

TABLE OF CONTENTS



International News	02
Finance and Economy	
Politics	
International Capital Markets	06
International Economic Forecasts	07
Wells Fargo Securities Economics Group™ Report	
National News	10
Finance and Economy	
Politics	
Domestic Capital Markets Review	14
National Economic Indicators	16
Banking and Financial Indicators	17
Enterprise of the Month	18
Marico Bangladesh Limited	
Financial Institution of the Month	19
GSP Finance Company (Bangladesh) Ltd.	
Know your Chamber	20
Chittagong Chamber Of Commerce & Industry	
Article of the Month	22
Dodd-Frank Wall Street Reform and Consumer Protection Act	
CSR Activities	23
Appointments	23
MTB News and Events	24

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FINANCE AND ECONOMY

ICC REVISES TRADE TERMS

International Chamber of Commerce (ICC) has unveiled the latest changes to its internationally recognised trade terms, Incoterms 2010, recently. The rules will come into effect from January next year, the chamber said in a statement. First created by ICC in 1936, these rules, international commercial terms or Incoterms rules, are a series of international sales terms, published by the chamber and widely used in international commercial transactions. "Before ICC developed the Incoterms rules, the different terms were often subject to varying interpretations in different countries, often giving a rise to disputes and litigation," said ICC Chairman Rajat Gupta. "Today the Incoterms rules for the usage of terms such as Ex Works [EXW], Free on Board [FOB], Cost and Freight [CFR] and Cost, Insurance and Freight [CIF] are part of the recognised canon defining the responsibilities of buyers and sellers in transactions for the sale of goods worldwide." The number of rules has been reduced from 13 to 11 and two new rules have been created: Delivered at Terminal (DAT) and Delivered At Place (DAP), the Paris based chamber said. "The latest version also features guidance notes at the beginning of each of the rules to help clearly steer the user to the correct Incoterms rule," it added. ICC has a long history of developing the rules of practice for business, Gupta said. A launch conference for the new rules will take place at ICC's international headquarters in Paris on Monday. A series of master-classes will follow on October 28-29 and November 29-30, with another in 2011 on January 31 - February 1. (Sept 21, The Daily Star)

GOOGLE TO START TV SERVICE IN US

Google Inc will launch its service to bring the Web to TV screens in the United States this autumn and worldwide next year, its chief executive said, as it extends its reach from the desktop to the living room. CEO Eric Schmidt said the service, which will allow full Internet browsing via the television, would be free. "We will work with content providers, but it is very unlikely that we will get into actual content production," Schmidt told journalists after a keynote speech to the IFA consumer electronics trade fair in Berlin. (Sept 09, The Daily Star)

MICROSOFT LAUNCHES ADVERTISING PLATFORM IN CHINA

Microsoft has launched an advertising platform in China in an attempt to grab market share from rival Google, which has been wrangling with Beijing over censorship, state media said Wednesday. The US Internet titan's ad Center will target Chinese exporters wanting to advertise overseas, said Anderson Liu, general manager of Microsoft's domestic joint venture MSN China. "It's time to join the market and let Chinese advertisers have more choices," Liu was quoted by the China Daily as saying. Ad Center helps businesses place advertisements online such as on Microsoft's Bing search engine. Microsoft hopes revenue from the pay-per-click ads will account for half of MSN China's business in the future, Liu said, without providing further details. (Sept 02, The Daily Star)

SAMSUNG RAISES 2010 SMARTPHONE SALES TARGET

Samsung Electronics Co Ltd, the world's second-biggest maker of mobile phones, expects to sell up to 25 million Smartphones this year, exceeding its earlier target, the company said on Friday. JK Shin, head of Samsung's Mobile Communications division, was quoted as saying at the IFA trade show in Berlin that its 2010 Smartphone sales would be far higher than its original target of 18 million units, due to the popularity of its Android-based Galaxy S model. "Our

Smartphone shipments will easily surpass 20 million units this year, thanks to strong sales of recently released Galaxy S ... We expect the number could rise to as high as 25 million this year," Shin was quoted as saying by news provider EDaily. (Sept 06, The Daily Star)

SUZUKI TO BUILD NEW AUTO PLANT IN INDIA

TOKYO, Sept 5 (AFP): Japan's top minicar maker Suzuki Motor Corp. is to build a new auto assembly plant near the Indian capital New Delhi in a bid to meet growing demand in the country, a newspaper reported today. Maruti Suzuki India Ltd., a local subsidiary of Suzuki, plans to construct the new plant in Manesar near its assembly base, with operation scheduled to begin in 2013, the Nikkei business daily said, quoting company sources. The plant, its third in Manesar, will be built at a cost of 30 billion yen (356 million dollars) with an annual capacity of 250,000 vehicles, boosting Suzuki's annual production in India to 1.7 million units, the daily said. Suzuki, one of the earliest foreign entrants into India's auto market, has built a dominant position there, boasting a market share of nearly 50 per cent, the newspaper said. Suzuki in 2007 launched an assembly plant in Manesar with an annual capacity of 300,000 vehicles. It is now building its second factory on the same site, with an annual capacity set for 250,000 units. The second plant is not scheduled to come on stream until spring 2012, but surging demand in India prompted Suzuki managers to order a third site ahead of the launch of the second, the paper said. (Sept 06, The Daily Star)

SAMSUNG TAKES AIM AT APPLE'S IPAD, ITUNES

South Korea's Samsung took aim at Apple's iPad and iTunes on Friday with the US launch of its new Galaxy tablet computer and an online entertainment hub for movies and television shows. Samsung said US wireless carriers AT&T, Sprint, T-Mobile and Verizon will sell the Galaxy Tab, which was unveiled at the IFA electronics trade fair in Berlin, Germany, in early September. Samsung said the Galaxy Tab would be available in the United States in the "coming months" but did not provide pricing details of the touchscreen device seen as its answer to the iPad. The South Korean electronics giant said the Galaxy Tab will offer access to "Media Hub," a new content service at Samsung.com. MTV Networks, NBC Universal and Paramount are among the partners in Media Hub, which Samsung said will offer a "robust library" of movies, including new release films, next day television episodes and full TV show seasons. Movies and TV shows can be rented or purchased and shared with up to five devices including Galaxy S smartphones, Samsung said. (Sept 19, 2010)

TOYOTA TO LAUNCH SIX NEW HYBRIDS BY END OF 2012

The world's top automaker Toyota Motor plans to launch six new hybrid models by the end of 2012, a spokesman for the company said Tuesday, as competition to build greener cars heats up. The six planned models will expand Toyota's hybrid-engine range of vehicles that run on gasoline and electricity at a time when rivals such as Nissan are developing all-electric vehicles. The Wall Street Journal, citing a Toyota official in Detroit, said that the six new hybrids would include two luxury brand Lexus vehicles and four Toyota models. Some will be hybrid models only -- like the Prius -- while others will also have a gasoline-engine variant, the report said. All of the hybrids will be new and not next-generation versions of existing models. Toyota's Prius hybrid has been a success for the carmaker, particularly in Japan where the compact vehicle has topped the country's best-seller list since May 2009. (Sept 15, The Daily Star)

JAPAN TO PRODUCE FIBRE-OPTIC CABLES IN CHINA

TOKYO, Sept 19 (AFP): Japan's Sumitomo Electric Industries will begin fully integrated production of fibre-optic cables in



China this month to capitalise on booming demand in the country, a press report said Friday. Major Japanese and US



makers have been reluctant to produce glass base materials, a key fibre optic material, in China to prevent technology drain, the Japanese business daily Nikkei said; But the attitude appears to be changing as China accounts for about 50 per cent of global demand for fibre-optic cables and the share is expected to expand, the daily said. Sumitomo Electric has established a new factory in Hangzhou, in eastern China's Yangtze River Delta region, and will start mass-production of base materials by the end of this month, the daily said. A joint venture with Futong Group, a major Chinese optical cable maker, will run the facility, it added. In 2009, Sumitomo Electric controlled 14 per cent of the global market, the second-largest share. The planned production increase will bring its market share close to 20 per cent for the top maker, Corning of the United States, Nikkei said. Extremely transparent glass is needed to make glass base materials used in fibre-optics so they can transmit light without loss, the daily said. As sophisticated technology is required, only a few companies, including Japanese makers Sumitomo Electric, Fujikura, Furukawa Electric and Hitachi Cable as well as Corning, can make the materials, Nikkei said. (Sept 20, The Financial Express)

INDIA'S 2.0PC ANNUAL MILK PRODUCTION LOSS DUE TO GLOBAL WARMING

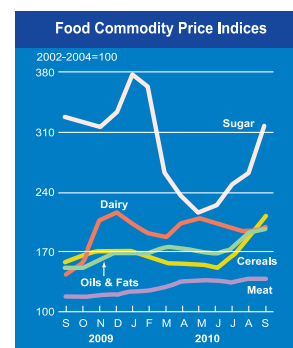
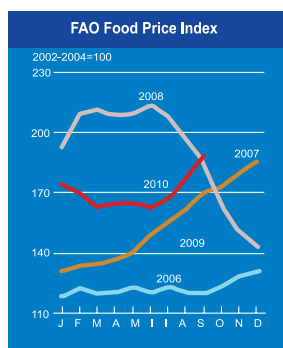
NEW DELHI, Sept 26 (PTI): India is currently losing nearly two per cent of the total milk production, amounting to a whopping over Rs 26.61 billion due to rise in heat stress among cattle and buffaloes because of the global warming. "The estimated annual loss at present due to heat stress among cattle and buffaloes at the all-India level is 1.8 million tonnes, that is nearly two per cent of the total milk production in the country," said RC Upadhaya, Principal Scientist, Animal Physiology at National Dairy Research Institute (NDRI). India produced about 110 million tonnes of milk last year. In monetary terms, the loss amounts to a whopping Rs 26.62 billion a year, Upadhaya said. Animal stress level is calculated on the basis of fluctuation in temperature and humidity and is measured using temperature humidity index (THI). The mounting temperature negatively impacts growth and time to attain puberty of livestock species, he said, adding reproductive efficiency of livestock was also negatively influenced by the high ambient temperature. While high THI index had UP, the largest producer of milk in the country, lose 25.4 million tonnes a year, Tamil Nadu was losing 23.8 million tonnes followed by Rajasthan, Bihar, Gujarat, Andhra Pradesh and Haryana, he said. Similar research works on the subject in the USA, Brazil, Germany, France, UK and Australia have also pointed to similar results, the NDRI scientist said. The findings are a part of the two ongoing research projects, funded by the Union government, he said. (Sept 27, The Financial Express)

HUAWEI TEAMS UP WITH BRITISH TELECOM

Huawei, a telecom network solutions provider, has said it has strengthened its strategic partnership with British Telecommunication (BT) to give a fast broadband network to households in the UK. The company will provide a number of access products to support BT's Openreach division in deployment of the company's new national fibre network, according to a press statement. BT is a leading provider of communication solutions and services and operates in more than 170 countries. Its principal activities include the provision of networked IT services globally. BT plans to spend an extra £1 billion on its next-generation broadband network to bring fast broadband to two-thirds of UK households by 2015. Huawei said its fibre access network solution is based on an open and unified platform, enabling Openreach to significantly reduce operation and maintenance costs. Steve Robertson, Openreach CEO, said: "BT and Huawei have had a strong relationship for several years. We are pleased to extend this further by choosing Huawei as one of our strategic partners to help us deploy next-generation access on a national scale as part of BT's £2.5 billion investment in fibre technology." "Huawei's cutting-edge optical access and transmission technology will provide our CP customers with the ability to offer more diversified high-bandwidth services and an improved broadband experience to their customers." "We are proud to contribute to the construction of BT's pan-UK fibre deployment," said Chengdong Yu, president of Huawei Europe. "Huawei has extensive experience in designing and delivering optical access solutions around the world and we will apply this experience together with our strong innovation abilities, to collaborate with BT." In the year to March 31, BT Group's revenue was £20,911 million. (Sept 27, The Daily Star)

UN HOLDS KEY MEETING ON FOOD PRICE CONCERNS

The UN's Food and Agriculture Organization (FAO) organised an extraordinary meeting in Rome sparked by global fears about high food prices, according to a BBC report. Friday's meeting was to include Russian grain executives. Moscow banned exports after its harvest was hit by drought. Flooding in Pakistan and China has added to pressure on the market. Price rises have already sparked riots in Mozambique and are prompting fears of a massive price spike similar to that of



2007-8. The FAO is not calling this a crisis summit, eager to steady nerves after the Russian grain export ban, says the BBC's international development correspondent David Loyn. The UN agency has stressed that the current situation is very different to the food crisis two years ago. Prices are currently lower, production levels higher and stocks more abundant than during the 2007-8 period. However, experts in Rome will try to find a way to restore stability and head off another price spike, which caused riots across the world two years ago. Global grain prices remain at a two-year high and are still rising.



Rising incomes in developing countries have also boosted demands for meat. Top FAO officials describe prices as stubbornly high and say the financial crisis is straining the ability of the poor to cope. The agency also warns that prices in future are likely to be more volatile. Officials say governments should consider more regulation of food markets and maintaining emergency stocks. The FAO's own monthly index of food prices has risen by 25% since early last year. The UN said of the meeting: "Delegates will share information on recent market instability and examine the role of market information and transparency for crops such as grains and rice." Rises will be felt more keenly in developing countries, where food makes up a bigger proportion of household spending. (Sept 25, The Financial Express)

POLITICS

US MUSLIM SUMMIT PLANNED OVER ISLAMIC CENTRE

A proposed Islamic centre near ground zero is slowly being embraced by some Muslims who initially were indifferent about the plan, partly in response to a sense that their faith is under attack. A summit of US Muslim organisations is planned for yesterday and today in New York City to address both the project and a rise in anti-Muslim sentiments and rhetoric that has accompanied the nationwide debate over the project. It has yet to be seen whether the groups will emerge with a firm stand on the proposed community centre, dubbed Park51. The primary purpose of the meeting is to talk about ways to combat religious bigotry. But Shaik Ubaid of the Islamic Leadership Council of Metropolitan New York, one of the groups organizing the gathering, said he has a growing sense that some American Muslims who initially had trepidation are now throwing their support behind the plan. "Once it became a rallying cry for extremists, we had no choice but to stand with Feisal Rauf," he said, referring to the New York City imam who has been leading the drive for the centre. Groups scheduled to participate in the summit include the Islamic Society of North America, the Islamic Circle of North America, the Muslim Alliance of North America and the Council on American-Islamic Relations. (Sept 19, The Daily Star)

SERIOUS CONCERN' OVER FRAUD AT AFGHAN ELECTIONS

KABUL, Sept 20 (AP): The main Afghan election observer group Monday said it had serious concerns about the legitimacy of this weekend's parliamentary vote because of reported fraud, even as President Hamid Karzai commended the balloting as a solid success. The conflicting statements underscored the difficulty of determining the credibility of the vote also hit by militant attacks that hurt the turnout. Afghan officials started gathering and tallying results Sunday in a process that could last weeks if not months. The country's international backers praised those who voted Saturday despite bomb and rocket attacks and voiced hopes for a democratic result. A repeat of the pervasive fraud that tainted a presidential election a year ago would only erode further the standing of Karzai administration - both at home and abroad - as it struggles against a Taliban insurgency. While the first vote counts are due to be made public in a few days time, full preliminary results are not expected until early October, and then there will be weeks of fraud investigations before winners are officially announced for the 249 parliamentary seats, which were contested by about 2,500 candidates. The election commission has said it hopes to release final results by the end of October. But there are likely to be a host of fraud complaints in each province - which could drag the process beyond that target date. The resolution of last year's vote took months. On Sunday, the independent Free and Fair Elections

Foundation of Afghanistan said it "has serious concerns about the quality of elections," given the insecurity and numerous complaints of fraud. FEFA deployed about 7,000 people around the country, making it the largest observer of the parliamentary vote. (Sept 21, The Financial Express)

CHINA-RUSSIA TIES SEALED BY BLOOD, SAYS MEDVEDEV

DALIAN, China, Sept 26 (AFP): Russian President Dmitry Medvedev arrived in northeast China for an official visit Sunday saying that Moscow's ties with Beijing were 'sealed by blood' spilled fighting a common enemy. Medvedev kicked off a three-day visit to the world's second biggest economy by visiting the former Russian city of Dalian and paying respects to fallen Russian soldiers who died defending the port from Japanese invaders. "Friendship with China is Russia's strategic choice, it's a choice that was sealed by blood years ago," Medvedev told Russian and Chinese war veterans. "The friendship between Russian and Chinese people cemented by the military events will be indestructible and do well for our future generations." For Russia and China, the memory of those events is sacred." Before meeting the veterans and Li Min, the 73-year-old daughter of Chinese revolutionary leader Mao Zedong, the Kremlin chief laid flowers at the monument commemorating the Russian-Japanese war of 1904-05 and World War II. Accompanied by top energy officials and business tycoons, Medvedev is slated to meet Chinese President Hu Jintao in Beijing on Monday and oversee the signing of a raft of agreements including Russia has been in talks with China, the world's largest energy consumer, over gas deliveries. Moscow, which has been watching China's formidable economic growth with a mixture of awe and unease, is also eager to attract more Chinese investment. Relations between Moscow and Beijing - once bitter foes during the Cold War - have a turbulent history. (Sept 27, The Financial Express)

MYANMAR TELLS UN BODY IT WILL NEVER SEEK ATOM BOMBS

VIENNA, Sept 23 (Reuters): Myanmar told the UN nuclear watchdog Thursday that allegations it was trying to develop atomic bombs were unfounded and that its nuclear activities had solely peaceful ends. A Norwegian-based exile group said in June that Myanmar had a secret programme dedicated to acquiring nuclear weapons capability, following up on similar allegations by defectors from the reclusive, military-ruled country. The International Atomic Energy Agency (IAEA) said at the time it was looking into the report. Myanmar is a member of both the nuclear Non-Proliferation Treaty (NPT) and the Vienna-based UN agency, now holding its annual 151-nation assembly. "There have been unfounded allegations reported by international media...that Myanmar is attempting to develop a nuclear weapon programme," the head of the country's delegation, U Tin Win, said in a speech to the IAEA General Conference. "We would like to reiterate that the applications of nuclear science and technology in Myanmar are only for peaceful developmental purposes and Myanmar will never engage in activities related to the production and proliferation of nuclear weapons," the Myanmar chief delegate said. In June, an exiled anti-government group said it had carried out an investigation indicating that Myanmar's military junta is pursuing a clandestine nuclear weapons programme. The five-year inquiry by the Norway-based Democratic Voice of Burma (DVB) concluded that Myanmar, formerly Burma, was a long way from producing a nuclear weapon but had gone to great lengths to acquire the technology and expertise to do so. If true, it would be the first Southeast Asian country with nuclear arms aspirations and alter the strategic landscape of a fast-growing region whose big countries - from Indonesia to the Philippines and Thailand - are closely allied with Washington.



The DVB report cited a U.S. nuclear scientist assessing evidence provided by Sai Thein Win, a Burmese defense engineer. He said he had defected after working in factories built to develop weapons of mass destruction. Last year, Washington offered Myanmar a fresh start toward improving long-strained relations.



But U.S. officials have been disappointed by the junta's refusal to budge on key sticking points involving democratic reforms, as well as growing disquiet over its nuclear stance. Last October, Myanmar's foreign minister told his Japanese counterpart that his

country was seeking Russian nuclear expertise, but only for civilian atomic energy for its people. The isolated, impoverished country has been under Western sanctions for two decades and analysts say a nuclearized Myanmar could trigger an arms race in the region. U.S. Secretary of State Hillary Clinton said at a security forum in Thailand last year she was concerned about the possible transfer of nuclear technology to Myanmar from North Korea, which has left the NPT and tested two nuclear devices. (Sept 24, The Financial Express)

Russian and Chinese people cemented by the military events will be indestructible and do well for our future generations."For Russia and China, the memory of those events is sacred." Before meeting the veterans and Li Min, the 73-year-old daughter of Chinese r evolutionary leader Mao Zedong, the Kremlin chief laid flowers at the monument commemorating the Russian-Japanese war of 1904-05 and World War II. Accompanied by top energy officials and business tycoons, Medvedev is slated to meet Chinese President Hu Jintao in Beijing on Monday and oversee the signing of a raft of agreements including Russia has been in talks with China, the world's largest energy consumer, over gas deliveries. Moscow, which has been watching China's formidable economic growth with a mixture of awe and unease, is also eager to attract more Chinese investment. Relations between Moscow and Beijing -- once bitter foes during the Cold War -- have a turbulent history. (Sept 27, The Financial Express)

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INTERNATIONAL CAPITAL MARKETS

SELECTED GLOBAL INDICES

Global Indices Round-up

World stock indices showed a positive change from the month of August to the month of September, 2010, though it was a negative growth between July to August, 2010, only one month back. Growth of indices during the month of September reflects a positive growth even with a comparison with the indices of July too.

Global stocks rallied and the dollar slid on Friday as U.S. and German data lifted spirits while a housing report bolstered speculation the Federal Reserve will boost money supply to aid the struggling economy.

U.S. oil futures prices climbed above \$76 a barrel, buoyed by growing expectations that the Fed will pump another round of billions of dollars into the economy to encourage growth.

The Dow Jones industrial average .DJI gained 197.84 points, or 1.86 percent, to end unofficially at 10,860.26. The Standard & Poor's 500 Index .SPX climbed 23.84 points, or 2.12 percent, to finish unofficially at 1,148.67. The Nasdaq Composite Index .IXIC jumped 54.14 points, or 2.33 percent, to close unofficially at 2,381.22. For the week, the Dow was up 2.4 percent, while the S&P 500 was up 2.1 percent and the Nasdaq was up 2.8 percent.

The market shook off the summer doldrums last month, breaking out of a stubborn trading range and giving investors the second-best September on record with a gain of 8.8 percent on the S&P 500. It also racked up its best quarter in a year.

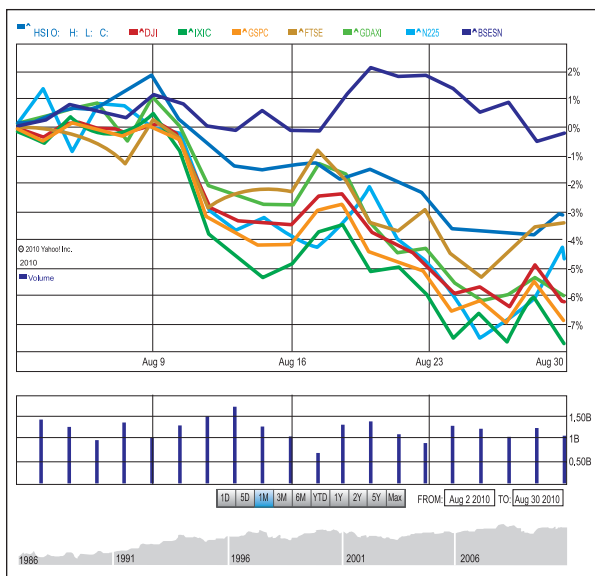
As the bulls and bears keep fighting over the stock market's direction, technical indicators have become more widely scrutinized. The S&P 500 has been bouncing between the 1,140 and 1,150 levels, but has fallen back from the top end of that range in the past six sessions. While analysts have attributed some of September's move to "performance chasing," where gains beget more gains, O'Rourke thinks the

real action might not happen until the fourth quarter. "I view it more as a lot of people were sitting out the volatility, waiting for a trend to emerge," O'Rourke said. "If you get that breakout above 1,150 and it looks like it's a real breakout, that will give people confidence that a real trend has emerged to the upside." History is on the market's side. A strong September usually portends a positive October and fourth quarter, according to Birinyi Associates Inc. When September rises 5 percent or more, October is up, on average, 1 percent, according to data from Birinyi. Only in one occurrence following that type of September gain did the fourth quarter deliver a negative result, which happened in 1939.

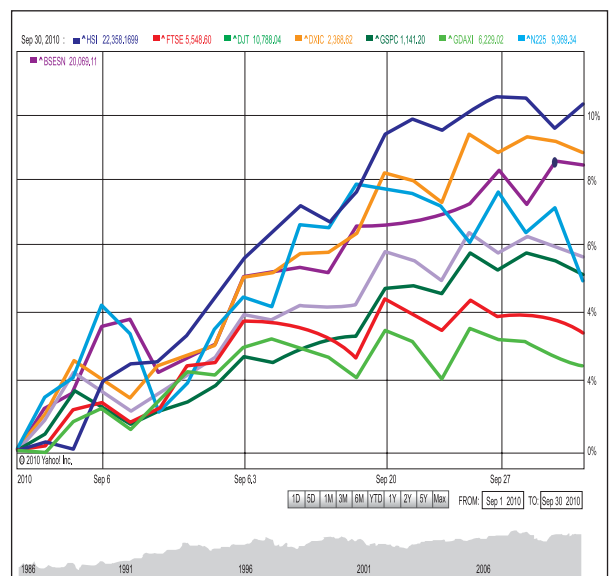
INTERNATIONAL MARKET MOVEMENTS

INDEX	VALUE (As of Sep 30, 2010)	1 MONTH AGO (As of Aug 31, 2010)	CHANGE	% CHANGE
DJIA	10788.05	10009.73	778.32	7.8%
S&P 500	1141.2	1049.33	91.87	8.8%
NASDAQ	2368.62	2114.03	254.59	12.0%
FTSE 100	5548.6	5225.2	323.4	6.2%
DAX	6229.02	5925.22	303.8	5.1%
NIKKEI 225	9369.35	8824.06	545.29	6.2%
BSE SENSEX	20069.12	17971.12	2098	11.7%
HANG SENG	22358.17	20737.22	1620.95	7.8%

August 2010 ↓



September 2010 ↑



INTERNATIONAL ECONOMIC FORECASTS



WELLS FARGO SECURITIES ECONOMICS GROUP™ REPORT

U.S. OVERVIEW

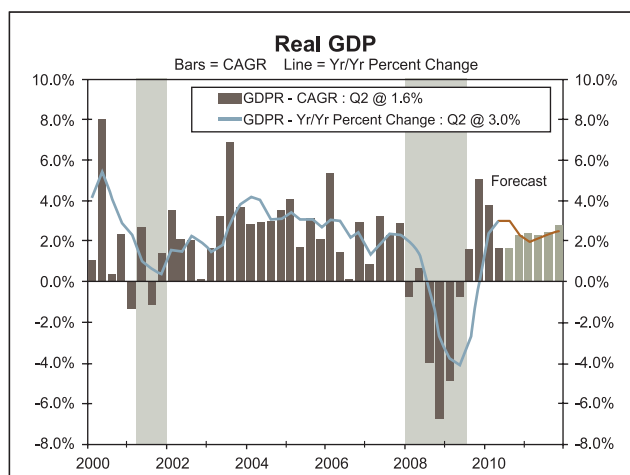
Fears of a Double Dip Subside

The U.S. economy is proving more resilient than many had feared, even following the massive downward revision to second-quarter real GDP to just a 1.6 percent pace. Worries that real GDP growth would slow even further and possibly slip into negative territory have subsided now that much of the July and early August data show modest economic gains. Moreover, private final demand actually looks a bit stronger and should grow enough to offset the winding down of various stimulus programs and inventory rebuilding.

Business fixed investment rose solidly during the second quarter and is maintaining positive momentum into the current period. Consumer spending is also stronger than earlier thought, with growth for the second quarter revised up and modest gains in July. The saving rate was also revised higher.

We have never been in the double-dip camp but have repeatedly warned the risks would increase when the drivers of economic growth shifted from government spending and inventory rebuilding to private final demand. The increased risks of a double-dip should prompt additional monetary and fiscal stimulus, not because the economy is backsliding but rather because the consequences of a second economic slump would be so costly to counteract.

Our current forecast has the economy expanding at a 1.6 percent annual rate during the third quarter and gradually accelerating over the course of 2011. Inflation should continue to moderate, providing the Fed a free hand to act as it sees fit.



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

Slower Growth Seems Certain, but Not a Double Dip

The midsummer slide in economic activity and expectations for future growth appear to have subsided following a round of better-than-expected reports on manufacturing activity and employment. We have long felt that the risks of a double-dip recession would rise in the summer, reflecting the winding down of various economic stimulus programs and inventory rebuilding. The odds of outright contraction in the economy, however, remain relatively low but are still high enough that additional monetary and fiscal stimulus is likely forthcoming.

Fears about a double dip took off in early August, when it

INTERNATIONAL OVERVIEW

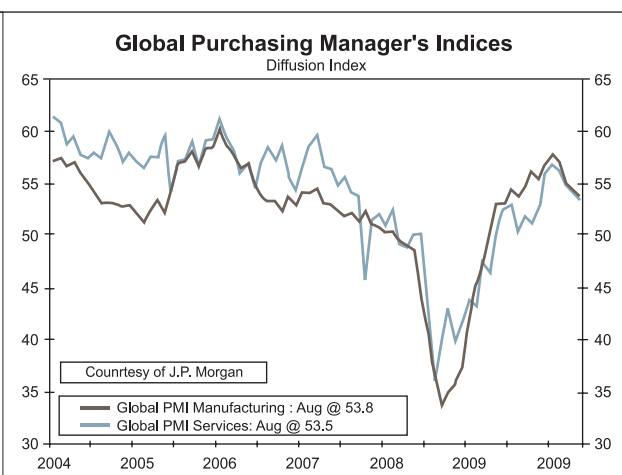
The Global Economy Is Slowing but Still Expanding

With truly self-sustaining recoveries not yet under way in some major economies, talk of double-dip recessions in those countries is not idle chatter. Although our forecast does not call for another downturn in Japan, the probability of a double-dip recession there is not insignificant. However, the Japanese economy will probably continue to grow, albeit slowly, as long as economic growth in Asia remains buoyant.

Despite strong GDP growth in the second quarter, Europe is not completely out of the woods yet, especially with significant fiscal retrenchment ahead. However, the labor market appears to have stabilized, which should help to shore up growth in consumer spending over the next few quarters. Although it is a close call, we believe that Western Europe will manage to avoid a renewed downturn.

Most countries in Latin America are enjoying strong rates of economic growth at present, and we believe that the risk of recession in the region is rather low. Most Latin economies did not become overly leveraged during the previous expansion, which precludes the hangover of excessive debt and burst asset bubbles.

Likewise, most Asian economies did not incur excessive debt during the past decade. Banking systems in the region are not impaired, and credit is flowing freely. Although most Asian economies will slow from very rapid growth rates posted earlier this year, a regionwide downturn does not seem very likely in the foreseeable future.



became evident that the initially reported 2.4 percent gain in real GDP for the second quarter would be revised sharply lower. An unexpected jump in weekly first-time unemployment claims, back up to 500,000, along with some weakness in factory orders and reports of slower economic growth in many developed countries poured fuel on the fire, sending stock prices lower and helping drive the yield on the 10-year Treasury note well below 3 percent. Despite all this negativity, we still believe the odds of an actual contraction remain relatively low. What seems more certain is economic growth will remain unusually sluggish well into next year, which makes the economy vulnerable to some sort of exogenous shock. Absent that, growth should continue.



Our own forecast has consistently called for economic growth well below that of the consensus, and we have made only slight changes to our outlook for the next six quarters. Real GDP is expected to rise 2.7 percent in 2010 and just 2.2 percent in 2011. This is the virtually the same forecast we had during the spring, so the summer lull in activity comes as little surprise.

Ironically, we now feel much of the recent analysis on the economy is too negative and ignores the modest improvement that has occurred over the past year. Corporate balance sheets are in much better shape, and more firms are now able to expand their operations. Business investment is growing solidly, yet unspectacularly. Balance sheets of most of the nation's major financial institutions are also greatly improved and credit is flowing more freely. Finally, household balance sheets are mending, with the saving rate rising 2.0 percentage points over the past two years to 5.9 percent.

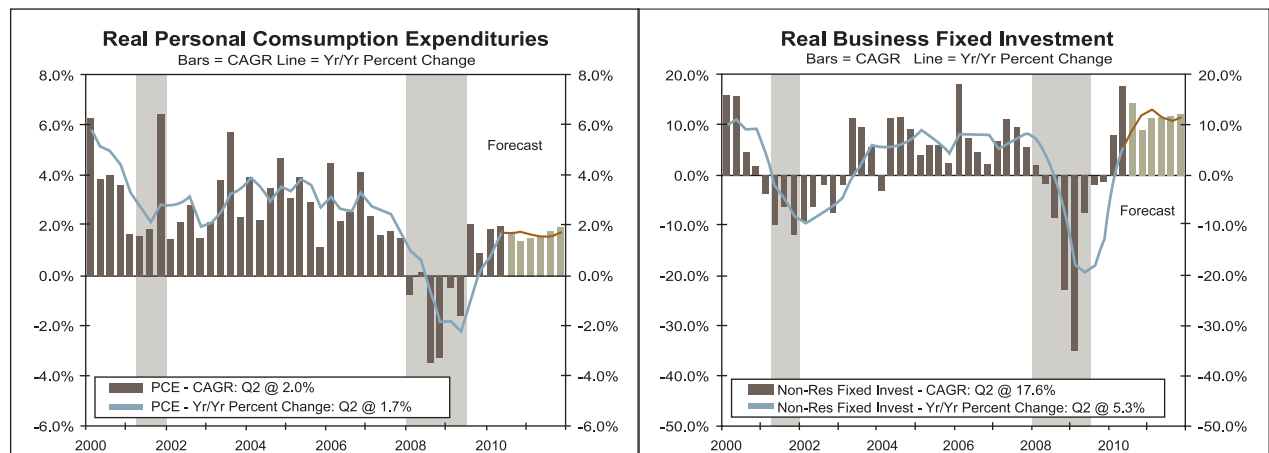
While some progress has been made, the economy still faces huge challenges. Household still faces further deleveraging and housing remains one of the biggest problem areas. Sales and new home construction will have to endure several lean months of penance for the sales that were pulled forward by tax credits. Foreclosures remain high and prices are likely to fall further in

coming months as distressed transactions account for a larger portion of overall sales. Residential construction is set to tumble at a 30 percent pace in the third quarter.

Commercial real estate is another trouble spot, with rising delinquency rates on commercial real estate loans, falling property prices, and a slew of delinquent construction and development loans weighing on investors and smaller banks.

One of the biggest immediate challenges, however, is the large number of jobs lost during the recession and the high unemployment rate sustained over the past two years. The unemployment rate rose to 9.6 percent in August and is expected to rise further in September. The private sector is slowly adding jobs again, having added 763,000 jobs over the past eight months. The pace of growth is only producing modest income gains and is unlikely to spark a resurgence in consumer spending, particularly with unemployment so high and state and local government still slashing so many jobs.

With growth proceeding ever so modestly, inflation is expected to moderate during the second half of the year, with the core CPI trending down toward zero and the core PCE deflator decelerating toward 1 percent.



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

The Global Economy Is Slowing but Still Expanding

A few weeks ago, the possibility of a double-dip recession in the United States seemed to be on everyone's mind. Recent data, including stronger-than-expected outturns for the ISM manufacturing index and the August employment report have many investors breathing easier, at least for now. And on a global scale there is little evidence yet to suggest that another downturn is imminent. As shown on the front page, "global" purchasing managers' indices remained in expansion territory in August. However, with expansions in some major economies not truly self-sustaining yet, talk of double dips are not just idles chatter. Are there any foreign economies that could experience another downturn within the next few quarters?

Japan would be high on the list of double-dip candidates. In the second quarter, Japanese real GDP barely grew as growth in domestic demand stalled (bottom left chart). However, as long as other Asian economies continue to grow solidly, which we discuss in more detail below, it seems likely that Japan will avoid, albeit barely, another downturn. (For further reading, see our recent special report on the Japanese economy, which is posted on our website.)

The probability of a double-dip recession is not insignificant in

Western Europe either. Although real GDP in both the Eurozone and the United Kingdom grew at a solid rate in the second quarter-3.9 percent at an annualized rate in the former and 4.9 percent in the latter-we look for slower growth over the next few quarters. For starters, inventories likely will not boost growth in Western Europe as much in the next quarter or two as they did in the second quarter. Moreover, fiscal tightening in the United Kingdom and some highly indebted countries in the euro area will exert powerful headwinds on economic growth in those nations over the next year or two.

Although Germany should continue to fare rather well, especially if, as we expect, the global recovery remains intact, countries like Greece, Portugal and Spain probably will have some rough sledding ahead. That said, labor markets in Europe have stabilized, which should help to underpin growth in consumer spending over the next few quarters. (Real personal consumption expenditures in the euro area grew at an annualized rate of 1.9 percent in the second quarter.)

In our view, the probability of a generalized downturn in Latin America in the foreseeable future is rather low. Indeed, most Latin economies are posting strong growth rates at present. In Peru, real GDP rose 12 percent in the second quarter on a year

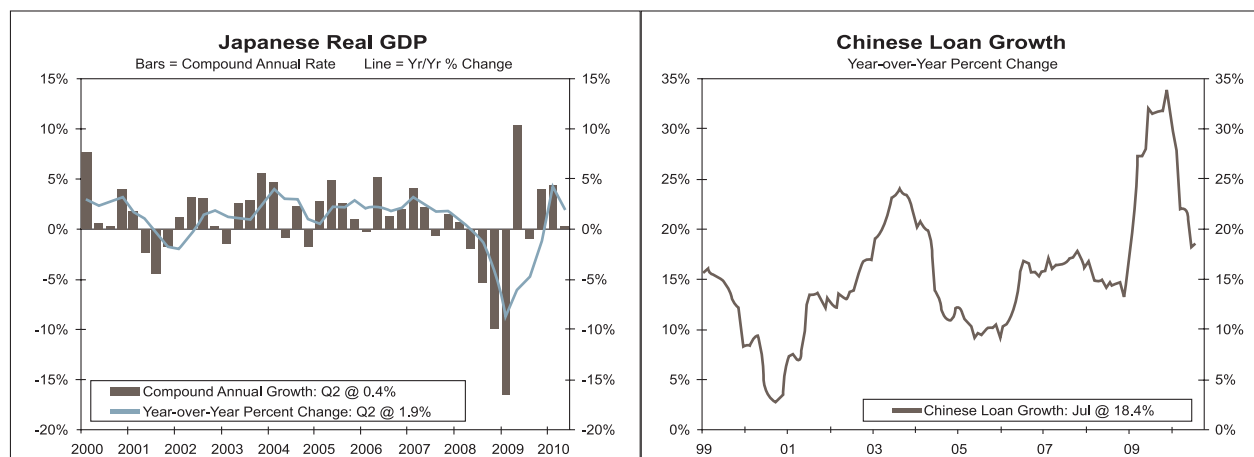


-ago basis, and the Brazilian economy expanded nearly 9 percent, the strongest year-over-year growth rate in 15 years. Argentina and Chile also posted solid growth rates in the second quarter. Like most Asian economies, Latin countries were not overly leveraged coming into the 2008 global financial crisis. Consequently, Latin America generally does not have the burden of working through the aftermath of previous borrowing binges and burst asset bubbles that are exerting headwinds on growth in some major economies (e.g., the United States, the United Kingdom and Spain).

Finally, the probability of a serious downturn in Asia appears to be remote at present. Yes, a slowdown is underway in Asia. For example, the year-over-year growth rate in China downshifted

from 11.9 percent in the first quarter of 2010 to 10.3 percent in the second quarter. That said, negative GDP growth on a sequential basis, much less on a year-ago basis, does not seem very likely. Banking systems in Asia are not seriously impaired at present, and lending is flowing.

Speaking of lending, Chinese authorities directed banks earlier this year to slow down the rampant rate of loan growth. However, signs of slower economic growth and benign inflation have reduced the imperative for further tightening, and there is some evidence to suggest that loan growth may be stabilizing (bottom right chart). Therefore, we look for the Chinese economy to continue to expand at a solid rate, albeit not at the breakneck speed that it achieved earlier this year.



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

Wells Fargo International Economic Forecast

(Year-over-Year Percent Change)

	GDP			CPI		
	2009	2010	2011	2009	2010	2011
Global (PPP weights)	-0.7%	4.6%	3.9%	2.8%	4.1%	3.7%
Global (Market Exchange Rates)	-1.9%	3.4%	2.7%	n/a	n/a	n/a
Advanced Economies¹	-3.4%	2.6%	2.1%	-0.3%	1.2%	0.9%
United States	-2.6%	2.7%	2.2%	-0.3%	1.4%	1.0%
Eurozone	-4.0%	1.6%	1.6%	0.3%	1.4%	1.1%
United Kingdom	-4.9%	1.5%	1.8%	2.2%	3.0%	2.0%
Japan	-5.2%	2.7%	1.3%	-1.3%	-1.0%	-0.8%
Korea	0.2%	6.6%	3.7%	2.8%	2.6%	2.8%
Canada	-2.5%	3.1%	2.6%	0.3%	1.7%	2.0%
Developing Economies¹	2.7%	7.0%	6.1%	6.5%	7.6%	7.0%
China	8.9%	9.9%	8.8%	-0.7%	3.0%	2.8%
India	7.4%	8.5%	7.5%	11.4%	12.6%	8.3%
Mexico	-6.5%	5.0%	3.6%	5.3%	4.0%	3.9%
Brazil	-0.2%	7.4%	6.3%	4.9%	5.0%	5.0%
Russia	-8.3%	3.8%	4.0%	11.8%	7.0%	9.3%

Forecast as of: September 8th, 2010

¹Aggregated Using PPP Weights

Wells Fargo International Interest Rate Forecast

(End of Quarter Rates)

	3-Month LIBOR						10-Year Bond					
	2010		2011				2010		2011			
	Q3	Q4	Q1	Q2	Q3	Q4	Q3	Q4	Q1	Q2	Q3	Q4
U.S.	0.30%	0.40%	0.40%	0.40%	0.40%	0.65%	2.50%	2.60%	2.70%	2.80%	3.10%	3.30%
Japan	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	1.10%	1.10%	1.15%	1.20%	1.25%	1.25%
Euroland	0.80%	0.80%	0.90%	1.00%	1.15%	1.40%	2.40%	2.50%	2.60%	2.80%	3.30%	3.60%
U.K.	0.75%	0.75%	0.75%	0.80%	1.25%	1.75%	3.10%	3.25%	3.40%	3.75%	4.00%	4.20%
Canada	1.15%	1.15%	1.15%	1.25%	2.00%	2.75%	3.00%	3.10%	3.25%	3.50%	3.80%	4.10%

Forecast as of: September 8th, 2010



FINANCE AND ECONOMY

ADB GRANTS \$100M LOAN FOR INDO-BANGLA POWER LINE

The Asian Development Bank (ADB) Tuesday approved US\$100 million loan for Bangladesh to install Indo-Bangla cross-border power transmission line in a bid to import electricity, officials said. The Manila-based lender said its board of directors approved the loan for the Bangladesh-India 40-kilometre power grid installation project. The government in early August completed negotiations for getting the loan. Bangladesh will install the 400-kilovolt cross-border power transmission line, investing Tk 10.40 billion (\$150 million) by June 2012. Power Division officials said the state-owned Power Grid Company of Bangladesh Ltd (PGCB) has already undertaken the project to build the line having the capacity of exchanging 500-megawatt electricity between the two nations. About 100-kilometre cross-border power grid would connect Bangladesh's western Bheramara and India's eastern Baharampur in West Bengal. The PGCB would install nearly 40-km grid from Bheramara to the border point, and the rest 60-km portion from the border point to Baharampur would be installed by the Power Grid Corporation of India Ltd (PGCI) by its own fund. Bangladesh Power Development Board (PDB) and PGCI on July 26 signed a 35-year power transmission agreement to import 500-mw electricity, starting from late 2012. The agreement keeps the provision for Bangladesh to export power to India in the future, and the transmission system will have the capacity to exchange 500-mw of power soon after the system is launched. The project marks a new era in energy cooperation in South Asia, and is likely to herald further power trading agreements, resulting to more effective use of energy resources in the region, said Sultan Hafeez Rahman, director general of ADB's South Asia Department. "Connecting of the two grids demonstrates substantial economic benefits that come from enhanced regional cooperation, helping to address energy gaps across the region," he added. The ADB's \$100 million loan has a 32-year repayment period including a grace period of eight years, with 1.0 per cent interest per annum during the grace period and 1.5 per cent for the rest of the term. (Sept 1, Financial Express)

GLOBAL PRICE SURGE OF COTTON HITS LOCAL KNITWEAR SECTOR

Knitwear sector has started to feel the bite of the recent price surge of cotton as costing of its products is shooting up due to higher yarn price. The price of yarn per kilogram (kg) increased by about 10 per cent in a month following a steep rise in prices of raw cotton and its short supplies in the international market. The price hike in the international cotton market compelled the local textile mills to charge higher prices than before as mill-owners shifted a large part of the burden on account of increased cotton prices onto the domestic users of yarn in the local knitwear as well as readymade garment (RMG) sector. But the yarn users alleged domestic price-hike is comparatively higher than that of the international market. "Yarn prices have shown an upward trend and today (Thursday) the millers ask over \$4.0 per kg which was in the range between \$3.6 and \$3.7 a month back," First vice president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Habibur Rahman told the FE. Knitwear manufacturers face difficulties in negotiating any hike in the price of the finished products with foreign buyers and if the upward trend continues, it will have a negative impact on the sector, he said. Mr Habib alleged that textile millers used higher international cotton prices and its short supplies as well as energy crisis as the excuses for charging exorbitant prices. "Some millers are also hoarding yarn to sell in higher price in the future," he further alleged. However, the local textile mill owners did not agree with the contention that they were taking any undue advantage of the overheated raw cotton market in the overseas. One such source

claimed it is difficult for most other industrial operators to assess the impact of the heavy cost-push factors, relating to procurement of raw cotton under the given international market conditions. The total annual yarn consumption in the overall knitwear and garments sector is between 1.2 million and 1.4 million tonnes and 20 per cent of it is imported. Local manufacturers mostly produce low cost knitwear and other garment products including basic T-shirts, and the cost of yarn account for about 50 to 60 per cent of their total costing. Mr. Habib of BKMEA stated they buy yarn through letters of credit to get cash incentive facility. Meanwhile, Bangladesh Textiles Mills Association (BTMA) chairman Abdul Hai Sarkar said they are compelled to hike the price as the raw material prices increased in the international market. "We used to buy cotton at 60 US cents per pound but it has now shot up to \$1.2 now," he said. A kg consists of 2.2 pounds and a manufacturer can produce 800 to 850 grams of yarn from one kg of cotton. The yarn price was about \$2.5 per kg in September last year but it has increased by 50 per cent so far this year, Mr Hai said. "Local price will fluctuate according to the that of the international market but it is likely that the price will continue to rise," he said. It is a normal phenomenon that demand falls due to price-hike but if the local knitwear and readymade garments manufacturers get enough foreign orders, the demand is likely to remain constant, he hoped. Bangladesh procures cotton from India, the US, the Commonwealth Independent States (CIS) and West African countries. The South Asian nations already stopped exporting the primary product since April. "The cotton export ban by India is scheduled to be withdrawn on October 1 but the Indian government has extended the deadline by 10 more days," Mr Hai said. About 30 per cent of the annual total cotton procurement at about 4.5 million bales comes from India and if the export ban continues, it will push the price up, he feared. A bale consists of 480 pounds. Floods in Pakistan is one of the major reasons of the price-hike in the international market as the country has lost 25 to 30 per cent of its cotton production due to the natural disaster, the BTMA chairman said. There are about 360 textile mills in the country employing about a million people. Out of the mills, about 250 are export-oriented ones and the sector involves an estimated investment of about Tk 350 billion to Tk 400 billion. The overall garments industry, the biggest export sector in the country, earned about \$12.5 billion in the last fiscal. Woven sector earned \$6.01 billion and knitwear sector earned \$6.48 billion in the 2009-10 fiscal. (Sept 17, Financial Express)

PHOENIX FINANCE WINS INT'L AWARD

Phoenix Finance & Investments Limited has been awarded with the International Star Award for Quality (ISAQ) in the Gold Category from Madrid-based Business Initiative Directions (BID). Phoenix Finance bagged the award for its commitment to excellence, innovation, customer satisfaction, technology, leadership and strategic planning. BID is currently the most important private organization in the world, which has been presenting awards to companies all over the world for achievement in quality and excellence for the last 24 years. The BID World Congress selected companies from 118 countries and on the basis of ISAQ regulations and criteria of the QC100 Total Quality Management Model. The award recognizes the commitment that the Phoenix Finance made with quality, commitment to excellence, innovation, customer satisfaction, technology, leadership and strategic planning. BID President and CEO Jose E Prieto handed over the award to Mr. Deen Mohammad, Chairman and Mr. S.M. Intekhab Alam, Managing





Director of Phoenix Finance & Investments Ltd. at the BID International Star Award for Quality Convention held in Geneva, Switzerland recently. The coveted Gold Award, which represents success for Bangladesh in business world, will enhance the opportunity for Phoenix Finance to improve its position both nationally and internationally. (Sept 17, Financial Express)

TO ACHIEVE TARGET BB FOR BOOSTING FRESH FARM LOAN DISBURSEMENT

The central bank will ask eight government-owned banks and financial institutions to intensify disbursement of fresh farm loans aiming to achieve the overall target by the end of this fiscal year. The banks and financial institutions will be advised to ensure the quality of credit through strengthening monitoring across the country, officials said. Bangladesh Bank (BB) will give the instructions at a review meeting with the banks and financial institutions, scheduled to be held in the central bank on September 23 next. The eight state-owned banks and financial institutions are: Sonali Bank Limited, Janata Bank Limited, Agrani Bank Limited, Rupali Bank Limited, Bangladesh Krishi Bank (BKB), Rajshahi Krishi Unnayan Bank (RAKUB), Bangladesh Rural Development Board (BRDB) and Bangladesh Samabaya Bank Limited (BSBL). Besides, the central bank will sit with senior officials of the local and foreign commercial banks in the last week of October to review the overall agriculture loans disbursement and recovery situation. "We're working continuously to achieve the agriculture loan disbursement target by the end of this fiscal year," a BB senior official told the FE Sunday, adding that the central bank advises the banks to disburse the farm credit emphasizing productive sectors including crop cultivation. Agricultural credit disbursements recorded a growth of 35.73 per cent in the first month of the current fiscal year, the central bank officials said. In July 2010, all banks and financial institutions disbursed Tk 8.76 billion compared to Tk 6.45 billion of the same periods of the previous fiscal, according to the central bank statistics. The recovery of farm loans, however, came down to Tk 14.19 billion during the period under review from Tk 14.74 billion of the corresponding period of the previous fiscal. The position of overdue agricultural credit improved, decreasing from 34.57 per cent at the end of July, 2009 to 29.57 per cent at the end of July, 2010, according to the BB Major Economic Indicators: Monthly Update for August 2010. On July 21 this year, the central bank announced an agriculture credit policy and programme with a disbursement target of Tk 126.17 billion for the fiscal 2010-11, projecting a 9.6 per cent growth over that of the previous fiscal. (Sept 20, Financial Express)

PUBALI BANK SIGNS DEAL WITH PWC

An agreement was signed between Pubali Bank Limited and PriceWaterhouseCooper Pvt Ltd for testing/evaluating Pubali Integrated Banking System (PIBS) at the Bank's head office in the city recently, said a press release. Mohammad Ali, general manager and chief technical officer (CTO) of IT Division of Pubali Bank Limited and Pradip Bhowmick, executive director of PricewaterhouseCooper Pvt Ltd signed the agreement on behalf



of their respective organisations at a simple ceremony. Helal Ahmed Chowdhury, managing director of Pubali Bank Limited was present on the occasion. The agreement will come into effect after being approved by regulatory

bodies including Bangladesh bank. In his speech Helal Ahmed Chowdhury said Pubali Bank is a bank that make 'Realtime Centralised Online Banking Software' by using its own manpower. As a part of this, a contract was signed between Pubali Bank Limited and PricewaterhouseCooper Pvt Ltd for

testing/evaluating Pubali Integrated Banking System (PIBS). He said, for smooth running of banking trend there is no alternative to implementation of online banking. He expressed the hope that through Online Banking Pubali Bank can provide innovative services through modern technologies throughout the country. Deputy managing directors Khurshid Ul Alam, M Mustafizur Rahman and Safiul Alam Khan Chowdhury, Sr Executives of Pubali Bank and other officials of both the organisation were also present at the agreement signing ceremony. (Sept 20, Financial Express)

BANGLADESH GETS UN AWARD

NEW YORK, Sept 20 (UNB): Bangladesh received a UN award for its remarkable achievements in attaining the Millennium Development Goals (MDGs) particularly in reducing child mortality.

Prime Minister Sheikh Hasina accepted the award at a colourful function at Astoria Hotel here Sunday. The award was conferred upon Bangladesh and five other countries a day ahead of the

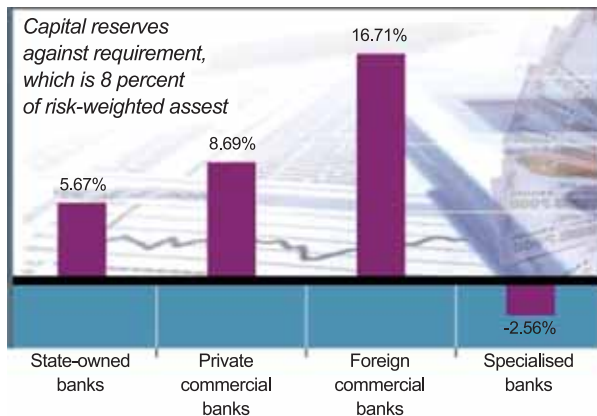


MDG conference on the sidelines of the 65th UN General Assembly. The award came 10 years after the general assembly of the global forum that had set the 8-point MDG at the UNGA session in 2000 which Hasina attended as the head of the government during her previous tenure as Premier. Briefing the reporters about the event, PM's Press Secretary Abul Kalam Azad said Bangladesh was given the award in recognition of the government of Sheikh Hasina's efforts in reducing child mortality by 50 per cent during the current tenure of her government. The award committee highly appreciated Hasina's personal leadership in spearheading a campaign in achieving the MDG goals. Speaking on the occasion, Hasina said the award will encourage Bangladesh in strengthening its efforts for achieving all the MDGs by 2015 despite the adverse impacts of the recent global economic crisis and climate change. She said she always considers children's welfare as very close to her heart. In this connection, she quoted Nobel Laureate poet Rabindranath Tagore as saying that 'every time a child is born, renews my faith that God has not given up on men'. "This gesture is particularly encouraging to us as we have been sparing no efforts in achieving all the MDGs by 2015 despite the adverse impacts of the recent global economic crisis, global warming and climate change," Hasina said, speaking briefly while receiving the award. The PM's Press Secretary said the annual MDG awards were intended to support and raise awareness about the UN development goals while the global forum had set a deadline of 15 years for the member nations to achieve those. The award giving ceremony came only few hours after Hasina reached in New York to join the UNGA. Finance Minister AMA Muhith, Planning Minister AK Khandker, Health and Family Welfare Minister AFM Ruhul Haque, Foreign Minister Dipu Moni and Azmina Siddique Rupanty, daughter of Sheikh Rehana, were present. (Sept 21, Financial Express)



TEN BANKS RUN CAPITAL DEFICIT

Ten banks failed to keep an acceptable level of capital till June 30 this year due to higher profit distribution compared to their earning and inefficient management. According to Bangladesh Bank (BB) statistics, three state-owned commercial banks, five private commercial banks (PCBs) and two specialized banks ran short of capital to meet the target set by the central bank. However, no foreign banks have any such shortfall. A BB official told The Daily Star that the banks were given two to three months time to raise their capital to the acceptable level, and were warned of punishment in case of failure. The BB rules made it mandatory for the banks to preserve minimum 8 percent of their risk-weighted assets by June 30, 2010. The central bank has also given a guideline to the banks to increase further their capital in phases in line with Basel II, the revised international capital and risk framework. The minimum amount to keep has been set at 9 percent of their weighted assets till June 30, 2011, and 10 percent onwards. On June 30 this year, the minimum requirement for capital preservation for all types of banks was Tk 31,809 crore. But at that time, the banks had Tk 30,704 crore or 7.91 percent of their requirement, meaning the



overall banking sector had a total capital shortfall of Tk 1,065 crore. The BB official said, due to various reasons the banks could not preserve the required capital. The central bank in determining the risk factors has introduced two risks -- market risk and operating risk. Many banks at the time of profit distribution did not take the risk factor into consideration. On the other hand, some banks distributed more dividends to their shareholders than the profit they made. As a result, they could not preserve the required amount of capital. The BB high official said the banks were given a timeframe, and were warned that in case of their failure to reach the level in time, their rating will be brought down. The noncompliant banks will not be able to open any branch or exchange house abroad. They will also face restrictions in opening new branches at home. The state banks had asked the government to raise their capital and the government is going to take an initiative to raise capital by issuing bonds. The government has already decided to issue bonds to repay the default loans of two state banks. According to the BB statistics, the capital deficit of the state banks was Tk 1,915 crore. The amount of their preserved capital was Tk 4,649 crore against the minimum requirement of Tk 6,546 crore. The overall PCBs had no capital deficit; rather there was a surplus of Tk 1,649 crore. The BB official said, though five PCBs had capital deficit, many had surplus, which resulted in an overall surplus. In the specialised banks, the amount of capital deficit was Tk 2,634 crore. The foreign banks had a surplus of Tk 1,834 crore. (Sept 22, The Daily Star)

US DOLLAR GAINS FURTHER AGAINST BDT

The US dollar gained further against the local currency Monday

due to short supply of the greenback in the inter-bank foreign exchange market, officials said. The greenback gained against the local currency and rose to Tk 69.8300 - Tk 69.9000 on the day in inter-bank foreign exchange market. It was a rise by Tk 0.065 per unit from Sunday's high of Tk 69.7900 - Tk 69.8100. "The upward trend may continue this month following an increased demand for the US dollar to settle import payments," a senior treasury official of a commercial bank told the FE. He also said import pressures from both public and private sectors have increased recently to meet the growing demand of essential items including food grains and capital machinery. On the other hand, the inter-bank call money rate remained almost unchanged, ranging between 3.75 per cent and 5.50 per cent on the day, due to increased inflow of fund into the market. (Sept 28, Financial Express)

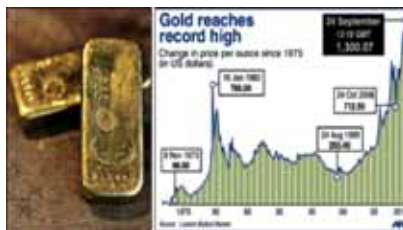
US CONGRESSIONAL GOLD MEDAL FOR DR YUNUS



The House of Representatives of the US Government unanimously passed the bill on September 23 to award Dr Muhammad Yunus the Congressional Gold Medal, says a press release. The Congressional Gold Medal is an award bestowed by the United States Congress and is, along with the Presidential Medal of Freedom and the Presidential Citizens' Medal the highest civilian award in the United States. Since the American Revolution,

Congress has commissioned gold medals as its highest expression of national appreciation for distinguished achievements and contributions. Each medal honours a particular individual, institution, or event. Democrat Senator Richard Durbin from Illinois and Republican Senator Robert Bennett from Utah introduced this in the Senate and Representatives Rush-Holt (D), John Carter (R) and Jim Moran (D) introduced the Bill in the House of Representatives. The bill was passed in 2009 in the Senate and the bill awarding Muhammad Yunus the Medal passed unanimously in the House of Representatives on September 23, 2010. 297 representatives co-sponsored the bill. The award ceremony of the Congressional Gold Medal to Muhammad Yunus will take place in early 2011. The award will be presented in a joint ceremony of the Senate and the House, in Rotunda of the House of Congress. Dr Muhammad Yunus will address the joint meeting on the occasion. (Sept 27, Financial Express)

BB GOLD VALUE JUMPS UP TK 100CR



The value of Bangladesh Bank's 10-tonne gold buy two weeks ago rose Tk 100 crore, or 3.7 percent as markets closed on Friday. "Gold has paid us in short

time," BB Governor Atiur Rahman told The Daily Star yesterday, though he has no plans to sell the gold for a quick profit. "Dividend yields are looking more attractive compared with the low interest rates on offer in US treasury bills and money markets." Gold, a haven for anxious investors, increased by more than 9 percent this month to breach \$1,300 per ounce on Friday. Gold has also risen due to the declining value of the US dollar. Bangladesh Bank purchased the gold from the International Monetary Fund on September 9 at \$1,252 per ounce, meaning that BB's profit reaches \$48 per ounce. At the end of Friday, BB's profits reached Tk 107 crore (\$15.3 million), equivalent to 11 percent of the central bank's tepid annual profit last year of Tk 948 crore. Although different central banks in the world, including



South Asian ones, have a strong percentage of their reserves in gold, Bangladesh was a US dollar-heavy. India has 7.5 percent of its reserves in gold; Pakistan 15.8 percent; 22 percent for Sri Lanka, according to BB statistics. Most developed countries have portion of their reserves in gold: ranging from the USA's 68.7 percent to Germany's 64 percent, Italy's 63.4 percent, France's 64 percent and the UK's 15.2 percent. "We had no such investment in gold," said Rahman, adding that large purchases require lead time -- during the period of rising prices. "It took me nearly six months to do it." Bangladesh's investment in gold was at 1.3 percent just before the recent purchase. With the buy, BB's exposure to gold rose to 5.5 percent. The gold is deposited with the Bank of England. The central bank governor is not complacent: "Risks are there as it is with other investment. If the gold price goes down we will lose." Rahman adds that the move reduces the risk of holding foreign currencies. Bangladesh's foreign exchange reserve is still nearly 60 percent tied to the US dollar amount, followed by around 20 percent in euros. BB officials said foreign currency reserve has reached nearly \$11 billion, but profits have plummeted in the last two years due to falling currency prices in the global recession. (Sept 27, The Daily Star)

INDIA'S POULTRY GIANT SETS FOOT IN BANGLADESH

Indian poultry giant Venkateshwara Hatcheries Group, which began its operations in Bangladesh yesterday, looks to bring in state-of-the-art technology to the poultry sector here. The \$650 million conglomerate, which claims to be the largest fully integrated poultry group in Asia, says the company plans to replicate its Indian success through revolutionising the poultry sector in Bangladesh. "Our aim is to bring the state-of-the-art technologies of poultry farming to the doorsteps of the common rural farmers of Bangladesh," said VH Group's Joint Managing Director B Venkatesh Rao in his speech. The three-decade-old company, which boasts an 85 percent share of India's poultry market, will produce broiler and layer feeds under the brand name 'Venky's', through Uttara Foods and Feeds Private Ltd, one of its major concerns. The corporate giant launched its operation through a ceremony at Bangabandhu International Conference Centre in Dhaka. The colourful event was attended by famous Indian actor Sanjay Dutt and Australian cricket star Brett Lee, among many other eminent personalities. Fisheries and Livestock Minister Md Abdul Latif Biswas attended the ceremony as the chief guest, while senior officials from the company were present at the event. Speaking on the occasion, Biswas came down hard on traders who are

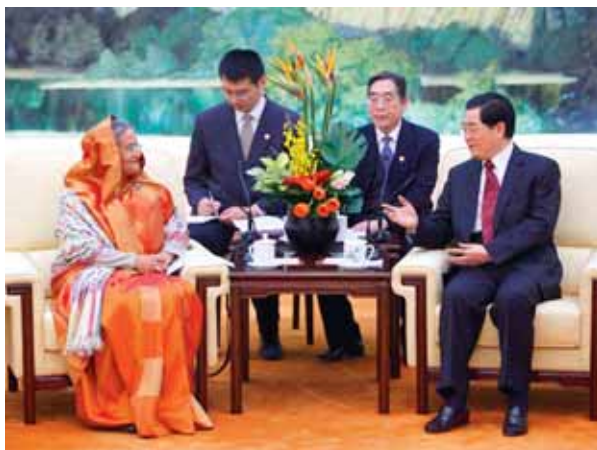


deliberately trying to manipulate the prices of poultry products in the market. "Although the government has fixed the prices of major poultry products in a bid to check the price spiral, it is frustrating that some traders are defying the directive," the

minister said. While the fisheries and livestock ministry has set the maximum prices of one-day broiler and layer chick at Tk 30 and Tk 32 respectively, some poultry dealers are selling them at prices as high as Tk 90 to Tk 100, he said. Highlighting the important role of the poultry industry in the economy, the minister said the sector has created employments for around 2.5 million people while contributing to poverty alleviation nationally. "As a whole, the livestock sector has generated indirect employment opportunities for 20 percent of the population while creating indirect employment for around 50 percent," he said. Though poultry is a major source of nutrition, a huge gap remains between the demand and supply of poultry products in the country, he said. (Sept 27, The Daily Star)

POLITICS

CHINA TO BACK INVESTMENT IN BANGLADESH



Chinese government is encouraging its entrepreneurs to invest in Bangladesh to improve bilateral trade and business relations between the two countries. Addressing the inaugural function of the Bangladesh's "National Day" at the Shanghai Expo 2010, Chinese Vice Minister for Foreign Affairs Song Tao said his government is aware about the huge trade gap with Bangladesh, which is expected to reduce in favour of Bangladesh with increasing investment from China gradually. Commerce Minister Faruk Khan, who flew to Shanghai to attend the special day for Bangladesh, told the minister that the Chinese businessmen would get all support from the government to make their investment profitable. Currently, Bangladesh has a huge trade gap with China as the country import capital machinery, electronics, buses and other home ware while export garment, frozen foods, yarn and some other commodity products. Both Khan and Tao hoped that the export from Bangladesh to China would increase voluminously in near future as China already offered Bangladesh duty-free access for hundreds of products while Chinese investment in Bangladesh is increasing gradually. Referring to the Prime Minister Sheikh Hasina's visit to China early this year, Tao said the visit had created a greater scope for strengthening bilateral relations between the two countries. China, he said, is keen to share experiences in three major areas including politics, culture and security. Commerce Minister Faruk Khan said the government has ensured a right environment for foreign investors and offered them attractive incentive packages. The financial discipline, he said, has also improved significantly and the country has been rated Ba3 by Moody's and BB- by Standard and Poor. These ratings make Bangladesh a safe destination for foreign direct investments (FDIs), the minister said. (Sept 21, Bangladesh Today)



DOMESTIC CAPITAL MARKETS REVIEW

CAPITAL MARKETS - DSE

(For the weeks September 26 to September 30, 2010)

Weekly Summary

Daily Average Turnover in mn BDT	22,014.697
Total Turnover Volume	511,600,659
Daily Average Volume	102,320,132
Total Howla	1,366,039
Daily Average Howla.	273,208
Weighted Avg. Price Earning Ratio	26.39

Category-wise Turnover

Group	Turnover Value (BDT mil.)	% of Total
A	10479.2668	95.20%
B	386.3890	0.35%
G	0	0.00%
N	3554.3850	3.23%
Z	1340.0730	1.22%

Scrp Performance in the Week

Advanced	152
Declined	112
Unchanged	1
Not Traded	11
Total Traded Issues	276

Top 10 Gainers of the week (by closing Price of all Companies)

Names	Category	% of Change	Deviation % (High & Low)	Turnover BDT	Daily Avg. turnover
Imam Button	A	37.42	30.00	8,492,000	1,698,400
Meghna Cement	A	32.54	33.44	2,544,444,000	508,888,800
Monno Ceramic	A	31.91	34.17	12,450,000	2,490,000
Ambee Pharma	A	31.29	43.83	35,829,000	7,165,800
Green Delta Insurance	A	30.14	32.44	1,091,904,000	218,380,800
R.N. Spinning Mills Limited	A	24.14	29.41	2,732,512,000	546,502,400
Confidence Cement	A	22.20	25.97	2,329,524,000	465,904,800
BGIC	A	22.05	25.45	1,280,449,000	256,089,800
Monno Stafflers	A	21.80	15.27	300,000	60,000
Apex Spinning	A	21.04	23.30	74,523,000	14,904,600

Top 10 Companies (by Turnover for this Week)

Names	Category	Turnover in BDT	Turnover in Volume	% of Total TRN	% of Change
Peoples Leasing & Fin Services	A	4,928,619,000	24,290,800	4.48	16.45
Prime Finance	A	3,866,039,000	8,209,650	3.51	1.49
BSRM Steels Limited	A	3,535,187,000	1,491,600	3.21	9.72
Lankabangla Finance Com	A	3,044,003,000	5,830,500	2.77	(1.56)
BEXIMCO	A	2,940,152,000	9,240,500	2.67	(0.82)
Titas Gas	A	2,892,831,000	2,638,450	2.63	2.75
DESCO	A	2,733,628,000	936,650	2.48	15.17
R.N. Spinning Mills Limited	A	2,732,512,000	27,223,250	2.48	24.14
Meghna Cement	A	2,544,444,000	6,663,900	2.31	32.54
Fareast Islami Life	A	2,525,747,000	5,803,600	2.29	10.42
Total		31,743,162,000	92,328,900	28.84	

Top 10 Loser of the week (by closing Price of all Companies)

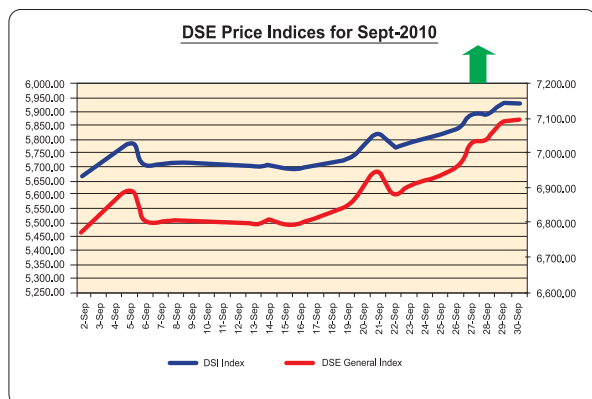
Names	Category	% of Change	Deviation % (High & Low)	Turnover BDT	Daily Avg. turnover
Samata Leather	Z	(23.99)	48.02	3,554,000	710,800
Quasem Silk	Z	(20.39)	32.61	2,422,000	484,400
Shaympur Sugar	Z	(16.52)	25.81	4,574,000	914,800
Renwick Jaineswar	Z	(14.50)	16.38	6,342,000	1,268,400
Desh Garments	B	(13.48)	20.00	4,548,000	909,600
Zeal Bangla Sugar	Z	(12.99)	20.00	5,858,000	1,171,600
1st BSRS	A	(12.38)	13.92	103,710,000	20,742,000
H.R Textile	A	(11.44)	16.28	36,591,000	7,318,200
Safko Spinnings	Z	(11.07)	29.70	10,244,000	2,048,800
Phoenix Finance 1st Mutual Fund	A	(10.64)	12.00	35,641,000	7,128,200

parliamentary standing committee on finance has counseled SEC not to do frequent market interruption. Bank-the most promising sector in terms of P/E ratio was least desired by the investors. While textile, paper, NBF and trism recorded plentiful return even after having weak underlying fundamentals.

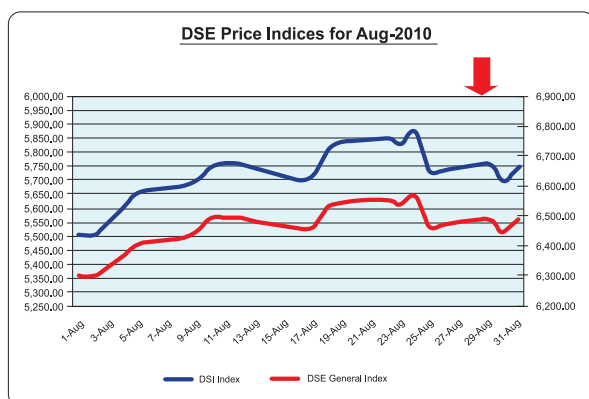
DSE General Index reached at 6904.08 rose by 106.61 points or 1.57% from the previous week. Total turnover reached at Tk91553.43m with 89.23% increase from the last week's Tk48381.05m. On the other hand, market capital rose by 1.41% and stood at Tk2620.46b (\$37.60b) at the weekend against Tk2583.92b. DSE-20 has moved upward by 138.17 points (3.49%) and closed at 4096.84 points against 3958.68 points. Last week weighted average Market PE was 25.93 which was 0.08% lower than previous week's 25.91. During the week, DSE General Price Index was above of both 9 and 18-day moving average line. (16 Sept to 23 Sept 2010). Source: AIMS Bangladesh.

The market has already escaped from the fright of NAV based margin calculation system. So regulators trial to slow down the speedy motion of the bourse remained somewhat unsuccessful. In first three days market posted growth in each aspect. Then after SEC's confirmation on residing on the loan issue the pace slowed for a while, but evoked on the very next day. Finally DSE published the margin maintenance figures on Thursday, shows loan eligibility of 129 shares. The

Average Monthly Trend



Average Monthly Trend





CAPITAL MARKETS - CSE

(For the weeks September 26 to September 30, 2010)

Weekly Summary

Total Turnover in (BDT mill.)	9250.5406
Volume of Share (Nos):	57,606,757.00
Total Contact(Nos)	183,202
Total Scrip Traded	216

Category-wise Turnover

Group	Turnover Value (BDT mil.)	% of Total
A	8376.5301	90.45%
B	45.8406	0.49%
N	631.2741	6.82%
Z	196.8959	2.13%

Scrip Performance in the Week

Advanced	122
Declined	90
Unchanged	3
Total Traded Issues	216

Top 10 Gainers of the week (by closing Price of all Companies)

Scrip ID	Scrip Name	Category	Week Difference	Opening	Closing	Turnover BD BDT (mill.)
11003	Green Delta Ins.	A	24.60	2,143.50	2,671.00	22.69
13007	Ambee Pharma	A	21.97	410.4	500.6	10.69
11010	BGIC	A	19.90	743.5	891.5	112.85
11028	City General Insurance Company Ltd.	A	19.61	897.5	1,073.50	10.88
11015	Eastland Insurance	A	19.53	1,079.00	1,289.75	11.42
12017	Alltex Ind.	Z	19.52	179.25	214.25	10.26
11035	Asia Insurance Ltd.	A	18.91	950.5	1,130.25	39.50
12025	Anlima Yam	Z	17.26	272.25	319.25	1.19
25016	Phoneix Finance & Investments	A	16.66	1,389.00	1,620.50	9.40
12004	Apex Spinning	A	15.96	939.75	1,089.75	.59

Top 10 Loser of the week (by closing Price of all Companies)

Scrip ID	Scrip Name	Category	Week Difference	Opening	Closing	Turnover BD BDT (mill.)
21028	Green Delta Ins.	A			11.6	12.50
32016	JAGO Corporation Ltd.	Z	-28.05	55.25	39.75	.14
17007	SAMATA Leather Complex	Z	-25.18	333.5	249.5	2.60
12015	Monno Fabrics	Z	-20.47	168.5	134	4.73
21009	1st BSRS MF	A	-18.03	2,101.00	1,722.00	1.33
12003	APEX Weaving	Z	-13.24	236	204.75	7.94
16001	AZIZ Pipe	Z	-13.20	530	460	.07
21008	8th ICB MF	A	-12.41	860	753.25	.11
21007	7TH ICB MF	A	-12.15	1,150.00	1010.25	.10

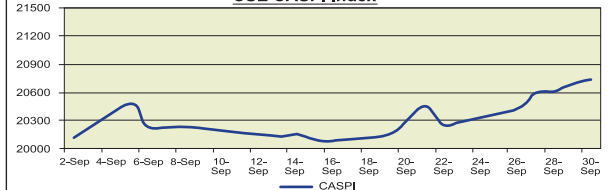
Top 10 Companies (by Turnover for this Week)

Scrip ID	Scrip Name	Turnover (BDT)	Volume
32003	Beximco	432,945,092.00	1,362,926
12011	Bextex Ltd	365,118,412.50	708,550
18007	United Airways (Bd) Ltd.	337,459,053.00	285,063
16023	Navana Cng Limited	321,719,780.00	1,598,841
20004	Summit Power Ltd.	314,517,985.00	667,460
16022	Bsm Steels Ltd	307,412,854.00	3,599,733
23006	R.A.K. Ceramics (Bangladesh)Ltd.	264,710,660.00	457,500
16004	Aftab Auto.	255,944,395.00	107,998
20009	Titas Gas Transmission And Distribution	248,642,925.00	226,450
12038	R.N.Spining Mills Ltd.	231,085,455.00	2,335,075

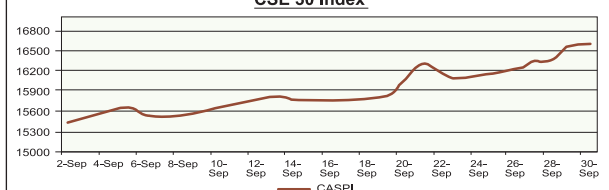
Top Ten Loser Companies by Closing Price

Scrip ID	Scrip Name	Turnover (BDT)	Volume
32003	Beximco	432,945,092.00	1,362,926
12011	Bextex Ltd	365,118,412.50	708,550
18007	United Airways (Bd) Ltd.	337,459,053.00	285,063
16023	Navana Cng Limited	321,719,780.00	1,598,841
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20009	Titas Gas Transmission And Distribution	248,642,925.00	226,450
12038	R.N.Spining Mills Ltd.	231,085,455.00	2,335,075

CSE CASPI Index



CSE 30 Index



MTB ভাগ্যবতী

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



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us



NATIONAL ECONOMIC INDICATORS

Total Tax Revenue

Total tax revenue collection during FY 2009 - 10 increased by Tk.9724.20 crore or 17.62 percent to Tk.64904.34 crore, against Tk.55180.15 crore during FY 2008 - 09. The NBR and Non-NBR tax revenue collection during FY 2009 - 10 were Tk.62112.10 crore and Tk.2792.24 crore respectively, against Tk.52527.25 crore and Tk.2652.90 crore respectively during FY 2008 - 09. NBR tax revenue collection in July, 2010 stood lower by Tk.4999.20 crore or 52.73 percent to Tk.4481.48 crore against Tk.9480.68 crore collected in June, 2010. However, NBR tax revenue collection stood higher by Tk.642.92 crore or 16.75 percent against collection of Tk.3838.56 crore in July, 2009. Target for NBR tax revenue collection for FY 2010-11 is fixed at Tk. 72584.00 crore.

Exports

Exports receipts in July, 2010 stood higher by US\$ 94.29 million or 5.47 percent at US\$1817.81 million compared to US\$1723.52 million in June, 2010 according to EPB data. This was also higher than US\$1438.18 million of July, 2009. The year-on-year growth stood at 26.40 percent in July FY11.

Import

Import payments in July, 2010 stood lower by US\$32.00 million or 1.45 percent to US\$2168.20 million, against US\$2200.20 million in June, 2010. However, this was higher by US\$ 441.80 million or 25.59 percent than US\$ 1726.40 million in July, 2009.

Remittances

Remittances receipts during July-August, 2010 decreased by US\$24.30 million or 1.33 percent to US\$ 1796.23 million against US\$1820.53 million during July-August, 2009.

Foreign Exchange Reserve (Gross)

Gross foreign exchange reserves of the BB stood higher at US\$10992.49 million (with ACU liability of US\$ 691.04 million) as of end August, 2010, against US\$10749.18 million (with ACU liability of US\$ 309.28 million) by end July, 2010. The gross foreign exchange reserves, without ACU liability is equivalent to

Bank Group	July 2010 (BDT in Crore)		August 2010 (BDT in Crore)	
	Total Liquid Asset	Excess Liquidity	Total Liquid Asset	Excess Liquidity
State Owned Banks	30151.30	13985.75	29317.83	12737.42
Private Banks	37148.27	10606.09	37048.26	9826.91
Private Islamic Banks	10201.48	4784.77	9443.82	3881.50
Foreign Banks	8375.44	3617.57	8059.39	3367.10
Specialised Banks	956.16	133.38	962.95	87.88
Total	86832.65	33127.56	84832.25	29900.81

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

Rate of Inflation on CPI for National (Base: 1995-96, 100)	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10
Point to Point Basis	3.46%	4.69%	4.60%	6.71%	7.24%	8.51%	8.99%	9.06%	8.78%	8.54%	8.65%	8.70%	7.26%
12 Month Average Basis	6.04%	5.60%	5.15%	5.11%	5.21%	5.42%	5.67%	5.95%	6.26%	6.51%	6.78%	7.31%	7.63%

Monthly Average Call Money Market Rates (wt avg)	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10
Highest Rate	10.00	3.50	12.00	7.00	8.75	8.50	8.25	7.75	6.50	7.65	13.50	13.50	12.00
Lowest Rate	0.05	0.10	0.10	0.25	2.00	2.50	2.50	2.00	2.00	2.15	2.45	2.45	2.50
Average Rate	1.07	0.74	4.47	2.80	4.35	5.04	4.83	4.51	3.51	4.35	5.07	5.07	6.36

import payments of 5.11 months according to imports of US\$ 2015.02 million per month based on the previous 12 months average (August, 2009-July, 2010). Gross foreign exchange balances held abroad by commercial banks stood lower at US\$ 545.19 million by end August, 2010 against US\$576.28 million by end July, 2010. However, this was higher than the balance of US\$463.58 million by end August, 2009.

Exchange Rate Movements

Exchange rate of Taka per US\$ increased to Tk.69.59 at the end of August, 2010 from Tk.69.45 at the end of June, 2010. Taka depreciated by 0.20 percent as of end August, 2010 over end June, 2010.

Investments in National Savings Certificates

Sales of NSD certificates in July, 2010 stood lower at Tk.1598.01 crore against Tk.1998.28 crore in July, 2009. Repayment of NSD certificates in July, 2010 also stood lower at Tk.973.74 crore against Tk.1083.70 crore in July, 2009.

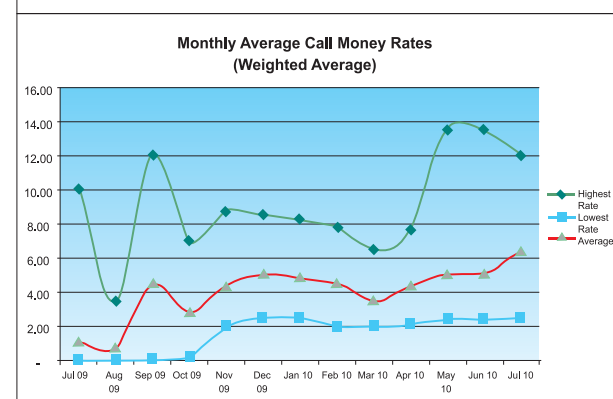
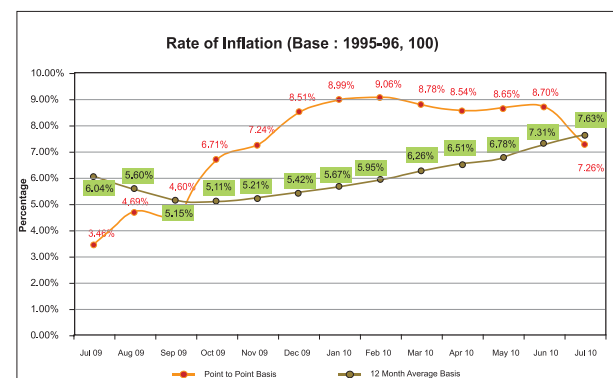
Net borrowing of the government through NSD certificates in July, 2010 was lower at Tk.624.27 crore against Tk.914.58 crore in July, 2009.

Outstanding borrowing of the government through NSD certificates as of end July, 2010 stood at Tk.62005.69 crore, recording an increase of Tk.11300.32 crore or 22.29 percent against Tk.50705.37 crore as of end July, 2009.

Liquidity position of the scheduled banks

Total liquid assets of the scheduled banks stood lower at Tk. 84832.25 crore as of end August, 2010, against Tk.87196.61 crore as of end June, 2010. Excess liquidity of the scheduled banks also stood lower at Tk.29900.81 crore as of end August, 2010, against Tk.34498.73 crore as of end June, 2010.

Scheduled banks holding of liquid assets as of June, 2010 in the form of cash in tills & balances with Sonali bank, balances with Bangladesh Bank and unencumbered approved securities are 5.72 percent, 31.22 percent and 63.06 percent respectively of total liquid assets.



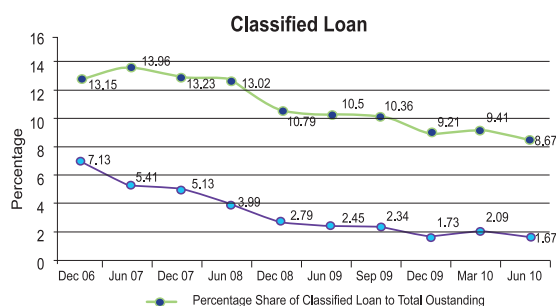
BANKING AND FINANCIAL INDICATORS



Classified Loans	Dec 06	Jun 07	Dec 07	Jun 08	Dec 08	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10
Percentage Share of Classified Loan to Total Outstanding	13.15	13.96	13.23	13.02	10.79	10.5	10.36	9.21	9.41	8.67
Percentage Share of Net Classified Loan	7.13	5.41	5.13	3.99	2.79	2.45	2.34	1.73	2.09	1.67

	Jul 09	Jun 10	Jul 10	Jul 10 to Jul 09	Percentage Change (%) FY 09-10	FY 08-09
Reserve Money (BDT crore)	67,709.50	80510.30	80857.30	19.42%	16.03%	31.45%
Broad Money (BDT crore)	298,095.40	363,031.20	364,383.10	22.24%	22.44%	19.17%
Net Credit to Government Sector (BDT crore)	57,825.20	54392.30	53971.50	-6.66%	-6.52%	24.04%
Credit to Other Public Sector (BDT crore)	12,777.00	15023.00	15093.50	18.13%	20.77%	6.94%
Credit to Private Sector (BDT crore)	219,572.40	270760.80	273906.70	2475.00%	2424.00%	1462.00%
Total Domestic Credit (BDT crore)	290,174.60	340176.10	342971.70	18.19%	17.89%	16.03%

	L/C Opening and Settlement Statement (USD million)				Percentage Change (%)	
	July-August 2009-10		July-August 2010-11		Year over year	
	Open	Sett.	Open	Sett.	Open	Sett.
Food Grains (Rice & Wheat)	259.85	47.37	458.13	233.44	76.31%	392.80%
Capital Machinery	290.66	227.97	573.06	280.61	97.16%	23.09%
Petroleum	360.97	236.53	412.02	353.08	14.14%	49.27%
Industrial Raw Materials	1,560.60	1,282.41	2,148.56	1830.56	37.68%	42.74%
Others	1,944.22	1,454.39	2,546.77	1806.42	30.99%	24.20%
Total	4,416.30	3,248.67	6,138.54	4,504.11	39.00%	38.64%



YEARLY INTEREST RATES

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

INTEREST RATE DEVELOPMENT *A

Period	Treasury Bills			BGTB				Repo	Rev. Repo	Call Rate	Lending Rate	Deposit Rate
	91-Day	182-Day	364-Day	5-Year	10-Year	15-Year	20-Year					
2008-09 *b												
July	7.78	8.01	8.51	10.6	11.72	12.14	13.06	8.5	6.5	8.27	13.01	7.31
August	....	....	....	10.6	11.72	12.14	13.07	8.5	6.5	9.88	13.31	7.30
September	7.81	8.06	8.53	10.6	11.72	12.14	13.07	8.75	6.5	9.89	12.62	8.04
October	7.87	8.08	8.56	10.6	11.72	12.14	13.04	8.75	6.5	7.64	13.42	8.14
November	7.91	8.12	8.57	10.6	11.72	12.14	13.04	8.75	6.75	7.56	13.24	8.15
December	7.91	8.16	8.58	10.6	11.72	12.14	13.02	8.75	6.75	10.42	13.51	7.90
January	7.93	8.16	8.59	10.6	11.72	12.14	13	8.75	6.75	9.82	13.33	8.00
February	....	8.16	8.6	10.6	11.72	12.14	12.99	8.75	6.75	9.25	13.47	8.16
March	....	8.16	8.6	10.6	11.72	12.14	12.98	8.5	6.5	8.31	13.62	7.91
April	6.53	7.48	8.31	9.97	11.68	11.79	11.48	....	....	1.95	13.53	8.17
May	3.97	5.43	6.16	10.01	10.22	10.57	11.09	....	....	3.28	13.77	8.27
June	3.54	4.24	5.96	9.21	10.05	10.09	10.07	....	....	1.79	13.46	8.26
2009-10 *c												
July	1.86	3.75	5.01	8.2	9.42	9.39	8.97	....	....	1.08	13.61	7.93
August	....	....	....	7.47	8.55	8.59	8.59	....	....	0.72	13.26	7.57
September	2.05	3.5	4.33	7.49	8.43	8.8	....	8.5	....	4.39	13.13	7.45
October	2.14	3.51	4.57	7.8	8.75	8.69	9.1	2.82	2.5	2.82	13.07	7.39
November	2.3	....	4.6	7.8	....	....	....	4.5	2.5	4.43	12.87	7.33
December	2.3	3.54	4.6	7.8	8.75	8.69	9.1	4.5	2.5	5.05	12.80	7.33
January	2.33	3.55	4.61	7.8	....	8.74	....	4.5	2.5	4.83	12.43	7.06
February	....	3.56	4.62	7.82	8.75	8.74	9.11	4.5	2.5	4.51	12.33	7.14
March	....	3.54	4.63	7.85	8.76	8.75	9.15	4.5	2.5	3.51	12.41	7.13
April	2.34	3.42	4.15	7.85	8.77	8.77	9.17	4.5	2.5	4.35	12.37	7.20
May	2.38	3.52	4.2	....	8.77	8.77	9.19	4.5	2.5	5.07	12.30	7.13
June	2.42	3.51	4.24	7.87	8.78	8.8	9.15	4.5	2.5	5.07	12.36	7.26
July	2.43	3.52	4.25	7.88	8.79	8.83	9.2	4.5	2.5	3.33	12.58	7.25
August	....	....	....	7.93	8.85	8.92	9.25	5.5	3.5	6.36	12.29	7.21

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



ENTERPRISE OF THE MONTH



Mr. Rishi Pardal
Managing Director
Marico Bangladesh Limited

ABOUT THE COMPANY

Marico Bangladesh Limited (MBL) holds a leadership position in the FMCG space. MBL is the subsidiary of Marico Limited, India (Marico). MBL's Products in Pure Coconut oil, Hair care and Skin Care reach out to more than 450,000 outlets in Bangladesh. MBL generated a turnover of about Tk. 2650 Million (about USD 38.4 Million) during 2007-08. MBL markets well-known brands such as Parachute, Aromatic, Camelia, Hair Code and Beliphool to name a few, most of which enjoy leadership positions (No. 1 in coconut oil segment), with significant market shares in respective categories.

MBL is a branded player in Beauty and Wellness solutions. The company's key management strategies are built around differentiation and a way of thinking called 'Uncommon Sense'. These form the strongest pillars of growth in all walks of MBL's business - be it a Line or a staff function, consumer centricity or pioneer ship.

Ranked 6th most trusted brand out 849 brands across the category by Bangladesh Brand Forum in 2008, Parachute holds 73% market share in coconut oil category. One in every three Bangladeshi is a MBL consumer, while over 9.25 Million consumer packs from Marico reach to consumers every month. Marico's focus on sustainable profitable growth is manifest through its consistent financial performance - a CAGR of 39% in Turnover and 24% in Profits over the past 5 years.

MBL has established its own factory, Corporate Office and depots around the country.

BUSINESS DIRECTION

- ◆ To improving the quality of people's lives in several parts of the world, through branded Beauty & Wellness products and solutions.
 - ◆ To offer brands that enhance the appeal and nourishment of hair and skin through distinctive products and services based on the goodness of coconut, other natural substances and the underlying science of hair care and skin care.
 - ◆ To make available brands that contribute to healthy living, through, both products drawn from agriculture offered in natural or processed forms, and services.
- To be a leader in each of our businesses through heightened sensitivity to consumer needs.

CSR ACTIVITIES

Since its inception in 1999 Marico Bangladesh had a keen orientation towards Corporate Social Responsibility. As a company still young, MBL engaged itself in several CSR activities across the country in different capacities, for example:

MBL Ties Up With The Metropolitan Police

MBL tied up with the Metropolitan Police to provide umbrellas as shelters for the Traffic Police in Dhaka & Chittagong. (July 2007)

Contribution to the Bangladesh Flood Victims

Marico supported the flood relief mission in 2007 by contributing BDT 1.1 million to the Chief Advisor's Relief Fund.

Contribution to Shorkari Shishu Poribar

Marico Bangladesh bestowed 300 packs of Parachute, Aromatic and Camelia to the children cared for at the 'Shorkari Shishu Poribar' under the ministry of Social Welfare, Government of Bangladesh.

Contribution Toward Sidr Affected

Marico Bangladesh and its members have donated quilts worth Tk 3 lac in Jhalokathi of Barisal Division.

BRANDS



Parachute is the undisputed leader in the branded coconut oil segment, commanding a market share of almost 73%. Recently awarded the 6th Best Brand in Bangladesh by Brand Forum, Parachute was also ranked the 3rd Best Brand amongst FMCG brands. Parachute has come a long way since its launch in Bangladesh in the late '90s and is today known to be a symbol of 100% purity. Saffola Gold has the unique composition of 80% Rice bran Oil and 20% Safflower/Kardi Oil.

AWARD & RECOGNITION

(01)	(02)	(03)
Parachute has been awarded as the 2nd Best Brand in Bangladesh Global Brand Forum and AC Nielsen (2009)	Marico Bangladesh received ISO 9001:2008 Certification	Parachute chosen as the 6th Most Trusted Brand in Bangladesh Global Brand Forum and AC Nielsen (2008)

SANJOG - A Women Empowerment Initiative

Started off as a pilot project, SANJOG is an initiative aimed at empowering rural women. Through this initiative, women pick up Marico product stocks from distributors and sell them in rural markets where there is a lack of distribution infrastructure, thereby creating employment.

FINANCIAL PERFORMANCE

Total Equity : BDT 1570.705 million
 Total Assets : BDT 2535.685 million
 Authorized Capital : BDT 400.0 million
 Paid-up Capital : BDT 315.0 million
 Net-Profit after Tax : BDT 261.7 (March 2010)
 Earnings per Share : BDT 8.31 (March 2010)

CORPORATE HEAD OFFICE

Marico Bangladesh Limited

Road: 01, Sector: 01, 4th Floor Uttara, Dhaka: 1230

Tel : +88(02)8931202, Fax : +88(02)8932322

Web Site: www.maricobd.com

FINANCIAL INSTITUTE OF THE MONTH



Mr. Feroz U. Haider
Chairman
GSP Finance Company (Bangladesh) Ltd.

About GSPB

A few entrepreneurs with the strategic vision to take up these challenges came forward to form gsp finance company (Bangladesh) Limited. Their goal was to provide financing and expertise and to become an industrial development partner with the People's Republic of Bangladesh.



It was born drawing on the age old experience rooted in the economic of the Far East' its expertise evolving and growing to adapt to current times and places.

Its vision was to work with its clients changing needs and provide accurate and useful advice for growth of the country:

Mission Statement

To be among the top rated financial institutions assisting in the industrial Development o Bangladesh by efficiently providing a wide range of financial products and services to clientele--



GSPB at a Glance
Started Commercial Operation in April 17, 1996
Started Merchant Banking operation on August 24, 1999
Total Assets as December 2009 was Tk. 2829.71 million
Number of Management Staff: 30

Number of Secretarial/Support Staff: 13
Auditors : Kazi Zahir Khan & Co.
Legal Advisor : Chowdhury & Heyder's

Strengths

- Paid Up Capital of Taka 226.27*
- Share Holders Equity 2009 Tk. 632.29.
- 74.97% Shareholding is foreign.
- Balanced percentage of lending exposures in diversified sectors and in quality business houses.
- Senior management from international banking background.
- Mid and junior management are professional or professionals in their own fields.
- Local management empowered by the Board of Directors to act independently.
- Foreign directors from financial centres of the Far East have vast experience in international finance and capable of rendering technical and financial support.

*This includes Bonus Shares of Tk. 10.28 million under process of approval by SEC.

Products & Service

Lease Finance for tax paying entity, an ideal way to reduce long term expenses. Expenditure on capital machinery is spread over a period of time to reduce immediate working capital constraints. In addition, monthly rentals for leased goods are shown as operating expenses' an off balance sheet item, in effect allowing the leased amount to be completely tax deductible. Term Loan for the conventional minded entity. We offer various term loans with attractive rates and flexible repayment options. Our customer oriented mindset and decentralized decision making process, render sanction time

for term loans significantly lower compared to high street commercial banks.

Bridge Finance is an effective vehicle to immediately capitalize on a purchase opportunity. It is a form of financing which is expected to be paid back within a short period of time, once the borrower obtains more permanent financing. Bridge loan financing is important for not missing opportunities when they may arise.

Loan Against Fixed Deposit makes the most use of your deposit by using it to meet your occasional and unexpected fund requirements. You may pledge deposits with other reputable banks & finance companies along with your deposit with us.

Bill Discounting to entrepreneurs is a good method of raising working capital by converting trade debts into cash. Facilitates further growth and improved cash flow management. The client may offer deferred maturity of payment to its buyers, and thus enhance competitiveness.

We have various Deposit Schemes for those who are seeking a guaranteed and constant return programs to double and triple your money programs.

Share investment service is our very own portfolio management system whereby clients can methodically and informatively invest their capital into the stock market through a systematic platform. For those who are seeking an enhanced return may also avail our margin loan facility at competitive rates.

We also take part in Syndication and club financing with associated Banks & Financial Institutions whenever a requirement for extensive financing arises.

Financial Highlights (taka in million)

Sources of Fund	2009	2008	2007	2006
Share Capital	215.99	205.70	187.00	187.00
Statutory Reserve	143.16	137.77	132.08	132.756
General Reserve	0	0	0	0.70
Other Reserve	251.40	132.75	132	75.0
Retained Earnings	21.74	10.45	28.53	46.87
Long & Short term Liabilities	2197.42	1707.70	1715.78	1491.04
Total Liabilities & Shareholders Equity	2829.71	2194.37	219.14	1847.37
Application of Funds				
Lease Finance	1883.04	1581.76	1604.24	1502.66
Property & Equipment	320.15	203.98	199.49	68.79
Current Assets	147.82	408.63	392.41	275.92
Other Assets	478.70	0.00	0.00	0.00
Total Assets	2829.71	2194.37	2196.14	1847.37
Financial Performance				
Operation Revenue	1833.94	567.66	736.40	785.87
Profit/after tax	26.97	28.47	51.60	51.2

Growth in Shareholders Equity

There has been an enormous growth in shareholder equity since 1996. It started with Tk. 150 million and gradually progressed to Tk. 361.52 million in 2005. On 31st December, 2009 shareholders equity stood at Tk 362.29 million.



Growth in Total Assets

The Company's total assets were a modest Tk. 157.15 million in 1996. The portfolio increased steadily up to tk 1481.12 million in 2005. On 31st December, 2009, total assets stood at tk. 2829.71 million.

Growth in Lease Finance

It is very significant that as of 31st December 2009, the amount of lease finance stood at Tk. 1883.04 million as against Tk. 1814.01 million in 2008.

GSP FINANCE COMPANY (BANGLADESH) LIMITED

1. Paribagh, Mymensingh Road,
Dhaka-1000, Bangladesh, GPO post Box: 828
Phone : 880-2-9674306, Fax : 880-2-9674194
E-mail : info@gspfinance.com, www.gspfinanceco.com



KNOW YOUR CHAMBER – CCCI



The Chittagong Chamber of Commerce & Industry



M. A. Latif MP
President
Chittagong Chamber of
Commerce & Industry

Year of establishment: 1959
Member of: SAARC Chamber of Commerce and Industry

The Chittagong Chamber of Commerce & Industry (CCCI) is the largest and most vibrant Chamber of Bangladesh. This pioneer Chamber of the country's inception was in 1959 and incorporated by Registrar of Joint Stock Company under the legal clout of Companies Act, VII of 1913 on 6th July 1963. Like other Chambers, it consists of firms, companies and corporate bodies engaged in trade, commerce, industry, agriculture, manufacturing etc.

The chamber is managed by a Board of Directors comprising one President two Vice-Presidents and 21 Directors who are elected by the members.

Objectives:

The basic objective of Chittagong Chamber is to promote and protect the trade, commerce & industry of Bangladesh in general and those of Chittagong in particular, and also to enable the government and other authorities to perform these functions by rendering assistance, information and advice.

Formation:

At present, the chamber categorizes its members in four types. They are:

- ◆ Membership of Association
- ◆ Ordinary Membership
- ◆ Group Membership
- ◆ Associate Membership

In the future the chamber will also introduce categorizing their members industry wise which will have a long term benefits for its members.

Functions:

The Chamber represents the prime maritime port city and commercial capital of the country, endowed with the country's biggest industrial base and highest business activities. The basic objective of Chittagong Chamber is to promote and

protect the trade, commerce & industry of Bangladesh in general and those of Chittagong in particular, and also to enable the government and other authorities to perform these functions by rendering assistance, information and advice.

- ◆ Giving advice to the entrepreneurs for establishing small and cottage industries.
- ◆ Informing the businessmen about government's industrial policy and providing up-to-date information related to export and import.
- ◆ Giving Certificate of Origin to businessmen for export and import.
- ◆ Liaison in case of misunderstanding between Businessmen and Government Offices.
- ◆ Advocating in favor of the legal interest of Business.
- ◆ Taking part in different social works.
- ◆ Rent of Conference room in cheapest rate for different institution.
- ◆ To promote and protect the trade, commerce and manufactures of Bangladesh in general, and the trade, commerce and manufactures of Chittagong in particular.
- ◆ To encourage the development and progress of the Port and Town of Chittagong.
- ◆ To watch over and protect the general commercial interests of Bangladesh or any part thereof and the interests of persons engaged in trade, commerce or industry in Bangladesh and in particular in Chittagong.
- ◆ To collect and circulate statistics and other information relating to trade, commerce and industry to members.
- ◆ To arbitrate in settlement of disputes arising out of commercial transactions between parties willing or agreeing to abide by the judgment and decision of the Chamber.
- ◆ To promote or oppose legislative and other measures affecting trade, commerce and industry.
- ◆ To establish just and equitable principles in trade, commerce and industry.
- ◆ To form a code or code of practice to simplify and facilitate transaction of business.
- ◆ To maintain uniformity in rules, regulations and usages of trade, commerce and industry.
- ◆ To maintain liaison with other trade organizations whether incorporated or not for the exchange of information, opinion or help.
- ◆ To do all such other things as may be conducive to the extension of trade, commerce, industry or incidental to the attainment of the above objects or any of them.
- ◆ To run a Licensed Measurers' Department and such other departments including those relating to exports, imports, industries, and certificates of origin, statistics, publicity and publications as may be thought necessary or expedient.



Policy Advocacy:

Policy Advocacy is one of the most important functions of the Chamber. To perform it effectively, presently 21 different Sub-Committees are there to review various problems entrepreneur has to face frequently. The Sub-Committees are:

- ◆ LICENSED MEASURERS DEPARTMENT
- ◆ FINANCE, INSURANCE & BANKING
- ◆ PORT & SHIPPING
- ◆ IMPORTERS
- ◆ EXPORTERS
- ◆ POLICY
- ◆ LABOUR
- ◆ LIGHTERAGE AND INLAND WATER TRANSPORT
- ◆ FOOD GRAIN, SALT & OIL SEEDS
- ◆ INDUSTRIALISTS
- ◆ BUILDING MATERIALS
- ◆ TAXATION
- ◆ JUTE AND TEXTILE
- ◆ SMALL & COTTAGE INDUSTRY
- ◆ TRANSPORT & COMMUNICATION
- ◆ INTERNAL TRADE
- ◆ WOMAN ENTREPRENEURSHIP DEVELOPMENT
- ◆ ENVIRONMENT & TOURISM
- ◆ ENERGY, POWER, TELECOM AND INFRASTRUCTURAL DEVELOPMENT
- ◆ ICT
- ◆ RESEARCH, DEVELOPMENT & TRAINING

Trade Fair:

Since 1991 CCCI organizes industrial fairs named as Technology Exposition every year to promote the local manufacturers and the SME's in particular. But from 1997, this Fair has got an international exposure with a number of foreign participation and become known as Chittagong International Trade Fair. This Trade Fair has now become a big event in promoting countries products and services. Now the Trade Fair has emerged as the biggest trade fair of the country in the private sector and become a unique Rendezvous of local and international buyers and sellers.

World Trade Centre:

This Chamber has planned to establish an ambitious project of World Trade Centre (WTC) of international standard, first of its kind in Bangladesh, in the heart of this international port city which according to draft plan will be 25 storied twin tower building complex comprising multi-functional activities with modern facilities. We have already got the land required for construction a modern World Trade Centre from the Govt. of Bangladesh almost free of cost. We are now undergoing a final and comprehensive review of the feasibility study and others for the project to start the construction work as immediately as well as in the process of obtaining affiliation from the World Trade Center Association which is likely to be completed by March 2004.

MOU signed with SEDF to establish a Knowledge Centre:

A Memorandum of Understanding was signed between CCCI and South Asia Enterprise Development Facility (SEDF), a multi donor facility managed by SME development wing of WB, to establish a Knowledge Centre in the Chamber to conduct physical and web based training on trade and commerce and disseminates information to the business community necessary to foster their business. MOUs have also been signed with

Chiang Mai Chamber of Commerce of Thailand on 18th July, 2003 and with North East Federation of International Trade (NEFIT) on 11th July, 2003 to foster cooperation between those Chambers and CCCI for the promotion of bilateral trade and commerce.

Publications:

A regular newsletter which contains current SME statistics, information on international trade opportunity and fairs & exhibitions, chamber news etc., is published. Besides an annual Trade Directory named as Chittagong Trade Directory is also published regularly.

Export Promotion and Import Facilities:

Chamber provides information on market demand of commodities to exporters and importers and advises members on marketing possibilities at home and abroad, maintaining liaison with international trade promotion organization like ITC, ICC, EU Trade Commission etc.

Commercial Reference Library:

With a large number of up-to-date trade directories, catalogues, Trade Journals, weeklies, monthly magazines from home and abroad, government publications, etc., the Chamber has been providing free library service to its members.

Research/Sub-sectoral Studies:

RD&T Cell of the Chamber regularly compiles trade statistics on Bangladesh's trading partners, captures pertinent data on the domestic economy and prepares profiles of foreign markets as well. Sub-sectoral studies on various growth sectors are also conducted whenever felt necessary.

Address:

Chittagong Chamber of Commerce & Industry
Chamber House, 38, Agrabad C/A, Chittagong, Bangladesh.
PABX 880-31-713366 (4lines)
Fax 880-31-710183
E-mail info@chittagongchamber.com
Website www.chittagongchamber.com

দ্বিগুণ লোন



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

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



ARTICLE OF THE MONTH - DODD FRANK

Dodd-Frank Wall Street Reform and Consumer Protection Act



Barney Frank and Chris Dodd

The Dodd-Frank Wall Street Reform and Consumer Protection Act is a federal statute in the United States that was signed into law by President Barack Obama on July 21, 2010. The Act is a product of the financial regulatory reform agenda of the Democratically-controlled 111th United States Congress and the Obama administration.

The law was initially proposed on December 2, 2009, in the House by Barney Frank, and in the Senate Banking Committee by Chairman Chris Dodd. Due to their involvement with the bill, the conference committee that reported on June 29, 2010, voted to name the bill after the two members of Congress. The Act, which was passed as a response to the late-2000s recession, is the most sweeping change to financial regulation in the United States since the Great Depression, and represents a paradigm shift in the American financial regulatory environment affecting all Federal financial regulatory agencies and affecting almost every aspect of the nation's financial services industry.

The Act is categorized into sixteen titles and by one law firm's count, it requires that regulators create 243 rules, conduct 67 studies, and issue 22 periodic reports. The stated aim of the legislation is:

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end "too big to fail", to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

The Act changes the existing regulatory structure, such as creating a host of new agencies (while merging and removing others) in an effort to streamline the regulatory process, increasing oversight of specific institutions regarded as a systemic risk, amending the Federal Reserve Act, promoting transparency, and additional changes. The Act establishes rigorous standards and supervision to protect the economy and American consumers, investors and businesses, ends taxpayer funded bailouts of financial institutions, provides for an advanced warning system on the stability of the economy, creates rules on executive compensation and corporate governance, and eliminates the loopholes that led to the economic recession.[31] The new agencies are either granted explicit power over a particular aspect of financial regulation, or that power is transferred from an existing agency. All of the new agencies, and some existing ones who are not currently required to do so, are also compelled to report to Congress on an annual (or biannual) basis, to present the results of current plans and to explain future goals. Important new agencies created include Financial Stability Oversight Council, the Office of Financial Research, and the Bureau of Consumer Financial Protection.

Of the existing agencies, changes are proposed ranging from new powers to the transfer of powers in an effort to enhance the

regulatory system. The institutions affected by these changes include most of the regulatory agencies currently involved in monitoring the financial system (FDIC, SEC, Comptroller, Federal Reserve (the "Fed"), the Securities Investor Protection Corporation (SIPC), etc.), and the final elimination of the Office of Thrift Supervision (further described in Title III - Transfer of Powers to the Comptroller, the FDIC, and the FED).

Certain Non-bank financial institutions and their subsidiaries will be supervised by the Fed in the same manner and to the same extent as if they were a bank holding company.

To the extent that the Act impacts all Federal financial regulatory agencies, eliminating one (the Office of Thrift Supervision) and creating two (Financial Stability Oversight Council and the Office of Financial Research) in addition to several consumer protection agencies, including the Bureau of Consumer Financial Protection, this legislation in many ways represents a paradigm shift in the way America's financial markets will operate in the future. Few provisions of the Act became effective when the bill was signed. Only over the next 18 months as various regulatory agencies write rules that implement various sections of the Act, will the full importance and significance of the Act be revealed.

Four **Harvard Business School** faculty experts weigh in at Harvard Business Review with their thoughts on the act on July 20, 2010. Following is a few excerpts from their thoughts.

Robert Steven Kaplan, Professor of Management Practice, thinks certain elements of this reform are positive and helpful, while much of this reform is yet to be determined. Many parts of the legislation are subject to study and the discretion of the regulators. The creation of a formal resolution authority and a systemic risk regulator; provisions requiring derivatives to be put on clearinghouses/exchanges, thereby reducing counter-party risk between financial institutions; and the strengthening of regulators' abilities to require more capital (and less overall leverage) at the financial institutions. Further this professor concluded with specific questions like: in addition, there are likely to be some unintended negative consequences. Will the new derivatives rules pull in various industrial companies that will now have to use additional capital to hedge their various exposures, thus diverting capital from other productive uses? Will the consumer "protections" and other limitations on bank fees ultimately reduce the availability of credit? Will capital requirements go too far? Will the Volcker rule be implemented in such a way that reduces profitable businesses at financial institutions that did not contribute to the recent crisis?

David A. Moss, John G. McLean Professor of Business Administration, thinks that the financial reform bill represents a major step forward for our financial system and our country. He says, the most important part of the statute, Title I, authorizes regulators to tighten regulatory standards for the largest and most systemically dangerous financial institutions. The legislation also promises to create a resolution mechanism (Title II), allowing regulators to liquidate systemically dangerous firms in an orderly way if one or more of these firms get into serious trouble. Had such a mechanism existed in 2008, we likely could have avoided not only the \$29 billion bailout of Bear Stearns in March, but also the systemic catastrophe that followed the bankruptcy of Lehman Brothers in September. The big question now is how regulators will use the new authority that has been granted to them: Will they be tough where toughness is required? Or will they initially tighten standards only to loosen them again as memories of the crisis fade and pressure from industry mounts? Continued vigilance - both now and over the long term - is absolutely essential to prevent another crisis. The financial reform legislation gives regulators the necessary tools, but it will be up to the regulators themselves to use these tools wisely.

Source: Wikipedia & Harvard Business Review

CSR ACTIVITIES



BRAC Bank-Chhayanaut MoU signed

BRAC Bank Ltd has signed a Memorandum of Understanding (MoU) with Chhayanaut in the city on Thursday. According to the memorandum, BRAC Bank will support Chhayanaut, a cultural organization, through sponsorships of a number of cultural events. The memorandum between the two organizations serves as one of BRAC Bank's CSR, by providing financial support for the noble work. (Sept 26, The New Nation)

National Bank in CSR Activity

National Bank Ltd directors Ron Haque Sikder and Rick Haque Sikder handing over a cheque for Tk 0.1 million to Clivil Aviation official Sabina Yasmin, a cancer patient, for her treatment recently. Assistant Vice President Mir Mosharref Hossain and director and chief security officer of Civil Aviation were also present on the occasion. (Sept 04, The Financial Express)

Dhaka Bank Donates Microbus to DMP

Dhaka Bank Limited (DBL) donated a Brand New Microbus to Dhaka Metropolitan Police (DMP) to build a safer Dhaka. Khondker Fazle Rashid, managing director of Dhaka Bank Limited handed over the key to A K M Shahidul Hoque, police commissioner, Dhaka Metropolitan Police recently, says a press release. Among others Kaiser Tamiz Amin, deputy managing director, Ibrahim Khalil, head of public relations and Brand communications, Md Moniruzzaman, ADC (DB South),

Habibur Rahman, deputy commissioner of Police, Dhaka Metropolitan Police and other high officials from both organisations were also present on the occasion. (Sept 19, The Independent)

Trust Bank Ltd's CSR



Trust Bank Limited donated a total of BDT 7.5 mn for purchasing modern medical equipment for injured family members of Nimtoli Tragedy and Army personnel of

Combined Military Hospital (CMH) Dhaka, Kurigram Trust and Anandabug Shishu Polli Primary School, Fulpur, Mymehsingh.

Bank Asia's CSR for school children

Bank Asia signed an agreement with Nari Uddug Kendra (NUK) on cataract screening of 10,000 children in 50 schools of Kishoreganj district for one year from next month (October, 2010). Under the deal, Bank Asia will provide financial assistance to the Kishoreganj Eye Hospital of the NUK for organising camps in 50 schools of Tarail, Sadar, Pakundia and Karimganj upazilas.

NEW APPOINTMENTS DURING SEPTEMBER, 2010

BANKS AND FINANCIAL INSTITUTIONS

Name	Position	Organization
Mohammad Sanaulah	President	Institute of Chartered Secretaries of Bangladesh (ICSB)
AMM Mohiudin Chowdhury	Add. Managing Director	Republic Insurance Company Ltd
SM Jaffar	Deputy Managing Director	National Bank Ltd
Abul Khaleque	Chief Financial Officer	Fareast Islami Life Insurance Company Ltd.

GOVERNMENT

Name	Position	Organization
Justice A B M Khairul Haque	Chief Justice	Government of Bangladesh
Abdus Sobhan	Managing Director	Dhaka Power Distribution Company (DPDC)



MTB NEWS AND EVENTS

MTB INAUGURATED SME/AGRI BRANCH AT HAIDERGANJ BAZAR, LAKSHMIPUR



Mutual Trust Bank Ltd. (MTB) has recently inaugurated its 6th SME/Agri Branch at Haiderganj Bazar, Lakshmipur. The bank's 51th branch (overall) was formally inaugurated by its Deputy Managing Director Md. Hashem Chowdhury on September 29, 2010 at a simple ceremony held at the branch premises. Head of MTB Chittagong Region Mohammad Ali Chowdhury, Head of MTB SME Banking Division Mohammad Iqbal and other senior officials of the bank, MTB Haiderganj SME/Agri Branch Manager Muhammed Abdus Sahid were present at the ceremony. Local elite, leading businessmen and people of different strata attended the function.

MTB SIGNS TRUST DEED WITH ICB TO FLOAT SUBORDINATED BONDS



Mutual Trust Bank Ltd. (MTB) has recently signed a trust deed with Investment Corporation of Bangladesh (ICB) to float subordinated bonds aggregating BDT 2.50 billion, as a part of the bank's efforts to consolidate its capital base in line with the Base-II accord. The agreement was signed, on September 22, 2010, at a simple ceremony held at the ICB Head Office in Dhaka. Md. Fayekuzzaman, Managing Director of ICB and Anis A. Khan, Managing Director & CEO of MTB signed the agreement on behalf of their respective organizations. MTB Deputy Managing Director Quamrul Islam Chowdhury, Chief Financial Officer (CFO) Meer Sajed-Ul-Basher, Abrar A. Anwar, Managing Director and Tawfiq Ali, Head, Bangladesh, Financial Institutions Group of Citibank N.A., Bangladesh and other senior officials of the three organizations were also present at the event.

CELEBRATING TARGET ACHIEVEMENT OF MTBSL



MTB celebrated target achievement by MTB Securities Ltd. on September 15, 2010 at MTB Corporate Head Office, located at Dilkusha, Motijheel, Dhaka. MTB Managing Director & CEO Anis A Khan, DMD Hashem Chowdhury and CEO, MTBSL Nazrul Islam Mazumder are seen at the photograph.

4TH ANNIVERSARY CELEBRATION OF MTB SYLHET BRANCH



On September 23rd, MTB Sylhet Branch celebrated its 4th anniversary. The Chief Guest of the program was DMD Hashem Chowdhury. Among others Mohammad Lutfar Rahman, Senior Vice President and Branch Manager Syed Golam Faruk, Sr. Asstt. Vice President are also seen at the photograph.

SEMINAR & DINNER FOR NRB CUSTOMERS, DOHA, QATAR



MTB Organizes a Seminar & Dinner for NRB Customers, at Doha, Qatar on September 30, 2010. MTB in association with ALZAMAN Exchange house of Qatar, organized the Seminar. A number of NRB customers were present at the program. The program discussed on, "Effective Remittance Services for Bangladeshi Community in Qatar". MTB Managing Director & CEO Anis A Khan, Head of NRB A.K.M. Shameem and General Manager of ALZAMAN Exchange Mr. Anwar Sadath were present on behalf of MTB.

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
038959-88105, 06723-88105

Uttara Branch
02-8924379, 02-8951474

Progati Sarani Branch
02-8411804, 02-8410948

Sreenagar Branch
038942-88222

Pallabi Branch
02-9016273, 8055630

Dilkusha Branch
02-7171301, 7171002, 7170137

Dhanmondi Branch
02-9133148

Bashundhara City Branch
02-9124021, 9120982, 9111440, 8121071, 8121732, 8122044

Chandra Branch
02-06822-51968, 06822-51969

Gulshan Branch
02-9897325

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

HSIA (Airport) Booth
01712-500262

MTB Centre (Gulshan)
02-8826966

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

Banani Office
8814348

Fulbaria Office
02-7116965

SME/Agri Branch/ Centre

Kaliganj Centre
Tel: 01718883140

Gafor Gaon SME/Agri Branch
09025-56425, 09025-56426
Ext 102

Noria Centre
01746449026

Rangpur Division

Rangpur Branch
0521-52325, 0521-52326

Bogra Branch
051-78109, 051-78108

Rangpur MTBSL Office
0521-54026

Rajshahi Division

Pabna Branch
0731-51829, 0731-51830

Joypurhat Branch
0571-63584, 0571-63585

Rajshahi Branch
01716364366, 0721-776203

Ishwardi SME/Agri Branch
07326-64550-51

Belkuchi SME/Agri Branch
07522-56353

Rajshahi MTBSL Office
0721-811477 & 0721-811407

Barisal Division

Gournadi Branch
04322-56266

Khulna Division

Kushtia Branch
071-71662, 071-71663

Sylhet Division

Sylhet Branch
0821-2830271, 0821-2830272
0821-716820

Moulvi Bazar Branch
0861-62840, 0861-62841

Haidergonj SME/Agri Branch
Tel: 01716224206

Brokerage Houses

Sylhet Office
Tel: 081-2830319

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
031-4483498

Chakoria Branch
034-2256502

Raipur Branch
03822-56493

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
017300806334

Ramchandrapur SME/Agri Branch
01812673337

Nazmumeah Hat SME/Agri Branch
01819644641, 031-2572841
031-2572842

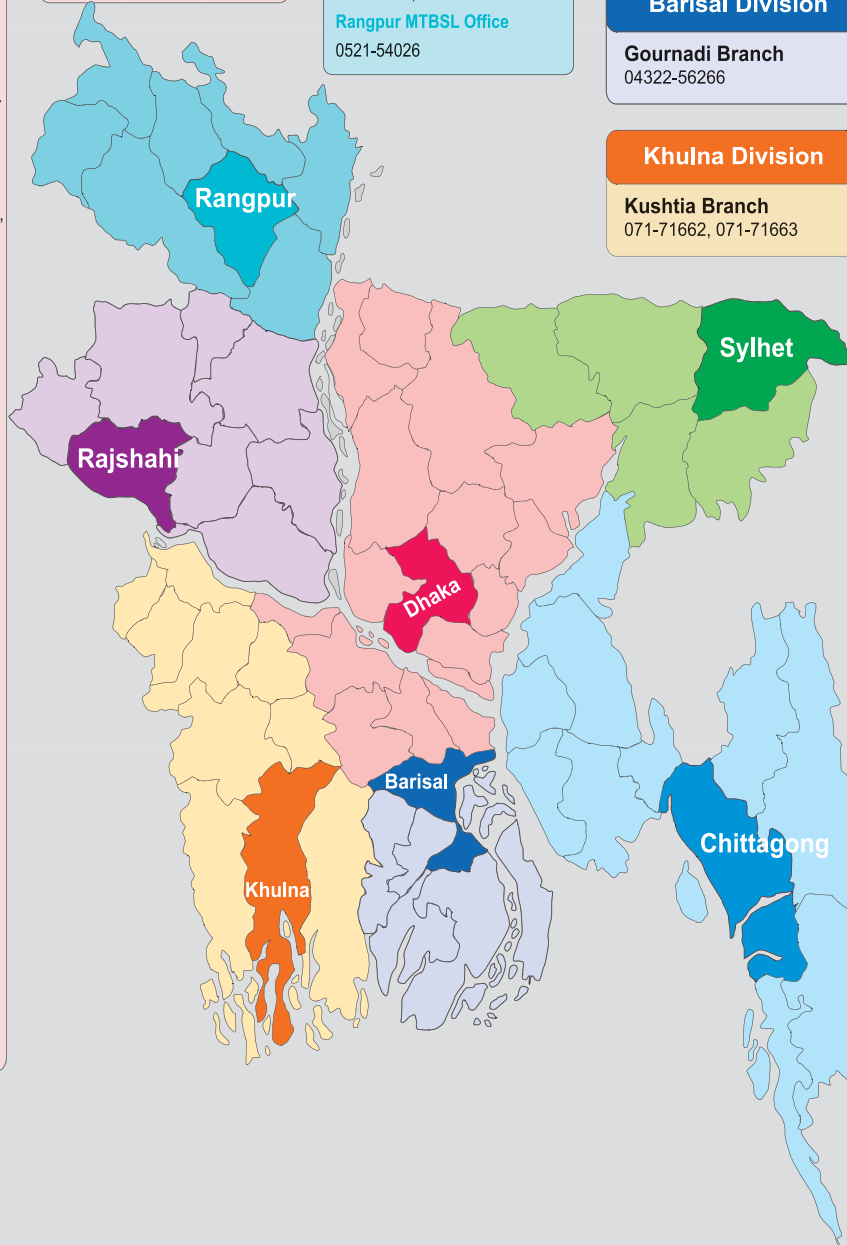
Laksham Centre
01713304669

Dagonbhuiyan SME/Agri Branch
03323-79129, 01714108862

Brokerage Houses

Agrabad Office
031-2514797, 031-2518561

CDA Avenue Office
031-2556728 & 031-2556729



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
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Corporate Head Office

MTB Centre, 26 Gulshan Avenue
Plot 5, Block SE (D), Gulshan 1, Dhaka 1212
Tel: 880 (2) 882 6966, 882 2429, Fax: 880 (2) 882 4303