to BDT 12,500 crore for the current fiscal year, to ensure food security by boosting the farm sector. BB Governor Dr. Atiur Rahman will announce the loan allocation today (Jul 21) at a press meet. A BB high official said the governor will also deliver a guideline to the chief executives so that farm loans can be distributed timely and effectively to the farmers. BB earlier organised a three-day discussion with field level bank officials from across the country to know the situation. (July 21, The Daily Star)



BB Tightens Control On Credit

The new monetary policy announced yesterday continued its dual objectives of maintaining inflationary pressure and supporting the economic growth, but left rates unchanged. Bangladesh Bank (BB) has taken a slightly tight monetary policy for the current fiscal year to cut loan flow into the unproductive sector. Announcing the monetary policy for the first six months of the current fiscal year, BB Governor Atiur Rahman said: "The monetary policy emphasised keeping the price level stable." "BB's monetary policies will continue pursuing the dual objectives of maintaining price stability and supporting faster economic growth and poverty reduction," said the central bank's Monetary Policy Statement (MPS) for July-December 2010. In his reaction to the monetary policy, World Bank's senior economist Zahid Hussain said, "This is a cautious monetary policy stance. In the context of the targeted 13.2 percent growth in nominal GDP, the broad money growth target of 15.2 percent is an indication of caution." (July 20, The Daily Star)

Rangunia EPZ Eyes Green Light

The government is expected to approve the operations and land acquisition of Rangunia Export Processing Zone tomorrow, which will be home to 300 industrial units. Entrepreneurs of the initiative hoped they would be able to begin development work of the locally owned EPZ by December. The project is expected to complete by 2011. An official of the PMO said, the government considers approving the EPZ as dozens of foreign investors in the last couple of months have sought industrial plots in Dhaka or Chittagong. The Rangunia EPZ is proposed to be located within 50 kilometres of Chittagong on about 400 acres of government fallow land and family-owned land. The EPZ will employ about 50,000 people and receive investment worth about USD 1 billion. (July 20, The Daily Star)

Exports Miss Target

Exports fell 7.93 percent short of the target set for the last fiscal year, according to Export Promotion Bureau (EPB) data released yesterday. Bangladesh fetched USD 16.20 billion from exports against the target of USD 17.60 billion. However, export earning was 4.11 percent higher compared to fiscal 2008-09, when the country earned USD 15.57 billion. The earning was USD 1.72 billion in June, a 21.24 percent rise over the same month a year ago. Exporters said they missed the target mainly due to a slump in demand for some products, especially frozen foods. Bangladesh fetched USD 6.48 billion from knit exports last fiscal year, registering a 0.84 percent growth compared to 2008-09. However, the knitwear exports fell 11.15 percent short of the annual target. The country exported woven garments worth USD 6.01 billion in 2009-10. The segment posted a 1.60 percent growth compared to fiscal 2008-09, but fell 10.09 percent short of the annual export target. Shafiul Islam Mohiuddin, vice-president of Bangladesh Garment Manufacturers and Exporters Association, said the country could have earned more from apparel exports, but it was not possible because of the acute power and gas crises, labour unrest and weak infrastructure. Bangladesh enjoyed good export orders in the last



four months of the fiscal year, as orders from China shifted to Bangladesh, he added. "The overall price of the garment items remained static." (July 20, The Daily Star)

POLITICS

Arrest Order For 1971 Genocide

The International Crimes Tribunal yesterday issued arrest warrants against already detained four Jamaat-e-Islami leaders on charges of committing genocide and crimes against humanity and peace during the Liberation War. This would be the first ever arrest in the country's history for committing offences under the section 3(2) of the International Crimes Tribunal Act, 1973, which is non-bailable as per the law. Offences including war crimes and genocide, and crimes against humanity and peace like murder, abduction, confinement, torture and rape fall under this section of law. Attorney General Mahbubey Alam told The Daily Star the four Jamaat leaders can seek bail only to this Tribunal, which may consider the bail prayers on sufficient grounds, if any. (July 27, The Daily Star)

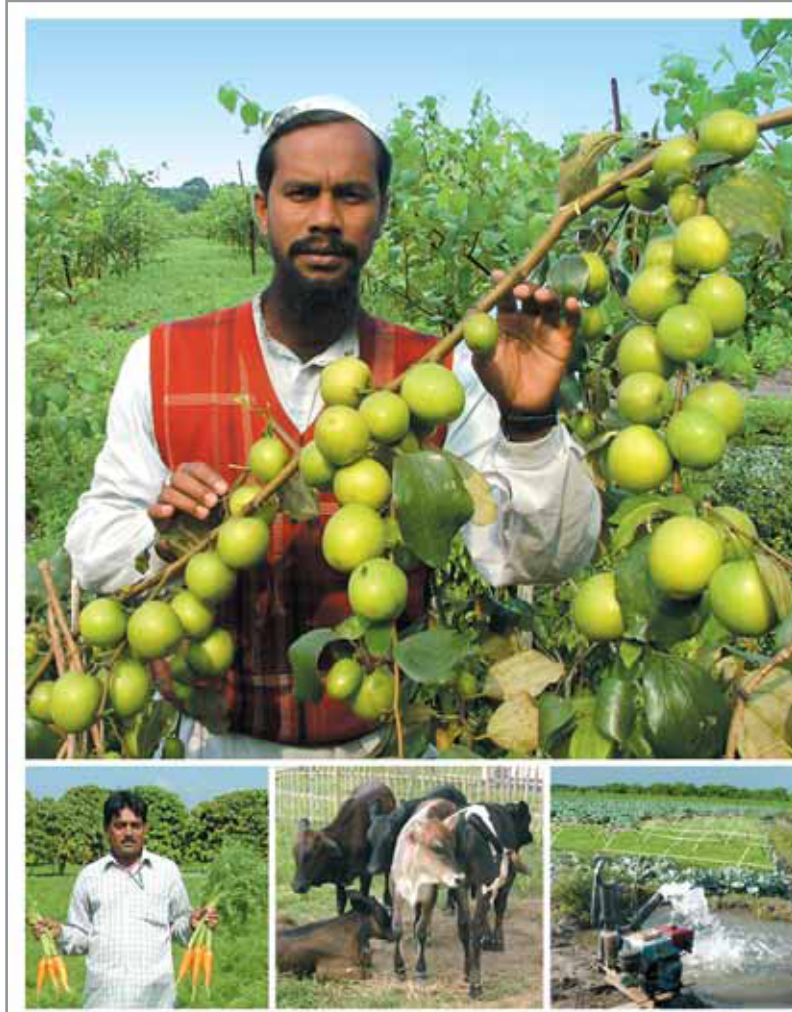
All-Party JS Body Soon To Amend Constitution

The government will form an all-party parliamentary committee this week to make changes to the constitution, Prime Minister Sheikh Hasina yesterday said "The committee will decide on

how to go about constitution amendment, the process of which will begin in the current session of parliament," she added. Hasina, also president of the ruling Awami League, was addressing an AL Central Working Committee meeting at Gono Bhaban. She said her government is pursuing changes to the republic's charter in order to uphold the High Court's verdict on the fifth amendment. "Changes are essential to strengthen the democracy as the military dictators have distorted the constitution after 1975 and we will do that in the light of the apex court's verdict." The Supreme Court On February 2 this year dismissed two petitions contesting the High Court verdict that declared the constitution's fifth amendment illegal. The verdict meant the governments between August 15, 1975, and April 9, 1979, were in power without lawful authority. (July 17, The Daily Star)

War Crimes Trial Must Not Be Motivated

The UK State Minister for International Development Alan Duncan yesterday said the trial of 1971 war criminals should be conducted fairly through proper judicial process. The government must ensure that the judgment is not politically motivated, said Duncan while addressing a press conference jointly organised by the British High Commission in Dhaka and UK Department for International Development (DFID) at the city's Lake Shore Hotel. He, however, appreciated the government's move for holding the trial even after 40 years of the country's independence. (July 15, The Daily Star)



MTB কৃষি

কৃষিখাতে সহজ শর্তে ঋণ প্রদানের জন্য এই ঋণ কর্মসূচী প্রনয়ন করা হয়েছে। কৃষির অগ্রাধিকার খাত যেমনঃ ফসল উৎপাদন, মৎস্যচাষ, গবাদি পশু ও হাঁস-মুরগী পালন, কৃষি যন্ত্রপাতি এবং কৃষি উপকরণ ক্রয়ে কৃষকদের এই ঋণ প্রদান করা হয়। প্রকৃত কৃষক এবং কৃষি কাজে নিয়োজিত ক্ষুদ্র ও মাঝারী উদ্যোক্তাগণ (SMEs) এই ঋণের জন্য সরাসরি আবেদন করতে পারবেন।



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us



DOMESTIC CAPITAL MARKETS REVIEW

CAPITAL MARKETS - DSE (For the weeks July 25 to July 29, 2010)

Weekly Summary Comparison:

	July 25-July 29	July 18-July 22	% □ Change
Daily Average Turnover In million BDT	14,250.08	17,006.48	(16.21)
Total Turnover volume (million)	255.33	324.88	(21.41)
Daily Average Volume (million)	63.83	64.98	□
Weighted Avg. Price Earning Ratio	24.57	24.46	0.45

Category-wise Turnover

Group	Turnover Value (BDT mil.)		% Change
	July 25-July 29	July 18-July 22	
A (89.97%)	51,286	78,540	(34.70)
B (0.57%)	325	352	(7.45)
N (6.94%)	3,959	4,192	(5.57)
Z (2.51%)	1,431	1,948	(26.57)

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

Name	Category	% of Change	Turnover BDT (mil.)
R. N. Spinning Mills Limited	A	16.30	469.081
Marico Bangladesh Ltd.	A	14.50	596.492
Fine Foods Limited	A	13.09	114.34
Singer Bangladesh	A	12.03	435.437
Dafodil Computers	A	11.80	98.841
Maksons Spinning Mills Limited	A	11.53	382.707
Peoples Leasing & Fin Services	A	10.90	1668.41
BEXTEX Limited	A	10.32	1213.806
Meghna Condensed	B	9.98	43.521
United Airways (BD) Ltd	N	9.1410	84.307

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

Name	Category	% of Change	Turnover BDT (mil.)
ACI Formulations Limited	A	-17.35	597.229
Savar Refractories	Z	-9.06	0.097
Fidelity Assets & Securities	A	-8.58	222.103
BSRM Steels Limited	A	-8.49	1292.35
Pubali Bank	A	-8.27	605.44
Phoenix Finance	A	-7.83	302.223
Quasem Silk	Z	-7.34	0.217
National Life Insurance	A	-6.88	21.252
United Commercial Bank Ltd.	Z	-6.57	852.345
Shahjalal Islami Bank	A	-6.48	360.481

Total Number of Issues

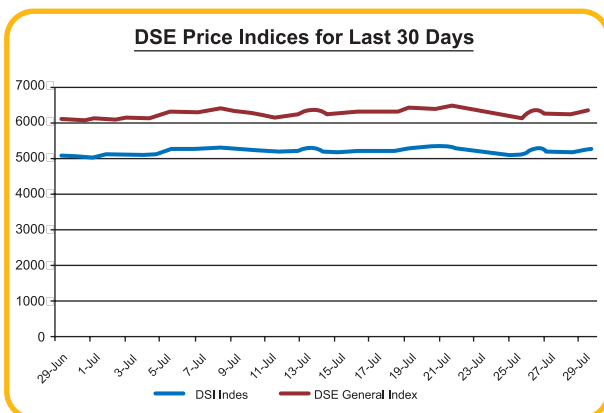
	July 25-July 29	July 18-July 22	% □ Change
Advanced	132	166	(20.48)
Declined	125	90	38.89
No Change	1	2	(50.00)
Not Traded	14	14	0.00
Total No. of Issues	272	272	

Top 10 Companies by turnover for Last Week

Names	Category	Turnover BDT (mil.)	Volume	% of □ change
Titas Gas	A	2,535.84	2,384,550	-2.61
Lankabangla Finance Com	A	2,270.82	4,891,000	-0.88
BEXIMCO	A	2,087.11	6,956,700	2.25
AB Bank	A	2,050.91	1,669,140	-5.82
Peoples Leasing & Fin Services	A	1,668.41	7,400,550	10.9
RAK Ceramics (Bangladesh) Ltd	N	1,496.03	6,515,800	-0.09
Prime finance	A	1,395.78	3,988,600	4.21
Aftab Automobiles	A	1,381.63	4,203,700	3.11
BSRM Steels Limited	A	1,292.35	606,100	-8.49
BEXTEX Limited	A	1,213.81	17,715,000	10.32
Total		17,392.68	56,331,140.00	

DSE Market Round Up

SEC further tightens margin criteria. Merchant banks will be allowed to provide up to BDT 100m and stock brokers BDT 50m credit for a single client. It's a clear signal that regulator will be getting tough unless the bull run that is going to be overheated in bourses subdued. During 3rd week (July 15-July 22) stocks advanced shrugging off losses of week before that occurred due to reduction in margin loan and regulatory intervention.



Last week (July 22 - July 29) market faced a turbulence that was unusual in recent memory. Benchmark DSE general index lost 205 points in opening day which was steepest after 1996. It

was an overreaction from the panicky investors caused maximum margin loan ceiling for individual investors that SEC fixed previous week. Trigger selling also occurred to adjust the loan exposure. It took a test of regulator's nerve which later increased time period for adjusting loan and margin loan exposure limit for brokerage's clients. Traders took regulators move as a positive indication and back in buying which helped index to recover some of its lost points in following trading days. Liquidity flow in the bourses declined drastically. Banks continued declining trend along with cement, energy and engineering. Insurance, NBFI, pharma, mutual funds increased marginally while textile, IT, telecom, travel and service sector made considerable leap. DSE General Index reached at 6342.76 fell by 62.21 points or 0.97% from the previous week. Total turnover reached at BDT 57000.34m with 32.97% decrease from the last week's BDT 85032.38m. On the other hand, market capital rose by 0.11% and stood at BDT 2394.90b (USD 34.41b) at the weekend against BDT 2397.45b. DSE-20 has moved downward by 41.78 points (1.11%) and closed at 3721.78 points against 3763.56 points. Last week weighted average Market PE was 24.57 which was 0.45% higher than previous week's 24.46. During the week, DSE General Price Index was below of both 9 and 18-day moving average line.



CAPITAL MARKETS - CSE

(For the week July 25 to July 29, 2010)

Weekly Summary

	July 25-July 29	July 18-July 22	
Total Turnover (BDT mil.):	4,716.70	6,786.11	(30.49)
Volume of Share (Nos.):	34.64	46.22	(25.05)
Total Contact (Nos.)	117,194.00	154,164.00	(23.98)
Total Scrip Traded	204.00	213.00	(4.23)

Category-wise turnover

Group	Turnover Value (BDT mil.) July 25-July 29	% of Total
A	3,793.96	80.39%
B	20.72	0.44%
N	726.06	15.38%
Z	175.96	3.73%

Scrip Performance in the Week

July 25-July 29	
Advanced	137
Declined	63
No Change	4
Total Traded Issues	204

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

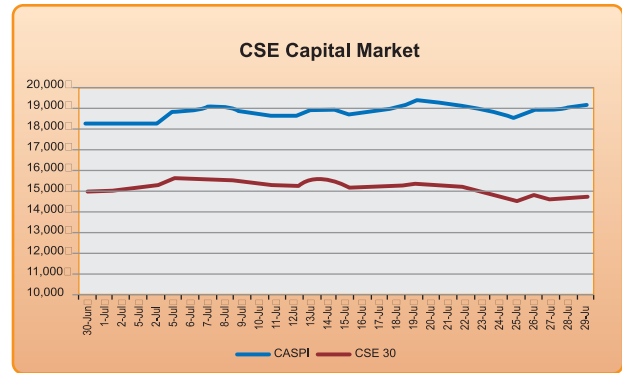
Name	Category	Week Difference (Opening & Closing)	Turnover BDT (million)
Legacy Footwear Limited	Z	20.82	964,550.00
Singer Bangladesh Limited	A	17.94	7,238,042.50
R. N. Spinning Mills Ltd.	A	17.34	104,552,205.00
Samata Leather Complex	Z	17.20	460,500.00
Safko Spinning Mills Ltd	Z	13.50	348,462.50
Miracle Industries Ltd.	Z	13.31	927,300.00
Anlima Yarn	Z	12.77	276,275.00
Daffodil Computers Limited	A	12.59	25,835,059.00
5TH ICB MF	A	12.46	179,390.00
Sonargaon Textile	A	11.08	1,136,050.00

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

Name	Category	Week Difference	Turnover BDT (million)
B.S.C.	Z	-17.39	37,390.00
Dhaka Fisheries	Z	-16.61	27,100.00
Khulna Power Company Ltd.	N	-10.59	247,174,060.00
Bdcom Online Limited	A	-7.43	4,704,688.00
Daffodil Computers Limited	A	-7.35	11,658,560.00
Icb Amd First Nrb Mutual Fund	A	-7.25	411,500.00
Intech Online Limited	A	-6.45	5,919,200.00
Information Services Network	B	-6.00	2,018,950.00
Central Insurance	A	-5.65	4,837,550.00
Sinobangla Industries Ltd	B	-5.64	488,600.00

Top 10 Companies by Turnover for this Week

Names	Turnover BDT (million)	Volume
R.A.K. Ceramics (Bangladesh) Ltd.	301.68	1,317,600
United Airways (Bd) Ltd	223.14	612,300
Beximco	221.72	740,444
Bextex Ltd	198.69	2,902,897
Titas Gas Transmission And Distribution	164.59	154,900
Ab Bank Ltd.	153.58	125,011
Bsrn Steels Ltd	135.60	63,636
Summit Power Ltd.	132.81	963,770
Lanka Bangla Finance Ltd.	105.69	228,070
R. N. Spinning Mills Ltd.	104.55	212,770



MTB ভাগ্যবতী

নারী উদ্যোক্তাদের সহজ শর্তে অর্থায়নের উদ্দেশ্যে এই ঋণ কর্মসূচী প্রনয়ন করা হয়েছে। শুধুমাত্র ক্ষুদ্র ও মাঝারী মহিলা উদ্যোক্তাগণ (SMEs) এই ঋণের জন্য আবেদন করতে পারবেন।



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us



NATIONAL ECONOMIC INDICATORS

Foreign Exchange Reserve:

The Foreign Exchange Reserve at the end of June, 2010, was registered at USD 10,749.70 million from USD 10,146.24 million, reported on May 31, 2010 with a 5.95% increase. At the end of June 2009, the reserve was USD 7,470.96 million. The year-over-year increase in foreign exchange reserve on June, 2010 is 43.89%.

Exchange Rate Movements:

At the end of June 2010, the period ending Taka-Dollar exchange rate was registered as BDT 69.4410. This was a slight increase (0.12%) from the previous month's closing exchange rate of BDT 69.3610, as reported on May 31, 2010. On a year-over-year basis, the exchange rate has experienced an increase from the June, 2009 ?gure of BDT 69.0600 by 0.55%.

Wage Earner's Remittance:

Remittances in June, 2010 stood at USD 892.15 million indicating a marginal decline of USD 10.90 million as against of USD 903.05 million of May, 2010. This was also lower by USD 26.95 million against USD 919.10 million of June, 2009. However, total remittances receipts during FY 2009-10 increased by USD 1298.14 million or 13.40 percent to USD 10987.40 million against USD 9689.26 million during FY 2008 - 09.

Import:

Import payments in May, 2010 stood lower by USD 93.20 million or 4.38 percent to USD 2127.00 million, against USD 2220.20 million in April, 2010. However, this was higher by USD 387.80 million or 22.30 percent than USD 1739.20 million in May, 2009. Import payments during July-May, 2009-10 increased by USD 589.80 or 2.82 percent to USD 21538.20 million compared to USD 20948.40 million during July-May, 2008-09.

Export:

Merchandise export shipments in June, 2010 stood higher at USD 1723.52 million compared to USD 1543.83 million in May, 2010 according to EPB data. This was also higher than USD 1421.55 million of June, 2009. Total export receipts during FY 2009 - 10 increased by USD 639.46 million or 4.11 percent to USD 16204.65 million as compared to USD 15565.19 million during FY 2008-09.

Investments in National Savings Certificates:

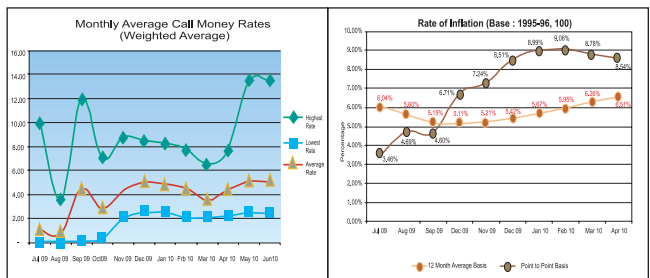
Sales of NSD certi?cates in May, 2010 stood higher at BDT 2156.04 crore against BDT 1555.50 crore in May, 2009. Repayment of NSD certi?cates in May, 2010 also stood higher at BDT 1187.77 crore against BDT1129.60 crore in May, 2009. Net borrowing of the government through NSD certi?cates in May, 2010 was higher at BDT 968.27 crore against BDT 425.90 crore in May, 2009.

Liquidity position of the scheduled banks:

Total liquid assets of the scheduled banks stood higher at BDT 87196.61 crore as of end June, 2010, against BDT 77333.53 crore as of end June, 2009. However, excess liquidity of the scheduled banks stood lower at BDT 34498.73 crore as of end June, 2010, against BDT 34762.08 crore as of end June, 2009.

Bank Group	June 2009 (BDT in Crore)		June 2010(BDT in Crore)	
	Total Liquid Asset	Excess Liquidity	Total Liquid Asset	Excess Liquidity
State Owned Banks	30723.24	17369.81	31088.88	15268.40
Private Banks	29533.17	9039.31	35855.58	9820.39
Private Islamic Banks	7760.27	3683.95	9634.59	4286.13
Foreign Banks	8323.10	4372.78	9247.73	4516.52
Specialised Banks	993.75	296.23	1369.83	607.29
Total	77333.53	34762.08	87196.61	34498.73

(Source: Major Economic Indicators: Monthly Update, July 2010)



Rate of Inflation on CPI for National (Base: 1995-96, 100)	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10
12 Month Average Basis	6.04%	5.60%	5.15%	5.11%	5.21%	5.42%	5.67%	5.95%	6.26%	6.51%
Point to Point Basis	3.46%	4.69%	4.60%	6.71%	7.24%	8.51%	8.99%	9.06%	8.78%	8.54%

Monthly Average Call Money Market Rates (wt avg)	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Highest Rate	10.00	3.50	12.00	7.00	8.75	8.50	8.25	7.75	6.50	7.65	13.50	13.50
Lowest Rate	0.05	0.10	0.10	0.25	2.00	2.50	2.50	2.00	2.00	2.15	2.45	2.45
Average Rate	1.07	0.74	4.47	2.80	4.35	5.04	4.83	4.51	3.51	4.35	5.07	5.07

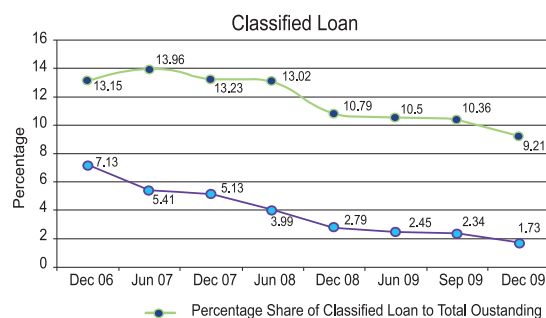
BANKING AND FINANCIAL INDICATORS



Classified Loans	Dec 06	Jun 07	Dec 07	Jun 08	Dec 08	Jun 09	Sep 09	Dec 09	Mar 10
Percentage Share of Classified Loan to Total Outstanding	13.15	13.96	13.23	13.02	10.79	10.5	10.36	9.21	9.41
Percentage Share of Net Classified Loan	7.13	5.41	5.13	3.99	2.79	2.45	2.34	1.73	2.09

	Percentage Change (%)					
	May 09	Jun 09	May 10	Jul-May 2009-10	Jul-May 2008-09	FY 08-09
Reserve Money (BDT crore)	60,942.40	69390.10	75676.70	9.06%	15.44%	31.45%
Broad Money (BDT crore)	286,516.10	296,499.80	352,225.90	18.79%	15.16%	19.17%
Net Credit to Government Sector (BDT crore)	54,372.40	58185.20	49449.40	-15.01%	15.91%	24.04%
Credit to Other Public Sector (BDT crore)	12,633.60	12439.70	14800.20	18.98%	8.61%	6.94%
Credit to Private Sector (BDT crore)	215,928.90	217927.50	264038.60	21.16%	13.57%	14.62%
Total Domestic Credit (BDT crore)	282,934.90	288552.40	328288.20	13.77%	13.78%	16.03%

	L/C Opening and Settlement Statement (USD million)				Percentage Change (%)	
	Jul-Jun 08-09		Jul-Jun 09-10		Year over year	
	Open	Sett.	Open	Sett.	Open	Sett.
Food Grains (Rice & Wheat)	837.76	871.09	1,187.34	854.51	41.73%	-1.90%
Capital Machinery	1,234.99	1,403.93	1,918.62	1459.39	55.36%	3.95%
Petroleum	1,864.56	2,036.85	2,366.53	2290.52	26.92%	12.45%
Industrial Raw Materials	8,553.91	8,494.22	10,057.83	8233.16	17.58%	-3.07%
Others	9,311.52	8,638.26	13,126.64	10131.52	40.97%	17.29%
Total	21,802.74	21,444.35	28,656.96	22,969.10	31.44%	7.11%



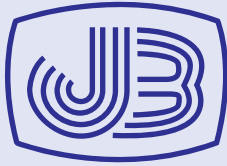
YEARLY INTEREST RATES							
End of Period	Bank Rate	Call Money Market's Weighted Average Interest Rates on			Scheduled Banks' Weighted Average Interest Rates on		Spread
		Borrowing		Lending	Deposits	Advances	
2010	5.00	6.62		6.62			
2009	5.00	5.04		5.04	6.35	11.49	5.14
2008	5.00	10.27		10.27	7.31	12.31	5.00
2008	5.00	9.31		9.31	6.77	12.75	5.98
2007	5.00	7.17		7.17	6.98	12.99	6.00
2006	5.00	8.41		8.41	5.90	11.25	6.01
2005	5.00	4.93		5.74	5.56	10.83	5.27
2004	5.00	6.88		8.17	6.25	12.36	6.11
2003	6.00	9.49		9.56	6.49	13.09	6.60
2002	7.00	8.26		8.57	6.75	13.42	6.67
2001	7.00	6.82		7.21	7.08	13.75	6.67

INTEREST RATE DEVELOPMENT *A												
Period	Treasury Bills			BGTB				Repo	Rev. Repo	Call Rate	Lending Rate	Deposit Rate
	91-Day	182-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	13.01	7.31
August	....	....	....	10.6	11.72	12.14	13.07	8.5	6.5	9.88	13.31	7.30
September	7.81	8.06	8.53	10.6	11.72	12.14	13.07	8.75	6.5	9.89	12.62	8.04
October	7.87	8.08	8.56	10.6	11.72	12.14	13.04	8.75	6.5	7.64	13.42	8.14
November	7.91	8.12	8.57	10.6	11.72	12.14	13.04	8.75	6.75	7.56	13.24	8.15
December	7.91	8.16	8.58	10.6	11.72	12.14	13.02	8.75	6.75	10.42	13.51	7.90
January	7.93	8.16	8.59	10.6	11.72	12.14	13	8.75	6.75	9.82	13.33	8.00
February	....	8.16	8.6	10.6	11.72	12.14	12.99	8.75	6.75	9.25	13.47	8.16
March	....	8.16	8.6	10.6	11.72	12.14	12.98	8.5	6.5	8.31	13.62	7.91
April	6.53	7.48	8.31	9.97	11.68	11.79	11.48	....	....	1.95	13.53	8.17
May	3.97	5.43	6.16	10.01	10.22	10.57	11.09	....	....	3.28	13.77	8.27
June	3.54	4.24	5.96	9.21	10.05	10.09	10.07	....	....	1.79	13.46	8.26
2009-10*c												
July	1.86	3.75	5.01	8.2	9.42	9.39	8.97	....	....	1.08	13.61	7.93
August	....	....	....	7.47	8.55	8.59	8.59	....	....	0.72	13.26	7.57
September	2.05	3.5	4.33	7.49	8.43	8.8	....	8.5	....	4.39	13.13	7.45
October	2.14	3.51	4.57	7.8	8.75	8.69	9.1	....	2.5	2.82	13.07	7.39
November	2.3	....	4.6	7.8	....	....	....	4.5	2.5	4.43	12.87	7.33
December	2.3	3.54	4.6	7.8	8.75	8.69	9.1	4.5	2.5	5.05	12.80	7.33
January	2.33	3.55	4.61	7.8	....	8.74	....	4.5	2.5	4.83	12.43	7.06
February	....	3.56	4.62	7.82	8.75	8.74	9.11	4.5	2.5	4.51	12.33	7.14
March	....	3.54	4.63	7.85	8.76	8.75	9.15	4.5	2.5	3.51	12.41	7.13
April	2.34	3.42	4.15	7.85	8.77	8.77	9.17	4.5	2.5	4.35	12.37	7.20
May	2.38	3.52	4.2	....	8.77	8.77	9.19	4.5	2.5	5.07	12.30	7.13
June	2.42	3.51	4.24	7.87	8.78	8.8	9.15	4.5	2.5	5.07	12.36	7.26
July	2.43	3.52	4.25	7.88	8.79	8.83	9.2	4.5	2.5	....	....	....

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



FINANCIAL INSTITUTION OF THE MONTH



Janata Bank Ltd.



SM Aminur Rahman
CEO & Managing Director

Head Office:
110, Motijheel C/A
Dhaka - 1000
Phone: 8802 9566094, 8802 9565003
web: www.janatabank-bd.com

Company Profile:

Janata Bank Limited (JB) is the second largest commercial bank in terms of net worth with 850 branches and fully owned by Government of Bangladesh. The mission of the bank is to actively participate in the socio-economic development of the nation by operating a commercially sound banking organization. Immediately after the independence of Bangladesh in 1971, the erstwhile United Bank Limited and Union Bank Limited were nationalized and renamed as Janata Bank. Janata Bank is a state owned commercial bank which was incorporated as a Public Limited Company on 21 May 2007 as per Companies Act 1994 and took over the business of the then Janata Bank with all of its assets, liabilities, right, power, privilege and obligation on a going concern basis through a vendor agreement signed between the Peoples Republic of Bangladesh and Janata Bank Limited on 15 November 2007 with a retrospective effect from 1 July 2007. All of its operational activities are governed by the Bank Companies Act 1991. Lately the bank is going for public offering and the bank will accept application for its First Mutual Fund during August 1 to August 5, 2010.

Products & Services:

The Bank provides all kinds of commercial banking services to its customers including accepting deposits, extending loan & advances, discounting & purchasing bills, remittance, money transfer, foreign exchange transaction, guarantee, commitments etc. The principal activities of its subsidiary are to carry on the remittance of hard-earned foreign currency to Bangladesh. Janata Bank Ltd. has a plan to switch over to a multi disciplinary financial institution by conducting Merchant Banking business and Islamic Banking operation in near future.

Date of Incorporation as PLC	May 21, 2007			
Authorized Capital (as on 31.12.09)	BDT 20,000 million			
Pre-IPO Paid up Capital (as on 31.12.09)	BDT 5,000 million			
No. of Branches	850			
Year	31.12. 2006	31.12. 2007	31.12. 2008	31.12. 2009
Profit / (Loss) after tax (in BDT million)	(9,968.18)	1,094.44	3,145.38	2,981.87
Net Asset value per share	BDT 341.83 as on 31.12. 09			
EPS	BDT 100.62 as on 31.12. 09			
Awards Achieved				
World's Best Bank Award	2009	Financial Magazine "Global Finance" (New York)		
World's Best Bank Award	2008	Financial Magazine "Global Finance" (New York)		
World's Best Bank Award	2007	Financial Magazine "Global Finance" (New York)		
World's Best Bank Award	2006	Financial Magazine "Global Finance" (New York)		
Asian Banking Awards	2005	Asian Bankers Association (ABA) and Bank Marketing Association of the Philippines (BMAP)		
The Bank of the Year in Bangladesh	2004	Financial Magazine The Banker of the Financial Times Group (London)		



Company Profile

160 million times a day, someone somewhere chooses a Unilever product. From feeding the family to keeping the home clean and fresh, Unilever brands are part of everyday life. Unilever is one of the world's leading suppliers of fast-moving consumer goods. Unilever has three global divisions - Foods, Home Care and Personal Care.

Vision

- To create a better future every day
- To help people feel good, look good and get more out of life with brands and services that are good for them and good for others
- To inspire people to take small everyday actions that can add up to a big difference for the world
- To develop new ways of doing business that will allow us to double the size of our company while reducing our environmental

Mission

We recognize that the world in which we operate is changing. Consumers are increasingly bringing their views as citizens into their buying decisions, demanding more from the companies behind the brands. They want companies and brands they trust.

Unilever embraces these new expectations. Our heritage of good governance, product quality and long experience of working with communities gives us a strong base. We aim to build on this by taking the next step in transparency and accountability. We will stand visibly as Unilever, behind our products and everything we do, everywhere.

Every day 150 million people in over 150 countries choose our products. Already, most of our brands give the benefits of feeling good, looking good and getting more out of life.

Food Brands

From the moment you wake until your head hits the pillow at night, our tea brand is committed to helping quench your thirst. The brand exists to add vitality to your life. Taaza makes you smile as its unique tea refreshes you, invigorates you to get along with life

Personal Care Brands

In Bangladesh, Unilever is the market leaders in hair, skin and oral care categories. Unilever brands including Lux, Pond's, Fair and Lovely, Rexona and Sunsilk help consumers to look good and feel good – and in turn get more out of life.

Home Care Brands

In Bangladesh, Unilever leads the home care market with brands such as Surf Excel, Wheel and Vim. Wheel has two variants: Wheel Power White and Wheel Lemon Power.

Unilever Sustainability Approach

Pepsodent Dentibus

Pepsodent Dentibus takes expert advice and free checkup opportunities to the people and to schoolchildren so that the future generation of Bangladesh can have confident bright smiles

Health Awareness

Facing the major challenge of communicating to consumers across Bangladesh, Unilever's health brands Lifebouy and Pepsodent initiated health awareness campaigns that have brought the message of healthy living to millions of people.



Lifebouy Friendship Hospital

Launched in 2002, the Lifebouy Friendship Hospital plies up and down the 'char' regions with a full team of medical experts and a well stocked dispensary providing free health services and health education.

Ma Shishu O General Hospital

In 2006, Unilever Bangladesh sponsored a two month long Nurses' Training Program to help upgrade the skills and capabilities of the nursing staff at the Ma Shishu O General Hospital, Chittagong. A specialist team of consultants from the Tata Institute of Social Science and Wockhardt Hospital, India conducted the training workshop.

Unilever Bangladesh most recently sponsored the third Operation theatre at the Hospital which is believed to have increased the efficiency of the surgeries by 40%. Approximately 500 indoor patients can be treated at the Hospital with its current upgraded equipments which have been provided by Unilever Bangladesh.

The support provided to Maa, Shishu O General Hospital has provided Chittagong with facilities for high quality medical care for mothers and children from economically weaker sections of the society.

Shada Moner Manush

In Bangladesh, there are people with hearts of gold, people we call 'Shada Moner Manush'. These people have dedicated themselves to improving the lives of those around them, not for monetary gain or for political benefit but because they care.

Unilever Bangladesh took the initiative to uncover ten such unsung heroes and bring them to center stage through a nationwide search called 'Shada Moner Manush' in 2006. In a continuation of this effort, ten more individuals were given the title 'Shada Moner Manush' in 2008, in due recognition of their contribution to the community.

Health Care Service

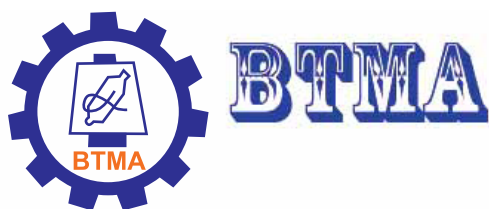
The program has been initiated since 2007 by Unilever Bangladesh Ltd. to provide free health care facilities to people around Chittagong. The service is provided at annual Kalurghat Health Camp. supported by Maa Shishu O General Hospital, Chittagong Diabetic Association Hospital and Chittagong Lions Eye Hospital. So far over 10,000 people have availed the services offered by the Health camp.

Unilever Top Brands in Bangladesh:



Corporate Head Office:

Unilever Bangladesh Ltd.
ZN Tower
Plot 2, Road 8, Gulshan 1, Dhaka
1212 Bangladesh
T: +88 (02) 9888452
F: +88 (02) 9862299
www.unilever.com.bd



Bangladesh Textile Mills Association (BTMA)



Profile of the Association:

Year of establishment: 1983

Bangladesh Textile Mills association (BTMA) is the national trade organization of Primary Textile Industry i.e. Yarn Manufacturing, Fabric Manufacturing and Dyeing-Printing-Finishing mills of the country under private sector. BTMA is registered in 1983.

Objectives of the Association:

- To promote and protect the trade, commerce and manufacturers of Bangladesh in general and of the textile related trade in particular.
- To collect and circulate statistics and to collect, classify and circulate information relating to the trade, commerce and manufactures of its members.
- To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting the trade, commerce or manufactures of its members.
- To make representations to the appropriate authorities on any matter connected with the trade, commerce and manufactures of its members.
- To advance and promote commercial and technical education connected with the trade and commerce of its members.
- To undertake special inquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of its members.
- To engage in such activities for imports, exports of raw materials, spares and finished products for the collective benefit of the members of the Association.

- To organize such factories and workshops for selling or display centers centrally which may be of common benefit for sections which might not be possible or feasible for individual members.

Highlights of the Association:

- Currently total number of member organizations of BTMA is 1192
- Out of 1192, Yarn Manufacturing Mills are 341, Fabric Manufacturing Mills are 641 and Dyeing-printing-finishing Units are 210
- Total investment in these mills is Over 4.00 billion EURO
- Total employment is approximately 4.00 million

BTMA fulfills:

- 100 % of the domestic fabric and yarn requirement
- 50% of the cotton oven fabric requirement of export oriented garments sub-sector
- Over 95% of the yarn and fabric requirement of export oriented knitwear sub-sector

Address:

Bangladesh Textile Mills Association (BTMA)

Unique Trade Centre

(Level-8), 8 Panthapath, Karwan Bazar

Dhaka-1215, Bangladesh

Phone: 880-9143461, 880-9130969, 880-8112361,

880-9125338

Email: btmasg@gmail.com, btma2@yahoo.com ,

btma3@hotmail.com

URL: www.btmadhaka.com



ARTICLE OF THE MONTH

Green Energy: MTB Grows Green

According to manpower employed, agriculture is the single biggest sector (62%, 2006) of the country, whereby agriculture sector contributes 23.50% (2006) to GDP. Thence, due to its volume, both in terms of manpower employed and contribution to GDP, agriculture is the key to food security in these days of climate change and power instability. As per BBS data, total cropped area (2006) is 14,104 thousand hectares. Out of the above only 6% is triple cropped area and 18% is single cropped and 26% is double cropped areas. Constraints to address in order to convert them to triple cropped area, are many, irrigation is one of the critical factors.



During the BORO season, 120 million acre rice field in Bangladesh is irrigated by 1.33 million different types of water pumps, among which 87% is diesel operated requiring 800 million liter diesel per year. It is estimated that solar irrigation can save 760 mw power and 800 million liter diesel every year if the conventional power- and diesel-run irrigation pumps are converted on solar power.

The global warming due to greenhouse gas emission and the energy scarcity world wide are prompting almost all the countries in the world to look for alternative sources of energy such as nuclear, renewable, and wave energies. Particularly solar energy is sufficiently abundant in Bangladesh and can fruitfully be harnessed. Bangladesh's overall energy situation is quite unsteady. Country's energy supply is diminishing, while demand is relentlessly increasing due to rapid industrialization, population growth, improvement in living standards, slow pace in gas field discovery and acquiring etc. are all putting pressures on the energy sector.

Dr Sajed Kamal, a scientist and teacher of Brandeis University, Massachusetts in USA, at a seminar in Dhaka on July 23, 2010 said, Bangladesh can meet about 80% of her power demand using renewable energy including solar and wind power systems. He further added, Germany and the Latin American countries including Cuba are now planning to generate 80% of their power by setting up renewable energy systems and we should consider these methods to address our ongoing power crisis.

Given, the above background, Bangladesh hardly has an option other than solar energy to meet its growing demand for power and to let the agriculture sector sustain. In parallel to this, agriculture is our key to food security and the worst is climate change has so worsen the situation that, need for irrigation will increase year after year for the same peace of land as monsoon rain is disrupted by global warming routinely. Realizing this truth, MTB management envisioned a food-secured-country and took the bold initiative to finance in

agriculture sector for providing it with cheap (virtually free) power supply. MTB rolled out financing Solar Irrigation Project in remote areas where farmers could not dream of double-crop. Rahimafrooz, another technology giant of the country provided technical supports and the client Resource Development Forum (RDF) launched the project of Solar Irrigation. The project was switched on at Kumrakhali and Fultola villages at Barguna Sadar Upazila on Saturday, July 17, 2010. Bangladesh Bank (BB) Governor Dr. Atiur Rahman, as the Chief Guest inaugurated the project at a largely attended function.

The project is implemented on 40 acres of land at a cost of BDT 3.8 million. Eighty-three families will enjoy the benefit of the project that is expected to produce 140 metric tons of paddy. The local farmers expressed their joy over the implementation of the project. They said they could not grow crops more than once a year in the past. This is for the first time that they are expecting to grow the second crop. This is the first solar-powered irrigation project utilizing six-inch diameter pipes and will lift around 0.8 million liters of water every day.

Earlier this year on June 14 MTB has opened the county's first ever solar-energy driven SME/Agri branch at Station Road, Ishwardi, Pabna. The branch was formally inaugurated by the bank's Chairman Samson H. Chowdhury while MTB founding Chairman Syed Manzur Elahi, local elite, leading businessmen, people of different strata and senior MTB officials also attended the function. Samson H. Chowdhury, in his address, said that MTB is very keen to play a pioneering role in sustainable development of the country by making balanced contributions to both the rural and urban areas. He also said that the bank management had been working hard to assist the vulnerable sections of the society & save the country from the adverse effects of climate change. He mentioned that opening of the country's first ever solar energy driven SME/Agri Branch at Ishwardi is the manifestation of the bank's commitment to the society.

With the last project at Barguna, and installing solar panels in two of its branches and new corporate Head Office, MTB has echoed the words of its Chairman. Both the cases, the bank addresses, sustainable development, balanced contribution to both rural and urban areas and to save the country from adverse effects of climate change.

In the agriculture sector, there is huge potential to setup bulk of solar-powered irrigation system and the technology is also at hand. The path has been ushered by MTB. Now, MTB anticipates other dynamic and visionary financial institutes also comes up with similar projects and let us have sustainable control over our food security.





CSR ACTIVITIES

Lafarge Group to donate 500 tons cements to help Neemtoli fire victims

Lafarge Group of France will donate 500 tons of cement free of cost in aid of the victims of Neemtoli fire in Old Dhaka, reports UNB. The pledge came when a delegation led by Lafarge Group Co-president of Cement Division of France Isidoro Miranda called on Prime Minister Sheikh Hasina at the Prime Minister's Office (PMO) Thursday morning. During the meeting they discussed different issues of trade and business. Sheikh Hasina thanked the Lafarge Group for standing by the ill-fated people who lost their family members and property in the devastating fire that killed over hundred people on June 3. Managing Director of Lafarge Surma Cement Michael Andrew Cowell accompanied the delegation. Among others, Ambassador at Large M Ziauddin, Principal Secretary to the Prime Minister MA Karim, Secretary of the Prime Minister's Office Mollah Waheeduzzaman and Prime Minister's Press Secretary Abul Kalam Azad were present on the occasion. (FE, July 02, 2010)

Dhaka Bank Scholarships to DU

Dhaka Bank Limited (DBL) will provide scholarships to the students of social science faculty of Dhaka University (DU) as a part of celebrating its 15th anniversary. Mr. Reshadur Rahman, Chairman of DBL Monday handed over a cheque to Mr. A A M S Arefin Siddique, Vice-Chancellor of DU to fund the scholarship. Five scholarships will be given to the students of Economics, Public Administration, Social Science, Mass Communication & Journalism and Political Science department, who will secure the first position in BSS (Honors') exam in their respective department. The recipients of the scholarship will get a monthly stipend for one year. Mr. Khondker Fazle Rashid, Managing Director, DBL, Mrs Shamshad Begum, Principal, DBL Training Institute, Mr. Ibrahim Khalil, Head of Public Relations & Brand Communication, DBL, Professor Dr. Giti Ara Nasrin, Chairman, Mass Communication & Journalism Department, DU, Professor Dr. A I Mahbubuddin Ahmed, Chairman, Social Science Department, DU and Professor Dr. Shawkat Ara Hossain, Chairman, Political Science Department were present on the occasion. (FE, July 08, 2010)



Premier Bank donates BDT 0.1m for DU Senate assembly

The Premier Bank Limited has donated BDT 0.1 million for Dhaka University Senate assembly as a part of the bank's Corporate Social Responsibility (CSR), according to a press release. Premier Bank Senior Executive Vice President and Head of Corporate Marketing Division Dewan Anwarul Latif handed over a cheque for the amount of money to Treasurer of Dhaka University Prof Mizanur Rahman at a function on the DU campus recently. Also present on the occasion were DU

Vice Chancellor Prof Dr AAMS Arefin Siddique and Pro VC Harun or Rashid, Premier Bank Branch Manager Shahinur Rahman. (FE, July 15, 2010)



Islami Bank to give 2-yr scholarship to 200 students

Islami Bank Bangladesh Ltd. (IBBL) will award two-year education scholarship to 200 poor, destitute, helpless and disabled students who achieved GPA 5 in the SSC and equivalent examinations this year. It was disclosed at the reception program by IBBL. The program was held at the Bangabandhu International Conference Centre in the city Wednesday (July 14). Commerce Minister Faruq Khan attended the function as chief guest. IBBL Chairman Abu Nasser Muhammad Abduz Zaher presided over the function. University of Asia Pacific's Vice Chancellor Dr Md Abdul Matin Patwari, Bangladesh Bank Executive Director Sudhir Chandra Das, FBCCI President AK Azad and Poet Fazal Shahabuddin attended the function as special guests. IBBL Managing Director Mohammad Abdul Mannan and Deputy Managing Director Md Habibur Rahman spoke, among others, on the occasion. A total of 2007 students who achieved golden GPA were awarded with crest, one thousand taka in cash, a laptop bag, a note book and a pen each. Commerce minister, in his speech, said Islami Bank conducted various social activities as their social responsibilities alongside banking services in the country. He said, "Students are our future leaders. We have to build them up as qualified citizen by inspiring them." He also said that the government is giving highest priority in education which is reflected in the budget of this year. (FE, July 16, 2010)

Syngenta launches campaign on safe pesticide handling

Syngenta Bangladesh Ltd. yesterday (July 18) launched a campaign on the safe handling of pesticides, at Syngenta Learning and Development Centre in Bogra. The multinational company, engaged in crop protection and seed business, also launched a colorful festoon on a safe use of pesticides as part of the program. Sayeed Ali, director general of the Department of Agricultural Extension (DAE), was the chief guest, while Md Abdul Hannan, director for its plant protection wing, was the special guest. Sarwar Ahmed, managing director of Syngenta Bangladesh, said Syngenta would provide full support and co-operation to DAE officials in promoting safe and judicious use of crop protection products. At the Bogra learning centre, Syngenta provides training to different stakeholders on modern agricultural cultivation, pest management, safe handling of pesticides by experienced in-house and external trainers. (FE, July 19, 2010)



APPOINTMENTS

BANKS AND FINANCIAL INSTITUTIONS

Name	Position	Organization
Mr. M Shah Nawaz Ali	Chairman	Rajshahi Krishi Unnayan Bank
Mr. Pradip Kumar Dutta	Managing Director	Rajshahi Krishi Unnayan Bank
Dr. Md. Nurul Huda Chowdhury	Managing Director	Karmasangsthan Bank
Mr. A. Rouf Chowdhury	Chairman	Bank Asia Ltd.
Mr. S. M. Shamsul Alam	Managing Director	Premier Leasing & Finance Limited
Salman F Rahman	Chairman	IFIC Bank Limited
Syed Abdul Hamid	Managing Director & CEO	Agrani Bank Limited
Farman R Chowdhury	Managing Director (re-appointed)	ONE Bank Limited
Mr. Md Fayekuzzaman	Managing Director	Investment Corporation of Bangladesh



MTB Multi-Currency Credit Card goes beyond meeting expectations. With access to multiple currencies, there is always more to enjoy and more to gain with a Multi-Currency Credit Card.

Features and Benefits

- Flexible multi-currency limit in a single credit card
- Accepted both locally and globally
- 50% cash advance facility from ATM
- 45-days interest free payment period

Convenience

- Access to largest ATM network of the country
- 24 hours customer service



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

**Senior Debt**

A debt, secured or unsecured, that receives priority, ahead of other secured or unsecured debt, for repayment in the event of a corporation's liquidation.

Reverse Mortgage

A mortgage that permits elderly people who own their home outright to receive an income with the home as collateral. The loan is repaid plus interest either at the end of the term or on the death of the borrower when the property would be sold.

Back End Load

A charge imposed when investors redeem (sell) shares in mutual funds, which has the effect of discouraging withdrawals. Traditionally, the earlier you redeem, the higher the back end load. After holding for five years or so, there will usually not be a back end load. In the UK these charges are known as an exit charge.

Front End Load

A charge imposed by a management company on a mutual fund or unit trust to cover administration costs and commission at the time of purchase.

Free Float

The shares of a public quoted company that is freely available to the investing public. A free float of 75% means that three-quarters of the company is on the market, typically with the remainder held by the founders or government or in trust.

Lease Back

A situation whereby a property is sold by its owner to another person or company on condition that the purchaser leases the property back to the original owner for an agreed rent over a set term. This enables the original owner to raise capital that can be used for other purposes.

Managed Fund

A fund managed for a number of independent investors by an investment company. The fund is invested in a wide range of securities so as to keep risk to a minimum.

Hard Currency

A currency generally traded and exchanged throughout the world, such as the euro, US dollar, sterling and Swiss franc. It also indicates, in economics, a currency of a stable country with low inflation and robust fiscal and monetary policies, which is unlikely to devalue significantly, i.e. is the opposite of a soft currency.

Historical Volatility

A measure of the price changes of a security over a specific period of time. Defined as the standard deviation of the continuously compounded returns on the security. Sometimes referred to as 'historical volatility'.

Off Balance Sheet Financing

Financing arranged from sources other than debt and equity offerings, such as joint ventures, R&D partnerships and operating leases.

Domicile

The country in which a person lives, for tax purposes. The choice of domicile can have a large impact on tax paid. Many foreigners in a country may be "resident non-domiciled".

Capitalization

The injection of capital into a company is called Capitalization. For example, the process by which a company converts its cash reserves into new shares and issues them to existing shareholders on a pro rata basis, also known as a scrip issue, or bonus issue. Note that since the effect of a capitalization issue is to increase the number of shares in the company, the market price of the shares will typically fall to reflect the dilution.

Underwriter

A financial institution which, in return for a fee or commission, acts as an intermediary between a company and investors and agrees to purchase unsold shares in a new issue, if the issue is not fully subscribed. From the company's point of view, having its new issue underwritten is a form of insurance. It means that if an issue is priced too high and the market shuns it, the company can still be sure that it will raise the funds expected from the new issue. Security comes at a price and underwriters charge a fee for the back-up they provide.

Umbrella Fund

A collective fund containing several sub-funds, each of which invests in a different market or country. The umbrella fund structure makes it cheaper for savers to move from one sub-fund to another.

Source:

www.finance-glossary.com

<http://biz.yahoo.com>

www.bloomberg.com

POINT OF VIEW

I am exceedingly pleased to go through MTBiz June 2010 issue. In my last fifty years of banking service I have hardly come across such an innovative, useful and enlightened monthly publication from a local commercial bank. My heartiest congratulations to concerned MTBiz team for bringing out such an excellent monthly newsletter. Over and above what the newsletter is focusing on international, financial and other arena, MTBiz would do well if it highlights the Bangladesh Bank's various new schemes and policy decisions encompassing various banking and monetary affairs.

I wish MTBiz's brilliant future.

A.Q. Siddiqui

Chairman

Bangladesh Commerce Bank Ltd.



MTB NEWS AND EVENTS



MTB formally opened a Booth at Hazrat Shahjalal International Airport, (HSIA) Dhaka. Shafique Alam Mehdi, Secretary-in-charge, Ministry of Civil Aviation & Tourism, GOB inaugurated the Booth on July 19, 2010. MTB Chairman Samson H. Chowdhury, Founding Chairman Syed Manzur Elahi and Director Rashed A. Chowdhury were present at the function as guests of honour. Chairman of Civil Aviation Authority Air Commodore Mahmud Hussain ndc, psc, MTB Managing Director & CEO Anis A. Khan and other senior Government and bank officials were also present.



MTB inaugurated its 5th SME/Agri Branch at Gaffargaon, Mymensingh. The branch was formally inaugurated by MTB Director Md. Hedayetullah Ron on July 5, 2010. MTB Managing Director & CEO Anis A. Khan, Head of SME Banking Division Mohammad Iqbal and other senior officials of the bank were present at the ceremony. Local elite, leading businessmen and people of different strata attended the function.



MTB financed the first ever solar powered irrigation project of the country at Kumarkhali and Fultola villages at Badarkhali Union of Barguna on July 17, 2010. MTB Managing Director & CEO Anis A Khan is presenting MTB souvenir to the Chief Guest Dr. Atiur Rahman, Governor, Bangladesh Bank.



1H 2010 MTB Business Conference was held on July 31, 2010 at Pan Pacific Sonargaon Hotel, Dhaka. The program was inaugurated by MTB founding Chairman Syed Manzur Elahi. Among others, MTB Managing Director & CEO Anis A Khan and DMDs Quamrul Islam Chowdhury and Ahsan-uz Zaman are seen.



MTB held Children Scholarship Award program for the meritorious children of MTB family on July 31, 2010 at Pan Pacific Sonargaon Hotel, Dhaka. MTB founding Chairman Syed Manzur Elahi is handing over the award to a recipient.



MTB launched MTB Code of Conduct for the employees at a grand program held on July 31, 2010 at Ballroom of Pan Pacific Sonargaon Hotel, Dhaka. The picture shows a number of MTB officials signing the MTB Code of Conduct.



Pleasure of Faster Return
Get Inspired!

MTB INSPIRE, a savings account that brings more!

- Interest adds daily
- Payment comes monthly
- Free Debit Card
- Free Internet Banking
- Freedom of unlimited transactions

*Conditions Apply

MTB *Consumer Banking*
Pleasure in life



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

Contact: +88 01730080631-2, Email : consumer@mutualtrustbank.com, www.mutualtrustbank.com

MTB Network

