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Banking and
Financial Indicators
National Economic
Indicators



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Table Of Contents

International News Finance and Economy Politics	01
International Capital Markets	03
International Economic Forecasts Wells Fargo Securities Economics Group™ Report	04
Commodities Review Crude Oil Price Movements - OPEC™ monthly oil market report	06
National News Finance and Economy Politics	08
Domestic Capital Markets Review	12
National Economic Indicators	14
Banking and Financial Indicators	15
Financial Institution of the Month Agrani Bank Limited	16
Regulatory Affairs	17
Article of the Month Leasing	18
CSR Activities	20
Appointments	21
MTB News and Affairs	22
Financial Glossary	23

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Developed, and Published by MTB Research and
Development Dept.
Printing & Illustration : Preview
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INTERNATIONAL NEWS

FINANCE AND ECONOMY

Indian Inflation Nears Double Figures

India said that their inflation rose to near double figures as roaring economic growth sent prices higher, fuelling expectations that the central bank will raise rates next month. Prices of fuel, rubber, plastic and cement all jumped during February, as the economy accelerated out of last year's global downturn, led by a strong recovery in the industrial sector. Annual inflation as measured by the wholesale price index, or WPI, rose to a 16-month high of 9.89 percent in February from 8.56 percent in January. The headline figure was seen by analysts as making an increase in key interest rates by the central bank extremely likely, possibly by as much as 50 basis points, when it holds its next scheduled meeting on April 20. (Source: AFP Mumbai)

Toyota Starts the Long Road Back

Toyota fired another volley as it continued its fight to regain the confidence of owners shaken by reports of unintended acceleration. Though, it has apologized extensively for its sloppy and inattentive handling of the recall, it was the easy part -- even for a company as proud as Toyota. The hard part for the automaker is regaining their reputations and making sure nothing like this ever happens again. There are signs that Toyota is headed, however haltingly, in the right direction. It is taking steps that address fundamental issues at the company and go beyond the appointment of a quality committee or a quality car. Executive vice president Shinichi Sasaki promised that Toyota would overhaul its quality assurance process in a way that covers the entire production cycle -- from vehicle planning and design to manufacturing, sales, and service. That's the only way to assure real vehicle quality, because defects can arise in every part of the development and manufacturing process. (Source: Fortune, New York)

P-01

Euro Group Stands Ready to Help Greece

Eurozone governments declared on Monday night that they stood ready to help Greece tackle its debt crisis by establishing an emergency financial support facility for the first time since the euro's creation in 1999. But the ministers stopped short of promising specific sums for Greece, and gave few details of their plan except to signal that it was likely to be based on direct, bilateral loans from other Euro zone governments.



After a meeting of the 16-nation Euro group, which brings together the area's finance ministers, Jean-Claude Juncker, Luxembourg's premier, said: "The member states of the euro area will take coordinated action, if such action turns out to be necessary." Statements from other ministers indicated that eurozone governments were putting the final touches on the principles of a rescue operation for Greece, which is struggling with a budget deficit estimated at close to 13 per cent of gross domestic product last year and a public debt of well over 100 per cent. The ministers have been obliged to proceed carefully because EU treaty law contains a "no bail-out" clause forbidding member states and the EU as a whole from assuming the debts of a particular country. In addition, public opinion in Germany, the Euro zone's largest economy, is hostile to the idea of using taxpayers' money to assist in a bail-out. (Source: The Financial Times)

Hong Kong Ranked Asia's Most Innovative Economy

Hong Kong has Asia's most innovative economy, thanks to its high level of creativity and well developed financial markets, a study said. The Chinese territory beat regional rival Singapore, which was in second place in the Asian rankings, said the joint study by international business school INSEAD and the Confederation of Indian Industry. Worldwide, Hong Kong ranked third in the Global Innovation Index while Singapore placed seventh. Hong Kong, Singapore and New Zealand were the only Asia Pacific economies to make it to the top 10 in the global rankings. Among the criteria used by the survey, economies were ranked by patents filed, publication of scientific journals, research and development spending and how innovation supported social welfare, competitiveness and growth. Iceland topped the global innovation list despite its deep economic woes followed by Sweden, while Switzerland placed fourth after Hong Kong. The US, which took the top spot last year, slid down to 11th place amid growing challenges from other countries which are putting increasing emphasis on education, science and technology, the study said. (Source: AFP Singapore)

British Bank Bosses Shun Bonuses to Avoid Backlash

Faced with public outrage over excessive bankers' pay, the bosses of Britain's five biggest banks have taken the unprecedented step of spurning bonuses worth millions of pounds. As the dust settles on the annual results season, analysts said the sector was keen to fix its battered reputation after being accused of helping to spark the global financial crisis that dragged the world into a painful recession. The chief executives of Barclays, HSBC, Lloyds Banking Group, Royal Bank of Scotland and Standard Chartered all decided to renounce their bonus entitlements for 2009, with some even donating their rewards to charity. (Source: AFP, London)

Dollar Falls against Euro amid Rumors of Greek Aid Plan

The dollar fell against the euro as investors shrugged off a stronger-than-expected US retail sales report and mullied rumors of a European plan to help debt-stricken Greece. 'Based upon the price action in the financial markets on Friday, the US retail sales report failed to impress traders and investors,' said Kathy Lien at Global Forex Trading. Retail and food service sales increased 0.3 per cent in February despite severe winter storms, Commerce Department data showed, instead of falling 0.2 per cent as expected by most analysts. 'There was no ambiguity in the strength of the consumer spending report yet equities and bonds ended the day virtually unchanged,' Lien said. The dollar rose initially following the report but gave back its gains as equities failed to follow through. The euro, meanwhile, benefited from strong economic data and speculation that Europe is mustering support for ailing eurozone member Greece. Factory output in the 16-nation eurozone rose 1.7 per cent in January from December and was up 1.4 per cent from a year ago, official data showed. (Source: AFP, New York)

Obama Unveils \$1.5 Billion Housing Crisis Plan

President Barack Obama Friday unveiled a 1.5 billion dollar package of measures aimed at helping victims of the US housing crisis, in Nevada, where the collapse hit particularly hard. The plan will include help for borrowers who now owe more than their home is worth after real estate prices collapsed, and will also aid those who took out second mortgages in a desperate bid to keep their houses. It will apply to the states which are worst hit by the burst of the housing bubble that have seen the price of homes drop by over 20% from their peak. The administration has already spent hundreds of billions of dollars trying to stabilize the housing market and reduce foreclosures that have multiplied



across the country since the peak of the financial crisis in September 2008. **(Source: AFP, Henderson, Nevada)**

IMF Restores Zimbabwe's Voting Rights

The International Monetary Fund on Friday restored Zimbabwe's voting rights after a suspension of nearly seven years over financial arrears, but said the country remained ineligible for loans. The IMF said its executive board decided Friday "to restore Zimbabwe's voting and related rights, and its eligibility to use resources from the IMF's General Resources Account", after a request from Zimbabwe's government. However, the IMF noted, Zimbabwe will not be able to use resources from the fund's GRA or the Poverty Reduction and Growth Trust "until it fully settles its arrears to the PRGT" of about 140 million dollars. **(Source: AFP, Washington)**

China Okays Stock Index Futures Rules

China's securities regulator has formally approved rules on contracts and services for planned stock index futures trading, clearing the way for setting up investor accounts, the Xinhua news agency reported. The margin requirement will be set at 12% and the position limit at 100 contracts. The report added, however, that the opening of accounts would not necessarily mean that the start of futures trading was imminent. The China Securities Regulatory Commission said in January when it announced its approval of stock index futures that it would take about three months to prepare for the actual start of trading. China is launching stock index futures, along with margin trading, short selling of stocks and other reforms, to deepen its financial markets with hedging tools and new products while improving liquidity, as it aims to build Shanghai into a global financial centre over the next decade. **(Source: Reuters, Shanghai)**

Fed Signals Independence by Raising Bank Loan Rate

The US Federal Reserve appeared to be flexing its independence with its sudden decision to raise the interest rate on emergency bank loans; though stock markets gave it thumbs down. The Fed announced that it was hiking the discount rate, or the primary credit rate, to 0.75% from 0.5% for short-term loans to banks. Few would have guessed that the first major move by the Fed chief Ben Bernanke after beginning his second term in office on February 1 would be to raise the discount rate for the first time since the country plunged into recession in December 2007. It roiled financial markets as investors feared the US central bank might be moving faster than anticipated to withdraw critical support measures for the US economy limping out of a brutal recession. 'By increasing the discount rate, the Fed says it is encouraging banks to 'rely on private funding markets for short-term credit,' said Jan Hatzius of Goldman Sachs. 'In practice the effect is relatively small.' But investors were particularly concerned that the central bank was setting the stage for tightening the federal funds rate, the benchmark interest rate that banks charge each other for overnight loans now at virtually zero per cent. **(Source: AFP, Washington)**

IMF Joins Global Calls for China to Let Yuan Rise

The International Monetary Fund lent its support to calls by the United States for China to allow its "much undervalued" currency to rise, amid EU complaints of protectionism. "It cannot be avoided, in some cases exchange rates have to appreciate, and that's the debate which is very well-known about China and the value of the renminbi," IMF managing director Dominique Strauss-Kahn told the European parliament in Brussels. "The renminbi (Chinese yuan) is very much undervalued and it is logical that with the world economy regaining its balance the renminbi will appreciate."

China is facing growing international pressure, particularly from the United States, to let the Yuan appreciate. It has been effectively pegged to the dollar since mid-2008. The World Bank urged China to let its currency rise to contain inflation and stop the economy overheating, predicting that growth will gallop ahead at 9.5% this year. "Strengthening the exchange rate can help reduce inflationary pressures and rebalance the economy," the World Bank said in its latest quarterly update on the world's third-largest economy. US senators introduced legislation that would impose tough new penalties on China if it failed to revalue its currency, which they say Beijing keeps artificially low to secure an unfair edge in trade. US President Barack Obama called on China to embrace a "market oriented" exchange rate. The US action follows Chinese Premier Wen Jiabao's insistence that Beijing would resist any foreign pressure for a stronger Yuan, currently pegged within a narrow range at about 6.8 to the US dollar. Chinese commerce ministry spokesman Yao Jian insisted that the low rate of the Yuan was not the reason for China's trade surplus. "It would be unfounded and meaningless for some people in the United States to back their calls (for China to be labeled a currency manipulator) by citing China's trade surplus and US deficit and the US recovery needs," Yao said. "The United States cannot ask others to raise their currency for the sake of its own export expansion -- that would be an egotistical practice". Meanwhile the European Union voiced concern about growing protectionism and unequal treatment for European firms in China, while criticizing public pressure on Beijing to revalue the Yuan. China's Western trading partners accuse it of making it difficult for foreign companies to operate in the country. Beijing, though, has been vocal in its opposition to protectionism and denies it puts up investment barriers. **(Source: Yahoo Finance)**

P-02

POLITICS

Dutch Government Falls Over Afghan Military Mission

The Dutch premier tendered his government's resignation to Queen Beatrix after a spat over the country's Afghan military mission scampers his ruling coalition. 'Prime minister Jan Peter Balkenende this morning offered the resignations of the (12) ministers and deputy ministers of the PvdA (Labour Party) to Her Majesty the Queen,' a government statement said — paving the way for early elections. In a telephone conversation with Beatrix who is on vacation in Austria, the premier also offered the 12 cabinet positions of his own Christian Democratic Appeal, the majority partner in the coalition, as well as the three held by the smaller Christian Union. Balkenende announced the collapse of the government after coalition parties failed to agree on a NATO request to extend the Netherlands' military mission in Afghanistan by a year. 'Elections are likely to be held before the summer, by June at the latest,' home affairs ministry spokesman Vincent van Steen said. **(Source: AFP, The Hague)**



Don't Blame Us for Water Woes, India Tells Pakistan

Rejecting "negative propaganda" over the Indus waters row, India has made it clear that Pakistan's water woes arise from its internal domestic problems and called for adherence to the 1960 Indus Water Treaty, informed sources say. Pakistan raised the issue of the alleged



denial of Indus waters to it during the foreign secretary-level talks with India. But the Indian side stressed that the interests of the two countries were best served by sticking to the letter and spirit of the water treaty. India also rejected Pakistan's accusation that New Delhi was violating the treaty. Its stand is that Pakistan's problems arise due to inter-provincial rivalry in that country. Sindh and Baluchistan have accused Pakistan's western province of Punjab of denying them Indus water. There are also technical problems relating to lack of effective watershed management. Over the years, per capita availability of water in Pakistan has gone down drastically due to a host of factors. After talks with his Indian counterpart Nirupama Rao Thursday, Pakistani Foreign Secretary Salman Bashir handed over a brief paper on the water row to India. Speaking to reporters later, he struck a conciliatory note saying it was "important to abide by the provisions of the treaty." Rao made it clear that the Indus treaty had been "a very successful and useful mechanism" to resolve water-related disputes. (Source: Indo-Asian News Service, New Delhi)

Putin Seeks to Bolster Links with New Delhi

Vladimir Putin, Russia's prime minister, is embarking on a bold initiative to resuscitate his country's flagging relationship with India by offering an expansion of nuclear power, military technology transfer and partnership in Russia's global positioning system. On the eve of Mr

P-03

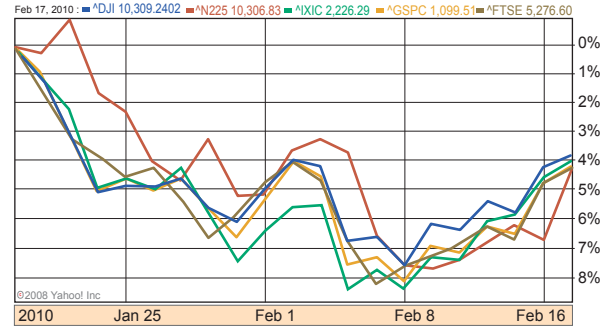


Putin's arrival in New Delhi, Russian officials said Moscow wanted to re-energize deep ties forged in the decades after India's independence that would serve India better than warming relationships with western powers, such as the US and Russia was ready to provide India with military technology that Europe and the US would not. Russia is offering to accelerate its nuclear plant building programme in India, build a fifth-generation jet fighter and military transport aircraft with India and partner with it in the production of satellite navigation equipment for Russia's Glonass, a rival to the GPS system of the US. Mr Putin is expected to sign as many as 15 agreements worth about \$10bn during his fifth visit to India in a decade. (Source: Financial Times)

INTERNATIONAL CAPITAL MARKETS

SELECTED GLOBAL INDICES

Global Indices Round-up



INTERNATIONAL MARKET MOVEMENTS

INDEX	VALUE (As of March 17, 2010)	1 MONTH AGO (As of Feb. 17, 2010)	CHANGE %	CHANGE
DJIA	10733.67	10725.43	8.24	0.08%
S&P 500	1166.21	1099.51	66.70	6.07%
NASDAQ	2389.09	2226.29	162.80	7.31%
FTSE 100	5637.35	5276.64	360.71	6.84%
DAX	6,013.53	5648.34	365.19	6.47%
NIKKEI 225	10,744.03	10335.69	408.34	3.95%
BSE SENSEX	17,460.56	16382.79	1077.77	6.58%
HANG SENG	21,330.67	20531.85	798.82	3.89%

দ্বিগুণ লোন



ব্যবসায় যখন আরো অধিক বিনিয়োগ প্রয়োজন
ঠিক তখনই সহজ শর্তে
স্বল্প সময়ে MTB নিয়ে এলো "দ্বিগুণ" ঋণ সুবিধা।



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INTERNATIONAL ECONOMIC FORECASTS - WELLS FARGO SECURITIES ECONOMICS GROUP™ REPORT

U.S. OVERVIEW

The Recovery Looks More Durable But Not Stronger



SECURITIES

Recent economic reports have cast doubts about the strength and durability of the recovery. Many concerns center on disappointing reports from the nation's beleaguered housing sector, which has seen home sales tumble following a spurt fueled by the tax incentives. Sales of new and existing homes have fallen sharply in recent months, and pending home sales data suggest sales weakened further in February. While data on the housing sector have been an early disappointment this year, reports from the factory sector have been a pleasant surprise. The ISM manufacturing index has rebounded sharply in recent months and is considerably stronger at this point of the recovery than it was in either of the past two business cycles. The rebound in the ISM index is supported by the regional manufacturing surveys, which show activity picking up on a broad front. Industrial production has risen 5.3 percent since bottoming in June, and manufacturing employment increased in both January and February. Consumer spending also appears to be stronger than had been expected, with the rebound in the stock market and apparent stabilization of home prices deflating some of the fears about the drag from the wealth effect. Retail sales rose solidly in January and early reports for chain stores show sales rising solidly in February as well. We now expect real GDP to grow at a 3.4 percent pace in the first quarter but still look for growth to moderate around the middle of the year as the impact from various economic stimulus programs begins to fade.

much, thereby leading to renewed downturns in the region? Although credit growth will slow and rates will rise slowly, there are few reasons for monetary policy in most Asian economies to move into "restrictive" territory anytime soon. Core rates of inflation are benign at present and, as we argued in a recent special report, there is little evidence to support the popular notion that massive asset price bubbles are inflating in Asia at present.

Modest Economic Growth Looks Set To Continue

We have updated our forecast with all of the most recent economic reports and our forecast remains remarkably similar to where it was one month ago. Real GDP is expected to rise at a 3.4 percent pace during the first quarter and grow 2.9 percent for all of 2010. The pace of economic activity is expected to moderate this spring, however, as some of the stimulus put in place to fight the financial crisis and recession begins to be wound down. We expect real GDP to expand at a 2.0 percent pace in both the second and third quarters of this year before gradually ramping back up toward the end of the year. Growth is expected to return to a 3 percent pace by the second half of 2011.

While economic growth is expected to continue, the relatively slow pace of the recovery means that job growth will likely remain subdued and unemployment will likely remain relatively high. We expect nonfarm employment to move back into positive territory this spring. The monthly numbers will be buffeted by the hiring of hundreds of thousands of temporary workers for the decennial census. Excluding census hiring, we expect job growth to gradually pick up over the course of the year. We expect the unemployment rate to rise slightly from its current level, as economic growth will not likely be strong enough to generate enough jobs to keep pace with growth in the labor force.

P-04

INTERNATIONAL OVERVIEW

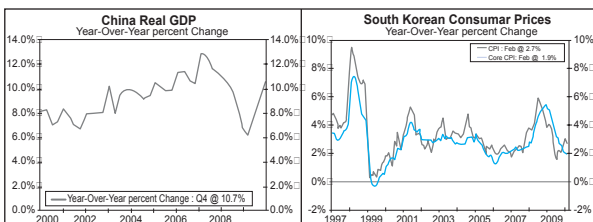
Policies in Asia Becoming Less Accommodative

With the Greek debt drama occupying center stage at present, policy tightening in Asia has moved into the background. However, the issue hasn't gone away. Chinese authorities have directed banks to slow down the rapid pace of credit growth, and the Malaysian central bank recently hiked rates for the first time in four years. Will policymakers in Asia tighten too much this year? Is the nascent global recovery in peril? To understand what is happening now, we must return to the autumn of 2008 when the global economy was melting down. Because the outlook for most Asian economies was so grim at the time, governments in the region took emergency steps—directing banks to lend aggressively and cutting interest rates to extraordinary levels—to support growth. A year later, the global economy is starting to recover

High unemployment will likely hold back consumer confidence and keep consumers in a generally cautious state of mind for much of the next two years. Spending will grow in this environment, however, and is now expected to be slightly stronger than we projected in earlier forecasts. The rebound in the stock market and apparent stabilization of home prices has allowed some of the worst fears about the wealth effect to dissipate. We still expect the saving rate to rise further, however, and look for it to stabilize around 5.5 percent.

Consumer spending is still expected to proceed at a fairly conservative pace. This past year's unusually harsh winter weather led to surge in utility usage and much high power bills during the first quarter, which will boost outlays during that period but drain some purchasing power from the spring. Uncertainty surrounding the many recalls of popular automobiles will also likely restrain motor vehicle sales, which are already struggling to attract buyers amid high unemployment and tighter credit conditions.

Business fixed investment rebounded solidly during the fourth quarter and is expected to continue to grow at a solid pace throughout the forecast period. Capital spending is being led by the technology sector, particularly equipment used to drive the mobile Internet. Capital spending outside the tech sector is recovering much more slowly.



Source : Bloomberg LP, IHS Global Insight and Wells Fargo Securities, LLC

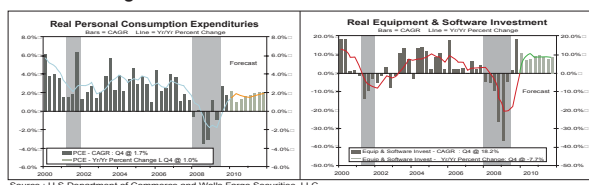
and economic growth in Asia has rebounded strongly. Asian governments are now removing some of the emergency measures that are no longer needed. Will they tighten too

Inflation is expected to remain in check throughout the forecast period. Measures of core inflation will likely track at or



below the lower boundary of the Fed's comfort zone in 2010. Housing costs account for a disproportionate share of the core CPI and core PCE deflator. The oversupply of housing is putting downward pressure on rents and helping restrain core inflation. While housing will still likely be in oversupply a year from now it will not likely exert as much of a moderating force on inflation as it does today. That said, core inflation should still track well within the Fed's comfort zone, although we expect to core PCE deflator to be closer to 2 percent by the end of 2011.

The Federal Reserve has started to reverse many of the extraordinary measures it put in place to combat the financial crisis. One of the first moves was to end many of the temporary liquidity facilities put in place. More recently, the Fed has begun to raise the discount rate and return it to its pre-crisis spread over the federal funds rate. We do not expect an overt rate increase until much later this year and have the first hike in the federal funds rate occurring after the midterm congressional elections.



What Are Central Bankers in Asia Thinking?

Policy tightening in Asia was the worry du jour in financial markets earlier this year before the Greek debt crisis burst on the scene. Although Greece continues to dominate the headlines, the issue of policy tightening in Asia has not disappeared. Indeed, the Malaysian central bank recently increased its main policy rate by 25 bps, the first rate hike in that country in nearly four years. Why are Asian central banks tightening policy at a time when the global economic outlook remains uncertain? Will rate hikes in Asia derail the budding global recovery?

P-05

To understand why Asian central banks are starting to tighten monetary policy now, we must consider why they eased policy in the first place. Flash back to the autumn of 2008 when global trade was collapsing in the wake of the failure of Lehman Brothers. Because exports are very important for many Asian countries, the outlook for these economies was rather grim at the time. In response, Asian governments moved to support growth via expansionary economic policies.

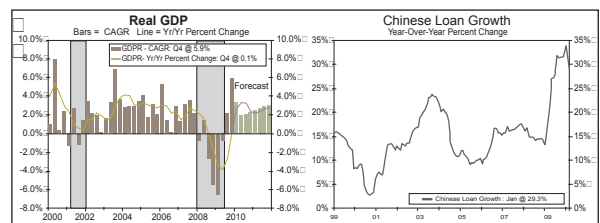
Start with China. Not only did the Chinese government accelerate infrastructure spending, but it also directed banks to start lending aggressively. And lend aggressively they did. By late last year, lending was up by more than 30 percent on a year-ago basis (see graph on front page). Due in part to strong credit growth and expansionary fiscal policy, real GDP growth in China bounced back sharply over the course of the year (chart below). Strong economic growth over the past few quarters has not been limited to China. For example, real GDP in Taiwan was up more than 9 percent in the fourth quarter on a year-ago basis. The Indian, Korean and Thai economies posted 6 percent growth rates in the fourth quarter.

In other words, the emergency policy measures that were put in place in late 2008/early 2009 are no longer appropriate now that the emergency has apparently passed. A year ago, when it appeared that the global economy was melting down, Chinese authorities directed banks to open the lending taps in order to support economic activity. Now that global economic activity is starting to recover, and the Chinese economy is humming along again, 30 percent loan growth is not needed anymore. Indeed, inflation—in both goods and asset prices—could become an issue if monetary policy remains

extremely accommodative. Extraordinarily low interest rates in most other Asian economies are no longer needed either.

Does this mean that Asian central banks will tighten policy too much in the months ahead, thereby threatening to choke off the recovery in economic activity? Probably not, at least not in the foreseeable future. Although overall rates of CPI inflation have risen in recent months, core rates of inflation generally remain benign. For example, the overall rate of CPI inflation in Korea has moved up from less than 2 percent last summer to nearly 3 percent at present (chart below). However, the increase largely reflects the wild swing in energy prices over the past year or so. The core inflation rate, which excludes energy prices, continues to trend lower and is less than 2 percent at present. Similar stories about inflation can be told in most other Asian economies as well.

In addition, there is not much evidence, at least not in our view, to support the notion that massive bubbles are forming in Asian asset markets. Will loan growth slow in China and interest rates rise in other Asian countries over the course of 2010? Yes. However, monetary policy settings will move from extremely accommodative back toward "neutral." Most Asian governments have historically shown a preference for policies that support economic growth. With few inflationary pressures at present, policies in most Asian countries likely won't become "tight" for a few more years.



Wells Fargo International Economic Forecast

	GDP			CPI		
	2009	2010	2011	2009	2010	2011
Global (PPP weights)	-0.8%	4.1%	4.1%	2.8%	4.2%	4.2%
Global (Market Exchange Rates)	-2.0%	2.9%	2.9%	n/a	n/a	n/a
Advanced Economies¹	-3.3%	2.4%	2.5%	-0.3%	1.5%	1.7%
United States	-2.4%	2.9%	2.5%	-0.3%	2.1%	2.1%
Eurozone	-4.0%	1.3%	2.2%	0.3%	1.1%	1.3%
United Kingdom	-5.0%	1.5%	2.2%	2.2%	2.8%	1.9%
Japan	-5.1%	2.6%	1.7%	-1.3%	-0.8%	0.4%
Korea	0.18%	5.0%	3.5%	2.8%	2.6%	2.7%
Canada	-2.5%	2.3%	2.8%	0.3%	1.9%	1.9%
Developing Economies¹	2.3%	6.1%	5.9%	6.5%	7.3%	7.3%
China	8.5%	9.4%	9.0%	-0.7%	2.4%	3.3%
India	6.8%	8.0%	7.8%	11.4%	12.2%	8.0%
Mexico	-6.5%	3.4%	3.5%	5.3%	5.1%	5.3%
Brazil	-0.9%	3.5%	3.9%	4.9%	5.2%	5.6%
Russia	-7.9%	3.6%	4.1%	11.8%	6.8%	8.8%

Forecast as of: March 10, 2010
¹Aggregated Using PPP Weights

	3-Month LIBOR						10-Year Bond					
	Q2	Q3	Q4	Q1	Q2	Q3	Q2	Q3	Q4	Q1	Q2	Q3
U.S.	0.35%	0.55%	0.60%	1.50%	2.35%	3.10%	3.00%	4.00%	4.10%	4.20%	4.30%	4.30%
Japan	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	1.35%	1.35%	1.45%	1.50%	1.60%	1.80%
Euroland	0.60%	0.80%	1.00%	1.40%	2.25%	3.00%	3.25%	3.30%	3.70%	4.00%	4.25%	4.40%
UK	0.65%	0.75%	1.00%	1.75%	2.75%	3.40%	4.10%	4.40%	4.70%	4.80%	4.90%	5.00%
Canada	0.40%	0.50%	1.00%	2.00%	3.00%	3.50%	3.60%	3.90%	4.10%	4.30%	4.40%	4.45%

Forecast as of: March 10, 2010 Source: Wells Fargo Securities, LLC

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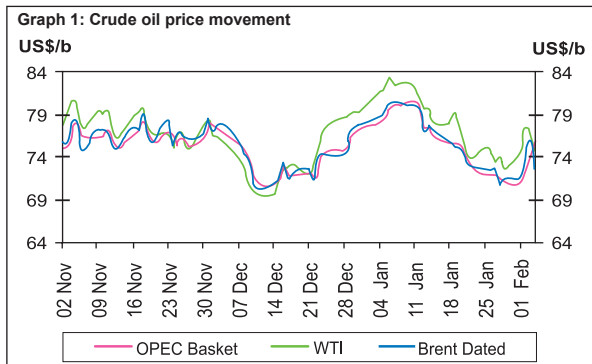
COMMODITIES REVIEW

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



OPEC Reference Basket

The OPEC Reference Basket declined in February, fluctuating in a narrower range between \$69/b and \$76/b, compared to \$71/b to \$80/b in the previous month. It is worth mentioning that the level of around \$80/b reached in the second week of January was supported by colder weather in the Northern hemisphere and prices started to decline after the weather turned milder, with the Basket falling to \$71/b at the end of January. The Basket continued its downward trend to a four-month low of less than \$69/b in the first week on bearish market sentiment on the back of rising concerns about the global economic recovery, a plunge in equity markets, and a stronger dollar which hit a seven-month high against the euro following Greece's debt concerns. The Basket lost more than \$3 on 5 February, when futures fell significantly on the back of sell-offs in the futures markets, marking the largest decline in a single day since mid-August 2009. The Basket recovered in the following days as equity markets improved, settling at around \$75/b in late February. In monthly terms, the Reference Basket averaged \$72.99/b, down \$3.02 or 4% from the previous month, but \$31.58/b or 76% higher than a year earlier.



All the Basket components declined in February compared with January, particularly Middle Eastern and Latin American crudes. The Ecuadorian crude, Oriente, saw the largest loss of \$3.56 or 4.9% followed by Basrah Light with 4.6% and Kuwait Export with 4.5%. Brent-related crudes also declined, but by a slower pace ranging from 2.9% to 3.7%. Middle Eastern crudes were under pressure after Saudi Arabia cut March OSPs to Asian buyers due to the existing ample supply within the region, particularly as Asian refiners increasingly accepted the new lower-priced Russian ESPO grade. Shipments of ESPO blend in February were scheduled to have reached about 7.6 mb. Saudi Arabia further reduced its OSP for its Arab Medium and Arab Heavy crudes to Asian buyers in early March, to their lowest levels since February 2009. Furthermore, the bearish sentiment for Middle East crude was attributed to the anticipation of lower demand because of seasonal refining maintenance and the drop in the fuel oil crack spread in the third week to the widest discount since early January. West African crudes also suffered from ample supply in the first half of February before they recovered on the back of improving refining margins and healthy demand from Chinese and Indian customers.

The OPEC Reference Basket hovered around \$76/b in the first week of March, supported by bullish market sentiment due to positive macroeconomic data. It stood at \$77.38/b on 9 March.

Table 1: OPEC Reference Basket and selected crudes, US\$/b

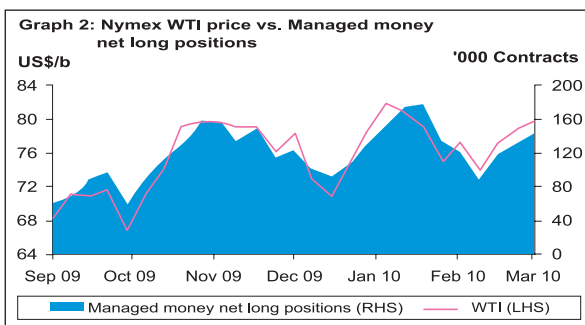
	Jan 10	Feb 10	Feb/Jan	2009	2010
OPEC Reference Basket	76.01	72.99	-3.02	41.48	74.50
Arab Light	76.46	73.32	-3.14	41.05	74.89
Basrah Light	75.74	72.25	-3.49	39.56	74.00
Bonny Light	77.39	75.04	-2.35	45.26	76.21
Es Sider	76.14	73.59	-2.55	42.56	74.56
Girassol	76.78	73.95	-2.83	43.38	75.37
Iran Heavy	75.72	72.54	-3.18	39.92	74.13
Kuwait Export	75.69	72.27	-3.42	40.16	73.98
Marine	77.07	73.91	-3.16	44.19	75.49
Meruy	71.27	68.47	-2.80	38.06	69.87
Murban	78.19	75.22	-2.97	45.51	76.70
Oriente	72.94	69.38	-3.56	35.47	71.16
Saharan Blend	76.79	74.54	-2.25	43.98	75.66
Other Crudes					
Minas	79.82	76.12	-3.70	45.01	77.97
Dubai	76.69	73.40	-3.29	43.52	75.05
Isthmus	76.10	74.06	-2.04	39.78	75.08
T.J Light	74.66	82.87	-1.79	38.74	73.77
Brent	76.19	73.64	-2.55	43.34	74.91
W Texas Intermediate	78.30	76.34	-1.96	40.32	77.32
Urals	76.09	72.84	-3.25	42.71	74.46
Differentials					
WTI/Brent	2.11	2.70	0.59	-3.02	2.40
Brent/Dubai	-0.50	0.24	0.74	-0.18	-0.13

Not : Arab Light and other Saudi Arabian crudes preliminarily based on American Crude Market (ACM) and Subject to revision
Source : Platt's, Direct Communication and Secretariat's assessments.

The oil futures market

The futures market lost some ground in February but remained robust with the Nymex WTI front month trading from \$71/b to \$80/b. WTI came under pressure in the first week of the month after having lost more than \$6 in 3 days to settle at 71.19/b. WTI lost \$3.84 or 5% on 4 February, the largest single-day loss since the end of September 2009. This sharp decline which pushed WTI to a seven-week low was driven by a strong sell-off following a wave of bearish macro-economic sentiment, triggering concerns about economic recovery as data showed a higher-than-expected rise in US initial jobless claims. Growing worries about sovereign debt in the Euro-zone, particularly in Greece, lifted the dollar to a seven-month high against the euro. Equity markets also fell sharply. On 4 February, the March Nymex WTI contract jumped to an intraday high of \$77.17 and fell the following day to a low of \$69.50, representing a drop of almost 10% in less than 24 hours. Similarly, March ICE Brent decreased from \$75.95/b to \$67.87/b for a decline of more than 10% or \$8.

The Nymex WTI front-month started to recover in the second week and followed an upward trend to the end of the third week, supported by stronger demand for heating oil due to a major storm in the US, a stronger dollar, higher equities and revived geopolitical tension. Forecasts showing recovery in global oil demand in 2010 also supported



the market. Between 8 February until 23 February, WTI rose on all but one trading session. The decline coincided with a surge of the US dollar to a nine-month high against the euro and signs of a tightening in Chinese tightening monetary policy. On 16 February, WTI surged by almost \$2.9 or 4% as the euro rebounded against the dollar to post its biggest one-day gain since last July. This took place after Euro-zone finance ministers agreed to take coordinated action to help Greece overcome its sovereign debt and budget deficit problems. On 22 February, WTI broke \$80/b, the highest since 12 January 2010. The market weakened slightly in the last week of the month as US crude oil inventories



rose more than expected and the US dollar strengthened.

In monthly terms, WTI averaged \$76.45/b in February, representing a decline of \$1.95 or 2.5% from the previous month. However, this represented a gain of \$37.19 or nearly 95% over a year earlier.

This movement in the futures market continued to be influenced by investor activity, which can be seen in the daily volume for crude oil contracts traded on the Nymex. On 5 February, the total volume for Nymex oil futures hit a record 1,121,751 contracts amid long liquidations as the dollar rose sharply on growing concerns about economic recovery, resulting in a loss of 5% in the WTI front month. On the same day, almost 600,000 March crude oil futures contracts were traded on Nymex, equivalent to 600 mb or around 7 times daily global consumption. The front month ICE Brent in Europe also traded at a record volume of 290,000 contracts on the same day. Much of this traded volume is likely attributed to financial investors. The previous record for total volumes for Nymex oil futures was 1,092,509 from 6 June 2008, a month before WTI hit an all time high of \$147/b.

The bearish sentiment in the market pushed the key speculator group of money managers to further cut net long positions on the Nymex crude oil futures market to 88,821 positions in the week through 9 February, a week when the WTI front-month lost \$5.34 or 7% within just three trading days. Money managers reversed direction in the following weeks and hiked net long positions as market sentiment turned bullish, to hit 132,504 in the week through 23 February. Money managers' extended net long positions further to 144,058 in the week through 2 March, alongside a rise in the WTI front month from \$78.86/b to \$79.68/b (see Graph 2).

P-07

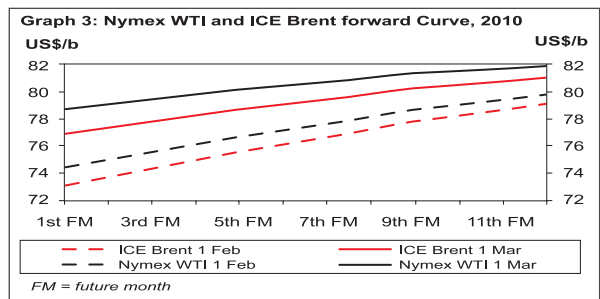
Open interest for Nymex WTI increased to 1,360,697 on 3 February, the highest since 1,376,799 on 17 June 2008, before falling to 1,284,924 at end of February.

Similarly, futures fell in Europe, moving between \$69.6/b and \$78.6/b in February. ICE Brent hit a 4-month low on 5 February on the back of strong sell-offs, driven by bearish sentiment in the market. ICE Brent recovered in the following weeks to move to \$78.61/b on 22 February before losing \$1 to settle at \$77.59/b on 26 February, the last trading day of the month. This resulted in an average of \$74.79/b, down \$3.12 or 4% from the previous month. A year earlier, ICE Brent averaged just \$43.87/b.

Since the decline in ICE Brent was much higher than in Nymex WTI, the spread between the WTI-Brent front-month contracts widened to \$1.66/b from \$1.39/b in January. The spread widened 60¢ on 5 February as Brent fell below \$70/b and continued to increase in the following days to move above \$2 in the second week. It was the first time when the WTI-Brent spread reached this level since mid-October. The increase in the WTI-Brent spread was attributed to the strength of WTI relative to Brent on the back of stronger demand and less pressure from stocks in Cushing, Oklahoma, which have been declining since the first week of January. It is worth recalling that the WTI-Brent differential averaged minus \$4.6/b in February last year when WTI fell well below Brent due to high stock levels at Cushing, Oklahoma.

Both Nymex WTI and ICE Brent remained in contango but their respective curves narrowed further in February. The spread between the 3rd and the 1st month narrowed from \$1.09/b in early February to 78¢ in early March, implying a decline of 28%. The spread between the 1st month and the 6th and 12th month dropped by 35% and 38%, respectively. This implies that the increase in the price of the first month between 1 February and 1 March was much higher than the increase of the forward months, implying that the market seems to be tighter for the

moment. Similarly, the ICE Brent spread between the 3rd month and the 1st month narrowed to around 80¢/b for the same period and the spread between the 6th month and 12th



month with the 1st month declined to around \$2.20/b and \$4.20/b, respectively. A narrow contango of these levels would remove the incentive for storage and according to some sources, floating storage has declined recently.

The sour/sweet crude spread

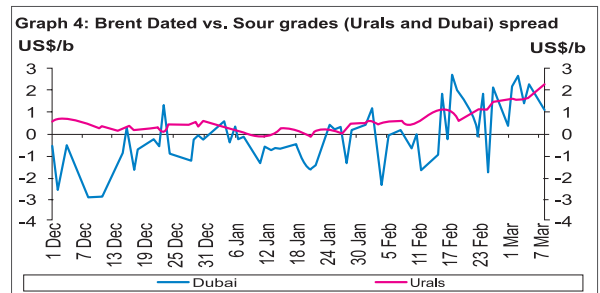
The Brent-Dubai spread recovered in February to stand at a monthly average of 24¢/b compared with minus 50¢/b in the previous month and minus \$1.14/b in December. The spread even moved above \$2.7/b in the third week of February before it narrowed slightly and increased again to stand at around \$2.7/b on 3 March. The spread has been positive for most of the time since mid-February, indicating Brent-related crudes are costlier than Middle East grades. This market structure usually slows imports of western crudes to Asia. The recovery in the Brent-Dubai spread is attributed to a strong Brent and weak Dubai price, resulting from ample supply after some countries notified their Asian customers that they would supply crude at full contracted volumes for March while Asian-pacific refiners were expected to start refining maintenance. Middle East crudes were also pressured by limited demand from Asian refiners due to maintenance. Additionally, rising supplies of Russian medium

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

Nymex WTI	1st FM	2nd FM	3rd FM	6th FM	12th FM
1 Feb 2010	74.43	74.91	75.52	77.17	79.79
1 Mar 2010	78.70	79.08	79.48	80.47	82.00
ICE Brent	1st FM	2nd FM	3rd FM	6th FM	12th FM
1 Feb 2010	73.11	73.71	74.38	76.23	79.11
1 Mar 2010	76.89	77.22	77.70	79.07	81.08

sour ESPO blend put further pressure on Middle Eastern crudes and contributed to the weakness in Dubai.

The Brent-Urals spread widened to average 80¢ in February after Urals differentials for Northwest Europe and Mediterranean cargoes hit their lowest levels since May 2009. Limited demand from refiners due to seasonal maintenance has put a lot of pressure on the Russian crude. The spread has been above \$1.50/b since late February and preliminary loading schedules show March Urals exports from the Baltic port of Primorsk at more than 1.4 mb/d, an increase of 0.2 mb/d over February.





NATIONAL NEWS

FINANCE AND ECONOMY

Bangladesh Bank Moves to Upgrade Fight Against Financial Crimes

Bangladesh expects to be a member of a global network of financial intelligence units (FIUs), Egmont Group, by next year to enhance the capacity of combating money laundering, terrorist financing and other financial crimes through international cooperation. To become a member of the forum, the country sought support from another member of the group, the US, said Bangladesh Bank (BB) Governor Atiur Rahman. "We have already applied for membership of Egmont Group in our efforts to fight money laundering," he said at a press conference at Sonargaon Hotel on the eve of a three-day international conference on microfinance. Established in 1995 to stimulate international cooperation, the present 116-member Egmont Group provides a scope to FIU-members to cooperate and exchange information in the fight against money laundering, terrorist financing and other financial crimes. Bangladesh moves to become a member of Egmont Group after it set up a FIU at BB to help the government and policy makers get related information and take appropriate steps. The BB governor, citing his recent visit to Washington, also expected that the US will extend their hands to the government to bring back the money siphoned off the country in the past. (Source : The Daily Star)

CSE launches book-building

The Chittagong Stock Exchange has launched the book-building system, a mechanism that discovers the fair price of shares. It became the first bourse in the country to start the system. With bidding for the shares of Ocean Containers Ltd (OCL), a local enterprise engaged in container business, the bourse pioneered the long-awaited book building system. OCL was listed on November 3, 2009, for the first time under the direct listing regulation and book building method, and received CSE's permission to offload shares on the bourse. In the initial stage of the bidding, only institutional investors such as banks, financial institutions, insurers, stock dealers and merchant banks will participate. To fix the indicative price, Platinum Securities, Eastland Insurance, National Housing, Continental Insurance and National Securities and Consultants submitted their bids and the average of their bids is the indicative price. In the price discovery phase through book building, bidders cannot quote 20% more or less than the indicative price, meaning they will have to offer between Tk 98 and Tk 145 for each share. The book building method was introduced in March last year, aiming to encourage private-sector entrepreneurs to list their companies on the bourses at fair prices. (Source: The Daily Star)

Dhaka Set to Sign APTA Deal on Trade in Services

Bangladesh, after signing two historic agreements - one on trade facilitation, another on investment promotion - with APTA member countries in last December, now plans to strike another deal named 'APTA Framework Agreement on Trade in Services' with the same trading group in Thailand. Enhancing investment in service sector and increasing local competitiveness and expertise in service-oriented business, primarily, inspired the policymakers to strike the proposed deal with big Asian economies, trade officials said. According to the negotiated draft agreement

on APTA Framework Agreement on Trade in Services, the member countries will establish and improve infrastructural facilities in their respective countries relating to improving service sector, extend cooperation in joint production, marketing and purchasing arrangements and facilitate research and development on service area. (Source: The Financial Express)

Japan now 'lucrative destination' for Bangladesh garments

Japan proves to be a lucrative destination for Bangladesh's garment as apparel exports to the Asian giant saw an extraordinary 148.0% growth in the first half of the current fiscal year compared to the same period a year ago. Bangladesh exported ready-made garments (RMG) worth \$34.043 million during the July-December period of 2009-10 compared to \$19.415 million of 2008-09. The country earned \$74.381 million in fiscal 2008-2009 and \$28.035 million in fiscal 2007-08 from RMG export, according to Export Promotion Bureau (EPB) data. Knitwear accounted for \$ 28.090 million during the same period, up from \$5.964 million a year before, the EPB data said. Besides, the country made shipments of home textile worth \$ 1.125 million during the July-December of the current fiscal year. Japan has reduced its dependence on imports from China, which gave a boost to RMG exports out of Bangladesh further increasing their sourcing from Bangladesh, said manufacturers and exporters. Abdus Salam Murshedy, President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said growth in Bangladesh's apparel exports to Japan has much potential to become sustainable as cost of garment production is lower here. Industry experts said Bangladesh's garment shipments to Japan started to swell in the middle of last year after the Japanese retail giant Uniqlo opened a sourcing office in Dhaka, prompting many other Japanese retailers to set their sights on Bangladesh. Pointing out that the Japan market is more quality conscious than other markets, they said, "Japanese businessmen follow different ways of business and the Bangladeshi exporters should try to understand it." (Source: The Financial Express)

Stock Market Manipulation: 100 Syndicated Facebook Tipsters Involved

Rapid Action Battalion (RAB) has detected at least 100 syndicated Facebook stocks tipster and SMS through mobile phone who are illegally involved with the Dhaka Stock Exchange (DSE) market manipulation. At least 12,000 DSE investors, including expatriates, cheated illegally for manipulating overheated stock exchange by this Facebook stocks tipster syndicate, RAB sources said. Mohammad Sohel Taj, director, media wing of the RAB informed that Mahbub Sarwar, 26, a prolific blogger who provided online stock tips through the popular social networking site, will be charged with market manipulation. "His Facebook account has 3,000 members and he has a number of blogs. We believe around 10,000 or more people have been acting on his tips for the last few months." Regulators said that they had been investigating Sarwar for months. He would be charged with providing market advice without a license and for individual tips. He is also accused of running an unauthorized portfolio management services company - advising clients on which investments to make - for which he charged 20% of profits. Bangladesh's bourse, one of Asia's smallest, is vulnerable



to manipulation and regulators have struggled to stop a slew of online scams, publicly warning investors in January of a rogue Facebook group providing bogus tips. Although nearly 40% of its population lives on less than a dollar a day, Dhaka's share market has been one of the best performers in the world with the main index doubling since the middle of last year. Experts have described the Dhaka Stock Exchange (DSE) as a 'ticking bomb' as repeated attempts to cool the market's bull run this year failed. Tens of thousands of retail investors have poured in fresh funds every day. **(Source: The New Nation)**

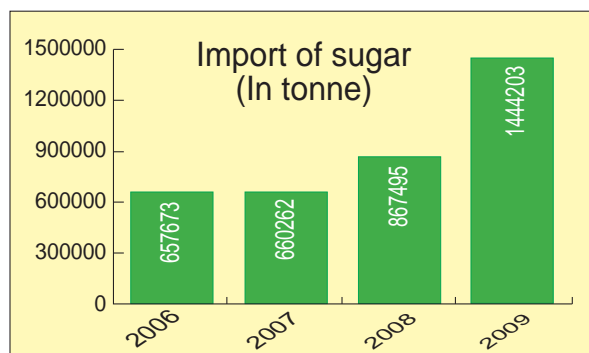
Bhutan Offers Bangladesh Zero-Tariff Entry

All Bangladeshi products will get zero-tariff entry to Bhutan, a preferential trade facility which is expected to help increase trade and business relations between the two countries. Khandu Wangchuk, minister for economic and trade affairs of Bhutan made the offer at a meeting with some local businessmen. Welcoming the offer, IBFB president, Mahmudul Islam Chowdhury, hoped that the trade relations between the two countries would grow further. International Business Forum of Bangladesh organized the meeting at its office in the city. Members of the trade organization participated in discussions on exploring new avenues of trade and business between the two countries. The businessmen identified some sectors including housing, energy and power, cement, garments, packaging and tea where Bangladesh and Bhutan could strengthen their relation for mutual benefit. **(Source: BSS, Dhaka)**

P-09

Sugar import rises 66% in 2009

Imports of sugar from the international market increased 66



per cent in 2009 due to 'drastic fall in smuggling' of sugar into the country; suggest the latest data of the Chittagong Port Authority. Importers, too, say their imports surged in the past year despite sugar price rise in the international market as sugar crisis in India and higher domestic price almost stopped smuggling into Bangladesh. A total of 14,44,203 tonnes of sugar, mostly raw sugar, were unloaded at the Chittagong Port in 2009 as against 8,67,495 tonnes the previous year, according to the CPA data. Sugar import through the country's main seaport was recorded at 6,60,262 tonnes in 2007 and 6,57,673 tonnes in 2006. **(Source: New Age)**

SEC Settles on Uniform Face Value of Shares

The stock market regulator has decided to set a uniform face value of stocks in line with a government instruction. The Securities and Exchange Commission (SEC) yesterday settled on a finance ministry decision on the uniform face value of shares that was taken in November

last year. With the latest move, new companies having Tk 100 face value in shares will be allowed to go public. However, the consultative committee of the SEC on November 11 recommended a uniform face value of shares at Tk 10. The face value of shares of the existing listed companies will remain unchanged as prescribed by the finance ministry. The move will also restrict some 10 listed companies from denominating their shares, as the SEC has directed all the listed companies to refrain from taking any step to change the existing face value of their shares. The 10 companies, which declared denomination of shares from existing face value, include Prime Finance, Fareast Islami Life Insurance, Aftab Automobiles, First Security Bank, Al Arafah Islami Bank, Social Islami Bank, Southeast Bank and Premier Bank. The parliamentary standing committee on finance ministry also recommended on November 25 that the SEC set a uniform face value and market lot of shares, which would end misinterpretation and confusion. A common market lot to avoid complexities is the parliamentary body's another recommendation. **(Source: The Daily Star)**

New Stimulus for Stocks

In an effort to give an impetus afresh to the stock market, the regulator has increased the margin loan ratio to 1:1.5 from 1:1 for equity securities. The new ratio means an investor or a client will get Tk 1.50 loan against his or her holding securities worth Tk 1.00. The latest move was made in the context of the continued steep fall in the market throughout this month. Demonstration on streets by general investors in protest of such long bearish spell was reported from different parts of the country. **(Source: The Daily Star)**

Commodity Exchange Market Back on Cards

The government has decided to go ahead with an earlier plan to set up a commodity exchange market after it failed to find any other mechanism to arrest essential goods price spiral. The finance ministry accordingly issued to all government offices five directives that include formulating necessary guidelines by the Securities and Exchange Commission, officials said. The decision was made at an inter-ministry meeting attended by representatives of the ministries of commerce, food and agriculture, SEC, Bangladesh Bank, and the Investment Corporation of Bangladesh. Commodity exchange market is an organized market for sales and purchase of commodities such as wheat, rice and cotton through contracts enforceable at present and in future. 'We have already sent letters with the five directives to the Securities and Exchange Commission, Bangladesh Bank and Investment Corporation of Bangladesh to make suggestions on how to operate such a market,' said a senior finance ministry official. Commerce ministry officials, during the immediate-past interim government, visited India twice to look into the possibilities of setting up such a commodity exchange market in the country. **(Source: New Age)**

FDI Dips Almost 50 Percent This Fiscal Year

The flow of foreign direct investment declined by almost 50% in the first five months of the current fiscal year, indicating a lack of confidence among entrepreneurs in Bangladesh's current investment climate. The country received FDI amounting to \$259 million in the July-November period of the 2009-2010 fiscal year, which is considerably lower than \$502 million FDI in the same period of 2008-09, according to statistics available with the Bangladesh Bank. The reduction of FDI flow has generally been attributed to energy and



infrastructure deficiencies and the slow pace of local investment despite the assumption of office by an elected government in January 2009. (Source: New Age)

Government Plans for Car Plant

The government plans to set up a car-making plant in the country to roll out low-cost vehicles, Industries Minister Dilip Barua said at a press conference at his ministry on return from a D-8 meeting in Tehran, the capital of Iran. He added that a car may cost Tk 6 lakh to Tk 7 lakh in Bangladesh if the plant goes into operation. Once the plant is set up, Bangladesh will not need to import reconditioned vehicles at higher prices, Barua said. But he did not say when a plant could be set up.

The first meeting of industry ministers from D8 member countries took place from February 28-March 2. There, the eight developing countries (D8) agreed to jointly produce a car under a common brand name. The leaders discussed how to introduce cars to be branded as 'Made by D-8' through expanding business among the member states. Only the member countries will make the common-brand cars. "The leaders of the D-8 countries will meet again in Istanbul to finalise the next course of action," Barua said. He also said his ministry has already signed an agreement with Japanese Mitsubishi Company to revive Progoti, a state-owned car assembling company and has visited Sipa, an Iranian automobile company, and invited them to invest in Bangladesh either individually or in joint venture. (Source: The Daily Star)

Current ADP Reduced by 6.56 Per Cent - Bloc Allocation Increases

The government has decided to downsize the original Tk 30,500 Crore Annual Development Program by 6.56% to Tk 28,500 Crore due to many ministries' inability to utilize foreign assistance fully, said official sources. The planning ministry, however, has proposed to reduce the ADP's local currency content by 2.6% or Tk 455 Crore, and has also proposed to slash by 12% or Tk 1,545 Crore the assistance for 1,058 projects in the existing ADP. According to the planning ministry's proposal, foreign finance make up Tk 11,300 crore of the current fiscal year's revised ADP fund while the remaining sum of Tk 12,000 crore comes from internal sources. 'We have failed to disburse some of the foreign assistance fund and as a result the planning ministry has decided to slash the maximum amount of fund under project assistance in the revised Annual Development Programme,' said a senior official. He also said that block allocation would be increased for the development of the local government division projects, including development of the Chittagong Hill Tracts and six city corporations. According to the draft of the revised ADP, the planning ministry has decided to increase special development allocation, commonly known as 'block allocation', by Tk 60 crore to Tk 1,033 crore. In addition to a special allocation of Tk 571.49 crore, another major chunk of the outlay will be spent for unexpected necessary expenditure as well as unapproved development projects for rest of the fiscal year, sources said. (Source: New Age)

POLITICS

P-10

Hasina Graft Charges Quashed

The High Court on Tuesday scrapped the MiG-29 warplane purchase corruption case against Prime Minister Sheikh Hasina, declaring illegal the framing of charges in the case in her absence during the state of emergency. In its verdict, the High Court observed, 'The entire proceedings deserve to be quashed as neither the First Information Report nor the charge-sheet of the case have disclosed any ingredients of "breaching trust" and "misappropriation of money" by Sheikh Hasina.' It further observed that



the now-defunct Bureau of Anti-Corruption had filed the case after being instigated to do so by the high-ups of the interim government. 'The worthless prosecution was initiated to harass Sheikh Hasina politically, and to tarnish her image as well as popularity,' it added. The same court on March 4

declared illegal the filing and all subsequent proceedings in three Bangabandhu Novo Theatre corruption cases against Hasina. With Tuesday's verdict, seven out of the 15 cases filed against Hasina during the BNP-Jamaat government and the military-controlled interim regime have been quashed. (Source: New Age)

Team off to Myanmar for Sea Boundary Talks

An 11-member high-level team comprising experts and technical persons on Monday left Dhaka for Yangon to discuss maritime boundary dispute. Additional Foreign Secretary Rear Admiral (retd) M Khorshed Alam is leading the team that will sit with the Deputy Foreign Minister of Myanmar Yu Maung Myint on March 16-17. The dispute was created over the maritime boundary between the two neighboring countries as Bangladesh protested Myanmar's move for extracting mineral resources from a disputed block in the Bay of Bengal in 2008. Later, Bangladesh formally raised the issue at the Arbitration Tribunal of the United Nations in October 2009 to settle the matter. According to the Foreign Ministry, in December meeting both Bangladesh and Myanmar reached a consensus to formulate the coordinated policy to resolve the dispute. Due to the dispute over maritime boundary, Bangladesh failed to award its offshore areas to the international IOCs for last one year. The December meeting decided that the next meeting would be held in Myanmar. Foreign ministry sources said Bangladesh has proposed fixing the maritime boundary following the 'principle of equity' while Myanmar recommended per-line-based 'equidistance system.' (Source: The Daily Star)

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P-11



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DOMESTIC CAPITAL MARKETS REVIEW

CAPITAL MARKETS - DSE (For the week March 7 to March 11, 2010)

Weekly Summary

Total Turnover (BDT mil.):	36,312.54
Volume of Share No. S	161,416,133
Weighted Avg. P/E Ratio	29.58
Total Scrip Traded	264

Category-wise Turnover

Group	Turnover Value (BDT mil.)	% of Total
A	31,356.77	86.35%
B	323.06	0.89%
N	4,185.80	11.53%
Z	446.91	1.23%

Scrip Performance in the Week

Advanced	44
Declined	201
No Change	4
Not Traded	15
Total Traded Issues	264

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

Sl. No.	Name	Category	% of Change	Turnover BD Tk (million)
1	Keya Detergent	A	11.22	565.303
2	BRAC Bank	A	6.18	406.793
3	Bd. Welding Electrodes	B	6.04	69.552
4	One Bank Limited	A	3.66	154.295
5	Savar Refractories	B	3.65	0.186
6	Information Services Network	B	3.12	27.889
7	BEXTEX Limited	A	2.87	2605.931
8	DESCO	A	2.75	988.614
9	Glaxo SmithKline	A	2.67	72.001
10	EXIM Bank	A	2.43	20.862

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

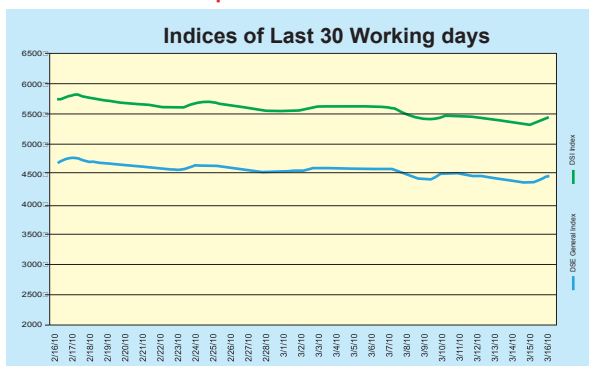
Sl. No.	Name	Category	% of Change	Turnover BD Tk (million)
1	NBL	A	-37.43	341.05
2	Aims 1st M.F.	A	-28.42	256.256
3	Prime Bank	A	-24.57	329.54
4	United Insurance	A	-21.76	7.047
5	Dutch-Bangla Bank	A	-21.53	102.956
6	Mercantile Bank	A	-16.41	161.234
7	ICB AMCL Islamic M.F.	A	-15.94	6.892
8	Mutual Trust Bank Ltd.	A	-15.05	97.745
9	ICB AMCL 1st NRB M.F.	A	-14.16	15.284
10	ICB AMCL 1st M.F.	A	-13.94	3.683

Top 10 Companies by Turnover for this Week

Sl No.	Names	Turnover BD Tk. (million)	Volume
1	Lankabangla Finance Com	36055.22	9,907,000
2	BEXIMCO	26882.47	6,994,100
3	BEXTEX Limited	26059.31	25,057,600
4	Grameenphone Ltd.	21415.06	6,312,200
5	Summit Power	14889.49	1,056,200
6	DESCO	9886.14	596,650
7	AB Bank	8235.69	721,050
8	Keya Cosmetics	8050.8	7,124,500
9	Navana CNG Limited	7642.56	2,942,400
10	Jamuna oil	7335.66	1,726,000

P-12

DSE Market Round Up



Bearish spell continued in bourses for three consecutive weeks. Benchmark DSE general index lost 5.64% in 15 trading days from 5828.38 points peaked in February 17. Liquidity flow almost halved compared to first two months of

the year. This sluggishness in market can be attributed to reduction of margin loan, controversy surrounding DSE election, action against so called gamblers, anxiety expressed by government regarding overheating of the market and SEC's quashing of stock dividend and right share declared by AIMS 1st MF. It is too early to say whether current declining trend is a small pullback after a long bullish trend or market is lurching towards a painful deep correction. Most of the sectors declined last week except slight increase of bank, textile and IT stocks. DSE General Index reached at 5499.84 fell by 141.10 points or 2.50% from the previous week. Total turnover reached at Tk36312.54m with 11.73% decrease from the last week's Tk41138.92m. On the other hand, market capital dropped by 2.49% and stood at Tk1871.90b (\$26.91b) at the weekend against Tk1919.79b. DSE-20 has moved downward by 60.04 points (1.98%) and closed at 2969.59 points against 3029.63 points. Last week weighted average Market PE was 29.58 which was 3.93% lower than previous week's 30.79. During the week, DSE General Price Index was below of both 9 and 18-day moving average line. (Source: AIMS Weekly Newsletter)



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CAPITAL MARKETS - CSE (For the week March 07 to March 11, 2010)

Weekly Summary

Total Turnover (BDT mil.):	3,788.68
Volume of Share (Nos.):	30,632,938
Total Contact (Nos.)	81,931
Total Scrip Traded	191

Category-wise turnover

Group	Turnover Value (BDT mil.)	% of Total
A	3,065.51	80.88
B	47.11	1.24
N	598.33	15.79
Z	77.74	2.05

Scrip Performance in the Week

Advanced	46
Declined	134
No Change	11
Total Traded Issues	191

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

Sl. No.	Name	Category	Week Difference	Turnover BD Tk. (million)
1	ICB AMCL FIRST NRB MUTUAL FUND	A	129.64	0.491275
2	CTG. VEGETABLE	Z	23.23	1.05327
3	SAFKO SPINING MILLS LTD	Z	21.08	0.078175
4	PADMA CEMENT LIMITED	Z	10.67	5.8859
5	8TH ICB MF	A	10.49	0.1041
6	IDLC FINANCE LIMITED	A	8.1	0.12359
7	RUPALI BANK	Z	7.89	10.44648
8	BRAC BANK LTD	A	6.46	40.35572
9	EXPORT IMPORT BANK OF BD. LTD.	A	6.38	23.75867
10	MITHUN KNITTING AND DYEING LIMITED	A	5.75	0.09406

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

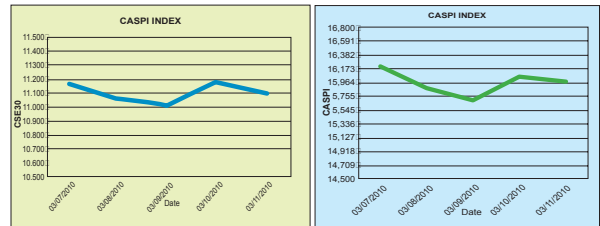
Sl. No.	Name	Category	Week Difference	Turnover BD Tk. (million)
1	DHAKA INSURANCE LIMITED	A	-25.07	14.72512
2	8TH ICB MF	A	-21.54	14.84721
3	DUTCH-BANGLA BANK LIMITED	A	-14.94	23.42798
4	ASIA PACIFIC GENERAL INSURANCE CO. A	A	-12.95	120.7151
5	JMI-BANGLA COMPANY LIMITED	A	-11.4	153.5289
6	PRAGATI INSURANCE	Z	-10.34	0.01152
7	STANDARD CERAMIC	N	-9.64	87.11549
8	EASTERN BANK LIMITED	A	-9.03	8.39638
9	ANLIMA YARN	A	-8.88	48.14565
10	MEGHNA LIFE INSURANCE CO. LTD.	A	-8.62	37.0759

Top 10 Companies by Turnover for this Week

Sl. No.	Names	Turnover BD Tk. (million)	Volume
1	Bextex Ltd	388.29811	3,738,904
2	BEXIMCO	274.3934901	714,807
3	GRAMEENPHONE LIMITED	250.93216	741,400
4	LANKA BANGLA FINANCE LTD.	180.796591	490,721
5	NAVANA CNG LIMITED	157.28042	605,600
6	AIMS FIRST GUARANTEED MUTUAL FUND	153.528925	9,910,000
7	AB BANK LTD.	147.5168803	129,391
8	JAMUNA OIL COMPANY LIMITED	120.71508	285,300
9	SHINEPUKUR CERAMICS LTD	96.19483	1,040,500
10	KEYA DETERGENT LIMITED	91.86495	1,087,150

P-13

Indices of Last 30 Working days



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।



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Mutual Trust Bank Ltd.

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NATIONAL ECONOMIC INDICATORS

Foreign Exchange Reserve

The Foreign Exchange Reserve as of March 09, 2010, was USD 10033.19 which was USD 10554.59 million on February 28, 2010 (a 4.94% decline from February to March). At the end of June 2009, the reserve was USD 7,470.96 million. The foreign exchange reserve as on March 09, 2009 was USD 5953.2 million. So there was a significant 68.53% increase of reserve in March 09, 2010 over that in the corresponding period of 2009.

Exchange Rate Movements

The average Taka-Dollar exchange rate of BDT 69.24 reported on March 16, 2010 was a slight increase from the previous month's exchange rate of BDT 69.23, as reported on February 28, 2010. On a year-over-year basis, the exchange rate as on March 16, 2010 has increased over that in the corresponding period of 2009 (which was BDT 69.01 per Dollar).

Wage Earner's Remittance

Bangladesh received USD 844.07 million as inward foreign remittance in February 2010 registering 7.6% growth over that in the corresponding period of 2009. The remittance for the period of July – February 2010 stood at USD 7329.66 million, a 19.21% increase over that in the corresponding period of 2009.

Import

Import figure in December 2009 was USD 2180.50 million as compared to USD 1600.40 million in December 2008. This means there was a 37.86% increase in import from December 2008 to December 2009. Imports for the quarter July – December 2009 stood at USD 11157.60, a 5.53% decrease over that in the corresponding period of the previous year.

Export

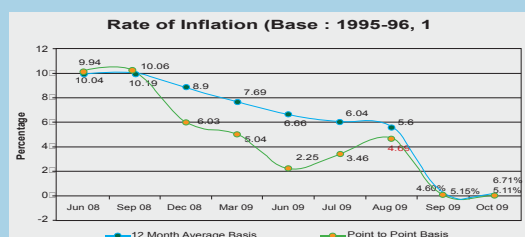
Export figures for December 2009, was USD 1172.89 million, a decrease of 1.92% from that in the corresponding period of the previous year. Yet, the figure for FY2008-09 was reported at USD 15,565.19 million, a 10.31% increase over the figure of the previous year.

Investments in National Savings Certificates

The January 2010 figure of sales of National Savings Certificates was BDT 1183.61 million, a significant increase from January 2009 figure of BDT 405.28 million. The July-January 2010 figure was BDT 6416.16 million. The total certificates outstanding in July – January 2010 was BDT 56,206.95 million, a 17.6% increase over the figure of the corresponding period of the previous year.

P-14

16th March, 2010	Currency	Buying	Selling
A. USD/BDT Rates (based on interbank transaction)			
	USD	69.2400	69.2750
B. Cross Rate			
	SGD	49.5385	49.6239
	SEK	9.7476	9.7586
	JPY	0.7648	0.7656
	GBP	104.22	104.3004
	EUR	94.6788	94.7543
	CAD	67.889	67.9766



investment

that gives you
rewarding *return*

- BO account opening
- buy and sell securities
- telephonic buy-sell order execution
- margin facilities
- updated market information
- Demat/Remat of securities
- Pledge/ unpledge of securities



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MTB
BROKERAGE

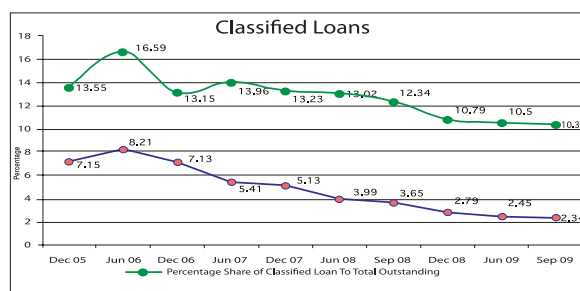
Main Office MTB Brokerage
Ispahani Building, 14-15 Motikheel C/A
Dhaka 1000, Phone: (02) 957 0563, 956 8163



BANKING AND FINANCIAL INDICATORS

Classified Loans	Dec 05	Jun 06	Dec 06	Jun 07	Dec 07	Jun 08	Sep 08	Dec 08	Jun 09	Sep 09	Dec 09
							Percentage Change (%)				
	Nov 08	Jun 09	Nov 09	Jul-Nov 2009-10		Jul-Nov 2008-09		FY 08-09			
Percentage Share of Classified Loan to Total Outstanding	13.55	16.59	13.15	13.96	13.23	13.02	12.34	10.79	10.5	10.36	9.21
Percentage Share of Net Classified Loan	7.15	8.21	7.13	5.41	5.13	3.99	3.65	2.79	2.45	2.34	1.73
Reserve Money (BDT billion)	55151.10	69390.10	73326.20	567.00%		4.47%		31.45%			
Broad Money (BDT billion)	268,147.30	296,499.80	322,999.40	8.94%		7.78%		19.17%			
Net Credit to Government Sector (BDT billion)	53680.10	58185.20	51444.40	-11.59%		14.43%		24.04%			
Credit to Other Public Sector (BDT billion)	13444.80	12439.70	13859.10	11.41%		15.58%		6.94%			
Credit to Private Sector (BDT billion)	203307.60	217927.50	237325.10	8.90%		6.93%		14.62%			
Total Domestic Credit (BDT billion)	270432.50	288552.40	302628.60	4.88%		8.75%		16.03%			

L/C Opening and Settlement Statement (US\$ million)	Jul-Dec 08-09		Jul-Dec 09-10		Percentage Change (%)	
	Open	Sett.	Open	Sett.	Open	Sett.
Food Grains (Rice & Wheat)	448.42	396.03	589.10	409.63	31.37%	3.43%
Capital Machinery	628.87	773.89	863.87	722.59	37.37%	-6.63%
Petroleum	1,163.49	1,163.22	1,170.09	929.07	0.57%	-20.13%
Industrial Raw Materials	4,587.56	4,609.44	4,720.66	4010.11	2.90%	-13.00%
Others	4,348.31	4,172.81	5,796.61	4575.72	33.31%	9.66%
Total	11,176.65	11,115.39	13,140.33	10,647.12	17.57%	-4.21%



P-15

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	
2009*	5.00	5.04		5.04		5.00	
2008	5.00	10.27		10.27		5.00	
2008	5.00	9.31		9.31		5.98	
2007	5.00	7.17		7.17		5.98	
2006	5.00	8.41		8.41		5.35	
2005	5.00	4.93		5.74		5.27	
2004	5.00	6.88		8.17		6.11	
2003	6.00	9.49		9.56		6.60	
2002	7.00	8.26		8.57		6.67	
2001	7.00	6.82		7.21		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	....	....
August	....	....	....	10.6	11.72	12.14	13.07	8.5	6.5	9.88	....	....
September	7.81	8.06	8.53	10.6	11.72	12.14	13.07	8.75	6.5	9.89	12.34	7.71	
October	7.87	8.08	8.56	10.6	11.72	12.14	13.04	8.75	6.5	7.64	....	....
November	7.91	8.12	8.57	10.6	11.72	12.14	13.04	8.75	6.75	7.56	....	....
December	7.91	8.16	8.58	10.6	11.72	12.14	13.02	8.75	6.75	10.42	12.31	7.31	
January	7.93	8.16	8.59	10.6	11.72	12.14	13	8.75	6.75	9.82	....	....
February	....	8.16	8.6	10.6	11.72	12.14	12.99	8.75	6.75	9.25	....	....
March	....	8.16	8.6	10.6	11.72	12.14	12.98	8.5	6.5	8.31	12.34	7.52
April	6.53	7.48	8.31	9.97	11.68	11.79	11.48	....	....	1.95	....	....
May	3.97	5.43	6.16	10.01	10.22	10.57	11.09	....	....	3.28	....	....
June	3.54	4.24	5.96	9.21	10.05	10.09	10.07	....	....	1.79	11.87	7.01
2009-10 *c													
July	1.86	3.75	5.01	8.2	9.42	9.39	8.97	....	....	1.08	....	....
August	....	....	....	7.47	8.55	8.59	8.59	....	....	0.72	....	....
September	2.05	3.5	4.33	7.49	8.43	8.8	....	8.5	....	4.39	11.59	6.57
October	2.14	3.51	4.57	7.8	8.75	8.69	9.1	....	2.5	2.82	....	....
November	2.3	....	4.6	7.8	....	....	....	4.5	2.5	4.01	....	....
December	2.3	3.54	4.6	7.8	8.75	8.69	....	4.5	2.5	5.05	....	....
January	2.33	3.55	4.61	7.8	....	8.74	....	4.5	2.5	4.82	....	....
February	....	3.56	4.62	7.82	8.75	8.74	....	4.5	2.5	4.57	....	....

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



FINANCIAL INSTITUTION OF THE MONTH



Agrani Bank Limited



Syed Abu Naser Bukhtear Ahmed
Managing Director
& Chief Executive Officer

Company Profile

Agrani Bank - a leading nationalized commercial bank with outlets strategically located in almost all the commercial areas throughout Bangladesh, overseas exchange houses and hundreds of overseas correspondents - came into being on March 26, 1972 taking over the assets and liabilities of the erstwhile Habib bank Ltd. and Commerce Bank Ltd. The bank started its operation with only 249 branches with its head office in Dhaka. Now, Agrani Bank has 867 branches (as on December 31, 2008) and though it does not have any overseas branches, there are two wholly-owned subsidiary companies named Agrani Exchange House (Pvt.) Ltd. in Singapore and Agrani Remittance House SDN, BHD in Malaysia. The bank also has correspondence with 903 foreign banks throughout the world. It offers many services through its schemes of school banking, inland travelers' cheques, pension funds, industrial development bond and inland remittance in addition to traditional deposit taking in various accounts and providing loans to almost all sectors of the economy. It also operates some income generating and economic development projects such as the Productive Employment Project, Netrokona Integrated Agri-product and Water Management Project, IFAD Project for poverty Alleviation through Employment Creation, Kurigram Poverty Alleviation Project, Crop Intensification Project, National Micro Irrigation Development Project, Micro Entrepreneurship Development Project, and Agricultural Diversification and Intensification Project. Agrani bank was converted into a Public Limited Company on May 17, 2007 with all assets, liabilities, rights and obligations of the former Agrani Bank. Its current shareholdings comprise Government of the People's Republic of Bangladesh and other 10 (Ten) shareholders nominated by the Government. The authorized capital of the Bank is Tk 800 Crore.

P-16

Incorporation Date: March 26, 1972

Head Office:

9D Dilkusha Commercial Area
Dhaka-1000, Bangladesh
PBX Range: 9566153-54, 9566160-69,
9566074-75
Fax: (+8802) 956 2346, 956 3662
E-mail: Agrani@Agranibank.org

Financials as reported on December, 2008:

Total Equity: BDT billion 6.42
Total Assets: BDT billion 187.325
Net Profit after Tax: BDT billion 2.65
Paid-up- Capital: BDT billion 2.48
Capital Adequacy Ratio: 9.16%
Earnings per Share: 106.52



REGULATORY AFFAIRS

Family members cannot be included in the executive committee

More than one member from a family cannot be included in the executive committee of any bank. If a bank already has several family members in the executive committee, it should form a new committee in the next board of directors' meeting. (Source: Bangladesh Bank BRPD Circular Letter No. 04, March 14, 2010)

Partial modification of Guidelines on Risk Based Capital Adequacy (RBCA) in line with Basel II

Bangladesh Bank has directed all scheduled banks to maintain Capital Adequacy Ratio (CAR) and Minimum Capital Requirement (MCR) in three phases that started from January 1, 2010 as partial requirement for Basel II implementation. The scheduled banks should maintain CAR not less than 8% between January 01, 2010 and June 30. The CAR will have to be increased at least to 9% nine percent between July 2010 and June 2011 and 10% percent from July 2011 to onwards. The MCR must be 8% of a bank's Risk Weighted Asset (RWA) by June 30, 2010, 9% by June 2011 and 10% from July 2011 to onwards though the amount of MCR may be fixed by the Bangladesh Bank from time to time. In every case, at least 50% of the CAR and MCR must be constituted by Tier-I capital components. (Source: Bangladesh Bank BRPD Circular No. 10, March 10, 2010)

P-17

Fixation of minimum maturity period of term deposit for Financial Institutions

The minimum maturity period of term deposits for individuals has been determined to be six months instead of one year which is now similar to that of organizational term deposits. No matter how long the term deposit is for, it cannot be liquidated before six months.

(Source: Bangladesh Bank DFIM circular letter No. 04, March 08, 2010)

Determination of maximum honorarium to Directors for attending Board Meeting

Bangladesh Bank has raised the amount of honorarium for directors of commercial banks. Under the new provision, the central bank will allow fixation a maximum of Tk 5,000 as honorarium for a director of the commercial banks instead of Tk 4,000 for attending the board of directors meeting. A director will receive the same amount of honorarium for also attending the meetings of Executive committee and Audit committee. (Source: Bangladesh Bank DFIM circular letter No. 03, February 24, 2010)

Refixation of repayment period of loan taken by paddy, rice traders and mill-owners

Bangladesh Bank has re-fixed the repayment period of loan taken by paddy, rice traders and mill-owners to ensure the smooth supply of rice in local markets. Under the new rules, the millers will have to repay their loans within 60 days of purchase instead of 90 days while rice traders must repay their loans within 45 days. (Source: Bangladesh Bank BRPD circular letter No. 03, February 23, 2010)

Newly formed "Bank and Financial Institutions Division"

A division called "Bank and Financial Institutions Division"

has been created under the Ministry of Finance on January 10, 2010. The division has started its activities since January 27, 2010. All the communications have to be addressed to the acting secretary of the division.

(Source: Bangladesh Bank DFIM circular letter No. 08, February 23, 2010)

Fixation of maximum number of Executive committee members of a bank

The executive committee of a bank should consist of not more than seven members instead of previously declared one third of the total board members. (Source: Bangladesh Bank BRPD circular letter No. 02, February 15, 2010)

IT road-map report for farmers' bank accounts

Approximately 1,82,00,000 bank accounts for farmers are supposed to be opened this year. To make this cumbersome job easier for banks, Bangladesh Bank has advised all the commercial and specialized banks to design a road-map for using Information Technology in this regard and inform Bangladesh Bank by sending a report on it. (Source: Bangladesh Bank BRPD circular letter No. 08, February 14, 2010)

MTB মৌসুমী



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Mutual Trust Bank Ltd.

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ARTICLE OF THE MONTH

Leasing

Lease is contract between a lessor, the owner of the asset, and a lessee, the user of the asset where the owner gives the right to use the asset to the user over an agreed period of time for a consideration called the lease rental. The lessee pays the rental to the lessor as regular fixed payments over a period of time e.g. at the beginning or at the end of a month, 3 months, 6 months or a year. At the end of the lease contract the asset reverts to the real owner.

However, in case of long-term lease contracts, the lessee is generally given the option to buy the leased asset or renew the lease contract. The two major types of leases are

- Operating lease
- Financial/capital lease

The operating lease is a short-term lease contract where the lessor bears all operating and repairing costs of the asset and the lessee pays periodic rental payments to the lessor, such the lease is cancelable, and there is no bargain purchase option. In an operating lease the lessee only uses the asset for some of the asset's life.

Financial/capital lease is a long-term lease contract where the lessee bears all operating, repairing and maintenance costs, and makes periodic rental payments to the lessor. The lease is not cancelable and the lessee has the option for bargain purchase or renewal of lease contract at the end of the original lease period. In a financial lease the lessee uses the asset for most of its economic life and beyond and the lessee enjoys the benefits and bears the risks of economic ownership of the asset (e.g. risk of obsolescence, paying for maintenance, claiming capital allowances/depreciation).

In many markets, leasing has flourished because of its tax appeal. A high net worth individual such as non-leasing company, say a hotel, may do one lease transaction and shelter his taxes. But leasing in Bangladesh is a "financial business" and cannot be carried on except in terms of a license granted by Bangladesh Bank. Sec. 4 of the Financial Institutions Act prohibits any person or institution from carrying any "financial business" in Bangladesh except in accordance with a license granted by the Bank.

Leasing in Bangladesh, like in many of its peer countries, owes its origin to the efforts of the International Finance Corporation (IFC), Washington. At the instance of IFC, the first leasing company in Bangladesh, Industrial Development Leasing Company of Bangladesh Ltd. (IDLC) was set up in 1984 and commenced its operations in 1986, with a 20% shareholding from Korea Development Leasing Corporation. For several years, IDLC remained the sole leasing company in Bangladesh. Another leasing firm, the United Leasing Company Ltd. started its operations in 1989. However, the real momentum began in the 1990s when Bangladesh Bank put in place a regulatory mechanism under the Financial Institutions Act 1993 and the Financial Institutions Regulations 1994. The number of leasing companies grew quickly after 1994 and by the year 2000, rose to 16. Besides, some of the banks and financial institutions also added leasing divisions to their existing operations. The leasing business became competitive with the increase in the number of companies and wider distribution of their market share. In terms of money value, the leasing business in Bangladesh increased from Tk 41.44 million in 1988 to Tk 3.16 billion in 2000.

The functions of a lease business include lease financing, short-term financing, house building financing, and merchant banking and corporate financing. In this last group of functions, the leasing business in Bangladesh moved away from regular leasing activities and is now involved in stock-market related activities such as issue management, underwriting, trust management, private placement, portfolio management, and mutual fund operation. Broad capital market operations of the lease financing institutions include bridge financing, corporate counseling, mergers and acquisition, capital restructuring, financial engineering, and lease syndication. Most common sectors those receive lease financing services in Bangladesh are textiles, apparels and accessories, transport, construction and engineering, paper and printing, pharmaceuticals, food and beverage, chemicals, agro-based industries, telecommunications, and leather and leather products

Commercial banks and development finance institutions (DFIs) have been the traditional lending institutions in Bangladesh. In fact, the concept of lease financing is a relatively new one in the country. Initially, leasing companies had to adopt the role of educators to make Bangladeshi entrepreneurs aware of the benefits of leasing. However, as DFIs demonstrated poor recovery and fund recycling performances, leasing got the opportunity to develop as an alternative source of funding. A few other factors also contributed to development of the leasing business in the country. For example, the commercial banks have been keener in providing trade financing and Foreign Exchange dealings rather than long-term loans because of the risks involved and their longer gestation period. The selection of lease proposals is relatively free from extraneous pressure and is subject to a quality level appraisal. Under lease agreements in the private sector, projects are sanctioned and implemented expeditiously, resulting in benefits in time and cost savings. Private leasing companies also attract clients by providing relatively better services. The down payments in leasing are not high and the gestation period is low. Also, in case of lease financing, incidental costs incurred in the process of import clearing, installation, and commercial production are capitalized, which substantially reduce the initial investment.

Leasing companies, however, face some problems in conducting their business in the country. The relatively slow growth of the demand side compared to the fast growth of the lease business is one such problem. This leads many leasing companies to operate in partial capacity. The culture of loan default that prevails in the country is also a deterrent. Leasing companies often find it difficult to raise funds through short- or long-term borrowing from money and capital markets. They are hard pressed to deal with the financial assets because of the present laws of the country, which are also not fully enforceable.

Currently in Bangladesh many of the lease transactions are in fact hire-purchase transactions, as the sale of the asset to the lessee, even if not incorporated in the contract of lease, is mostly inherent and pre-agreed. Bangladesh must notify true lease guidelines, and sooner the better. It must, most importantly, educate tax payers on what is the elementary distinction between a lease and a hire-purchase transaction, since in the latter case, depreciation cannot be claimed by the lessor.



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P-19

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Fax: +880 (2) 956 9762, Email: card@mutualtrustbank.com

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CSR ACTIVITIES

FBCCI launches one businessman-one family project

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Wednesday launched 'one businessman- one family' project to create employment opportunities for the disadvantaged youths of the society by making them self-reliant as part of its corporate social responsibility. The Federation has formed FBCCI Foundation and set a target to create employment opportunities for 7,000 to 10,000 people every year. Primarily it has selected 487 persons to give computers, sewing machine, water pump, rickshaw van etc. **(Source: Financial Express)**

Janata Bank starts disbursing interest-free agri-loan to farmers

Janata Bank Ltd (JBL) started distributing agricultural loan among 3000 landless and marginal farmers without any interest to boost crop cultivation in the country. The bank has undertaken a pilot project initiated under the corporate social responsibility (CSR) program aiming to disburse Tk 10 million agriculture loans within this calendar year among the farmers in Rangpur, Gaibandha, Kurigram, Khulna, Barisal, Bhola, Patuakhali, Satkhira, Madaripur and Faridpur for procurements of inputs. **(Source: Financial Express)**

BIFC donation for SEID Trust

Bangladesh Industrial Finance Company Limited (BIFC) has given financial assistance to Special Education for Intellectually Disabled (SEID) Trust as part of its corporate social responsibility. BIFC has joined hands with SFID Trust for supporting underprivileged children with autism, intellectual and multiple disabilities. **(Source: Financial Express)**

Aktel stands beside the visually impaired people

Aktel has extended its support to the visually impaired people of the society as part of its corporate social responsibility. To facilitate the blind students with educational support, Aktel has joined hands with HEAD international (Human Program for Education and Achievement of Disabled and Orphans), a social welfare organization working for the development of the disabled people. Under this initiative, HEAD Intl will distribute Braille papers (special type of paper for the blind) to their students. **(Source: Financial Express)**

DBH employees volunteer building low-cost homes

As part of Corporate Social Responsibility (CSR), employees of Delta Brac Housing Finance Corporation Ltd. (DBH) took part in the volunteers-sponsorship home building activities launched by Habitat for Humanity International Bangladesh (HFHIB) that involved constructing low cost houses for the low income families at Savar. **(Source: Financial Express)**

Bank Asia awards scholarships for higher studies

Bank Asia has awarded scholarships for higher studies to fourteen meritorious students of Lohagara in Cox's Bazar as part of its corporate social responsibility. **(Source: Financial Express)**

Delta Life Insurance donates braille printer to BERDO

Delta Life Insurance Co Ltd has donated a braille printer to Blind Education and Rehabilitation Organization (BERDO) as part of its corporate social responsibility. **(Source: Financial Express)**

P-20



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।



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APPOINTMENTS

FINANCIAL INSTITUTIONS		
Name	Position	Organization
Niaz Habib	Managing Director	Premier Bank Ltd.
Mirza Mahmud Rafiqur Rahman	Deputy Managing Director	United Commercial Bank Ltd
Nurul Islam	Deputy Managing Director	Islami Bank Bangladesh Ltd.
Ehsan Khasru	Deputy Managing Director	The City Bank Ltd
S.M. Shamsul Alam	Deputy Managing Director	The Premier Bank Ltd.
Swapan Kumar Das	Deputy Managing Director	NCC Bank
Md Sayedul Hasan	Deputy Managing Director	Dutch-Bangla Bank
M Sirajul Islam	Deputy Managing Director	Exim Bank

P-21

OTHER INSTITUTIONS		
Name	Position	Organization
Mehboob Chowdhury	CEO	Citycell (Pacific Bangladesh Telecom Limited)
Chris Tobit	CEO & Managing Director	Bharti Airtel Bangladesh
Masud Rahman	President(Re- Elected)	Canada-Bangladesh Chamber of Commerce and Industry
Md Rashad Kamal	Chairman	The Institute of Cost and Management Accountants of Bangladesh (ICMAB)
Md Shahid Uddin Akbar	President	Junior Chamber International (JCI), Bangladesh
ATM Rafiqul Islam	President	Bangladesh Taxes Bar Association
Syed Rezwanul Kabir	Managing Director	Small & Medium Enterprise (SME) Foundation
Nawed Iqbal	Deputy Managing Director	Cashlink Bangladesh Limited (CBL)
Amin Ahmed Montu	Vice President	Bangladesh Taxes Bar Association
Bul Hassan	CFO	Siemens Bangladesh Ltd



MTB NEWS AND AFFAIRS



MTB joined the 19th US Trade Show held in Hotel Sheraton, Dhaka from February 18-20, 2010. The 3-day U.S. Trade Show 2010 was cosponsored by the American Chamber of Commerce in Bangladesh and the American Embassy in Bangladesh.



MTB organized a Certificate Awarding Ceremony for Loan Documentation Training Course in MTB Training Institute on February 25, 2010



MTB sponsored the 1st ODI of England Bangladesh Cricket Series. MTB MD & CEO Anis A. Khan joined the Prize Distribution Ceremony after the match held on February 28, 2010 in Sher-e-Bangla Cricket Stadium, Mirpur and distributed prize among winners.



MTB made contribution to the families of the army officers killed in the February 2009 carnage. Prime Minister Sheikh Hasina handed over cheques at her office on February 28, 2010 to the family members of those who died in Peelkhana carnage last year. MTB Founding Chairman Syed Manzur Elahi was present at the function.

P-22



An agreement signing ceremony with Intertek for Quality & Quantity Inspection Services was held at the MTB CHO BOD Room on March 01, 2010. MTB Managing Director & CEO Anis A. Khan and the bank's senior management team were present at the ceremony.



MTB Securities Limited, the brokerage house of Mutual Trust Bank Limited (MTB), opened its Fulbaria Branch on March 2, 2010. Mr. Rakibur Rahman, President, Dhaka Stock Exchange (DSE), inaugurated the branch which is situated at Phoenix Road, Fulbaria, Dhaka. While inaugurating, Rakibur Rahman conducted an investors' awareness program. MTB Managing Director & CEO Anis A. Khan, MTB high officials, capital market investors, leading business personalities and city elites participated in the inaugural function.



MTB Securities, the stock brokerage arm of Mutual Trust Bank Limited (MTB), opened its Banani Branch on March 3, 2010. MTB Director Rashed Ahmed Chowdhury inaugurated the branch, as chief guest, at a simple ceremony held at Road No. 11, Banani in the capital city. MTB Managing Director & CEO Anis A. Khan, MTB high officials, capital market investors, leading business personalities and city elites participated in the inaugural function.



MTB Customer Night 2010 at Bogra was held at Hotel Naz Garden, Bogra on March 13, 2010. A colorful cultural program followed by dinner was attended by MTB Managing Director & CEO Anis A. Khan, management team of the branch and customers.



MTB DMD, Md. Hashem Chowdhury presented Awards to Bangladesh Cricket team, the Winners of SA Games Cricket Final at Sher-E-Bangla Cricket Stadium, Dhaka on February 7, 2010.

FINANCIAL GLOSSARY

Arbitrageur

One who profits from the differences in price when the same, or extremely similar, security, currency, or commodity is traded on two or more markets. The Arbitrageur profits by simultaneously purchasing and selling these securities to take advantage of pricing differentials (spreads) created by market conditions

Market Maker

A market maker is a dealer who acts as a wholesaler (i.e. quotes buy and sell prices to brokers and other clients) for the shares in which he is registered to trade as a principal, creating a marketplace for shares to match supply and demand. The market maker makes a profit by committing his company's capital, aiming to buy low and sell high.

Adjustment bond

A bond issued in exchange for outstanding bonds when a corporation facing bankruptcy is recapitalized.

Narrow Market

A market in which the trading of shares is only light, characterised by low liquidity and wide spreads. Modest activity can result in exaggerated price fluctuations.

Antidilutive effect

Result of a transaction that increases earnings per common share (e.g., by decreasing the number of shares outstanding).

Real Interest Rate

The rate of return or interest after deducting the current inflation rate from the actual interest rate.

Ankle Biter

Stock issued with a market capitalization of less than \$500 million.

Greenmail

The holding of a large block of stock of a target company by an unfriendly company, with the object of forcing the target company to repurchase the stock at a substantial premium to prevent a takeover.

Source:

www.finance-glossary.com

<http://biz.yahoo.com>

www.bloomberg.com

MTB Network

Dhaka Division

- Principal Branch**
02-7113237, 7113238, 7119964, 7122049, 7122849
- Panthapath Branch**
02-8613807, 02-8629887
- Babu Bazar Branch**
02-7314821, 7314822
- Sonargaon Branch**
02-038959-88105, 06723-88105
- Uttara Branch**
02-8924379, 02-8951474
- Progati Sarani Branch**
02-8411804, 02-8410948
- Sreenagar Branch**
02-038942-88222
- Pallabi Branch**
02-9016273, 8055630
- Dilkusha Branch**
02-7171301, 7171002, 7170137
- Dhanmondi Branch**
02-8155607, 02-8158334
- Bashundhara City Branch**
02-9124021, 9120982, 9111440, 8121071, 8121732, 8122044
- Chandra Branch**
02-06822-51968, 06822-51969
- Gulshan Branch**
02-8837840, 8832343, 9882473
- Savar Branch**
02-741452, 02-7741453
- Fulbaria Branch**
02-9559842, 02-9559867
- Madaripur Branch**
02-0661-62483, 02-0661-62482
- Dholaikhal Branch**
02-7172542, 02-7172602
- Aganagar Branch**
02-7762226, 02-7762227
- Narayanganj Branch**
02-7648209
- Banani Branch**
02-9883831, 9883861
- Tongi Branch**
02-9816250, 02-9816251
- Shanir Akhra Branch**
02-7551169, 02-7551195
- Mohammadpur Branch**
02-9127887, 02-9128494
- Elephant Road Branch**
02-9611596

SME Service Centers

- Kaliganj Center**
Tel: 01718883140
- Gafor Gaon Center**
01711979700

Rajshahi Division

- Pabna Branch**
0731-51829, 0731-51830
- Joypurhat Branch**
0571-63584, 0571-63585
- Rangpur Branch**
0521-52325, 0521-52326
- Bogra Branch**
051-78109, 051-78108
- Rajshahi Branch**
01716364366, 0721-776203
- Ishwardi**
01712651364

Brokerage Houses

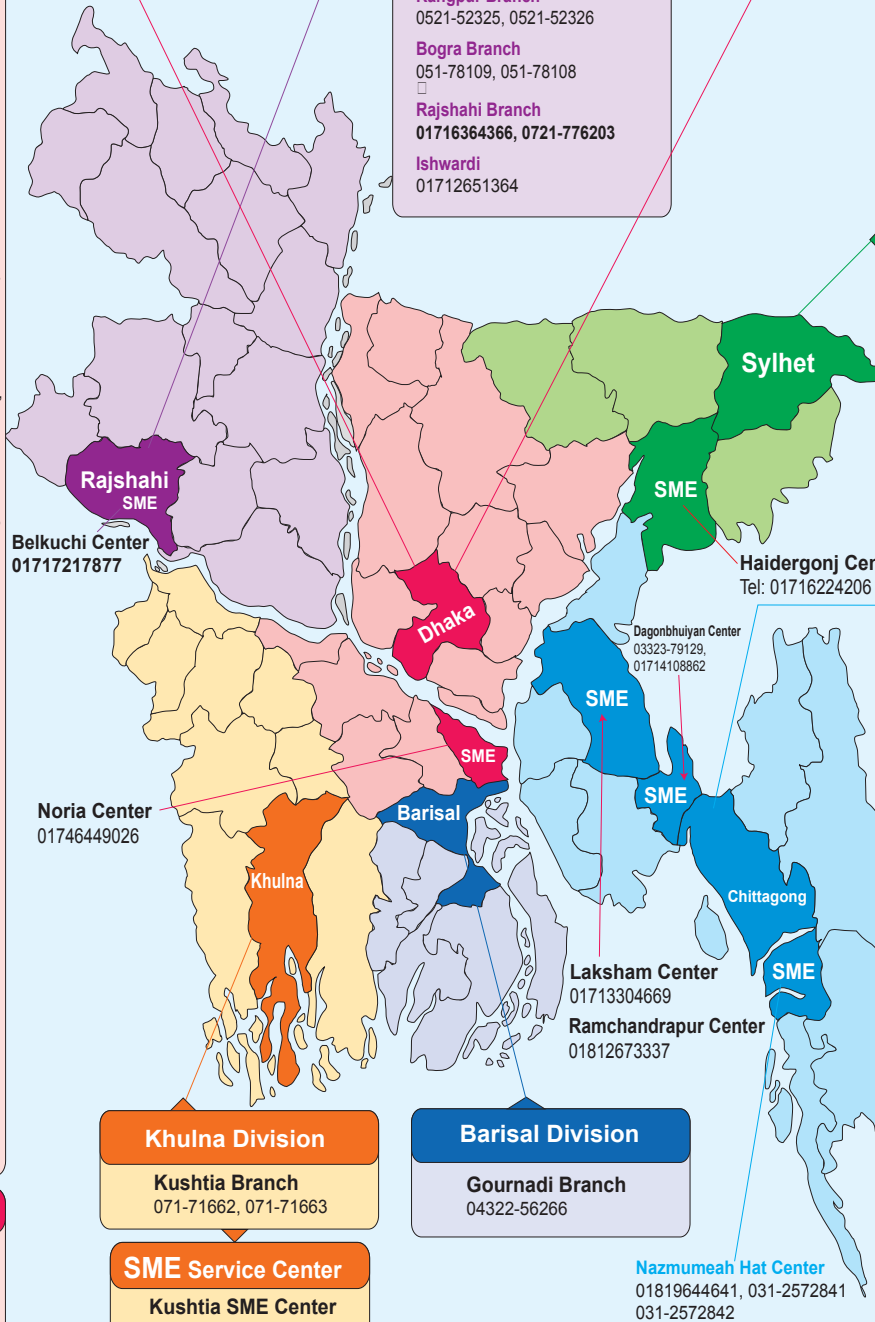
- Main Office**
02-9570563, 02-9568163
- Gulshan Office**
02-9895969, 066-62044390
- Pallabi Office**
02-9015919, 066-62607136
- Uttara Office**
044-76150106
- Narayanganj Office**
02-7648210
- Dhanmondi Office**
02-8913222
- Progati Sarani Office**
02-8840507

Sylhet Division

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

Brokerage Houses

- Sylhet Office**
Tel: 081-2830319



Belkuchi Center
01717217877

Noria Center
01746449026

Haidergonj Center
Tel: 01716224206

Dagonbhuiyan Center
03323-79129, 01714108862

Laksham Center
01713304669

Ramchandrapur Center
01812673337

Nazmumeah Hat Center
01819644641, 031-2572841
031-2572842

Khulna Division

- Kushtia Branch**
071-71662, 071-71663

SME Service Center

- Kushtia SME Center**
071-71662, 071-71663

Barisal Division

- Gournadi Branch**
04322-56266

Chittagong Division

- Office of the Head of Chittagong Br.**
031-2516681; Fax: 880-31-721091
- CDA Avenue Branch**
031-623559, 625336
- Khatungonj Branch**
031-612254, 626966
- Jubilee Road Branch**
031-624922, 031-627533
- Nazirhat Branch**
0821-4483498, 0443-4483498
- Chakoria Branch**
034-2256502
- Raipur Branch**
038-2256495
- Aman Bazar Branch**
031-681022, 01713106375
- Agrabad Branch**
031-2523287, 2524269, 2510754
- Alankar Mor Branch**
031-2772617, 2772619, 2772620
- Feni Branch**
033-161984, 033-161985
- Dhorkora Bazar Branch**
01911682484

Brokerage Houses

- Chittagong Office**
031-2514797, 037-31000768



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