



STOCKS	
DSEX	CSCX
▲ 0.05%	▲ 0.03%
4,997.99	8,579.90

COMMODITIES		As of Friday
	Gold ▲	\$1,898.70 (per ounce)
	Oil ▲	\$39.27 (per barrel)

ASIAN MARKETS				Friday Closings
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 1.65%	▼ 0.67%	▼ 0.19%	▼ 0.20%	
38,697.05	23,029.90	2,496.11	3,218.05	

CURRENCIES					STANDARD CHARTERED BANK
	USD	EUR	GBP	CNY	
BUY TK	83.95	97.29	107.61	12.21	
SELL TK	84.95	101.09	111.41	12.84	



# star BUSINESS

DHAKA MONDAY OCTOBER 5, 2020, ASHWIN 20, 1427 BS ● starbusiness@thedailystar.net

## Fresh floods spell disaster for Aman crops

*Retail prices of coarse rice soar 31pc in September*

SOHEL PARVEZ

The latest spell of flood has inundated nearly 100,000 hectares of Aman crop, raising worries among agriculturists that a large portion of the plantings will be damaged.

Aman is the second-largest rice crop accounting for roughly 38 per cent of the country's annual rice production. The ongoing deluge is likely to affect the overall production of the crop.

"It is really unfortunate. The crop looked good and was growing well," said Md Abdul Mueyed, director-general of the Department of Agricultural Extension (DAE).

"Even though 100,000 hectares of Aman crop were inundated, I think we will be able to reach close to the production target as the crop condition in other parts of

the country is very good. We have seen enough rains and plants have received water this year."

The DAE is yet to prepare an estimate on the extent of crops damaged by the flood.

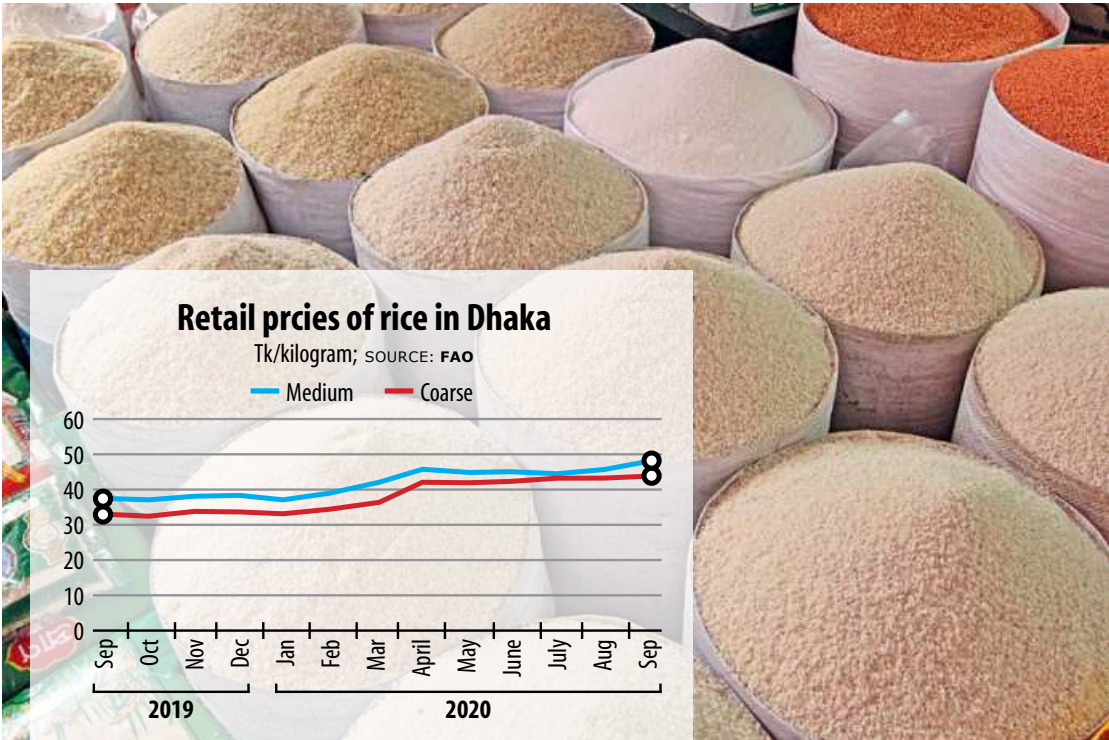
"Crop on half of the inundated areas may be recovered," he said.

Twenty-five districts have been affected by the flood, with Kurigram and Rangpur the worst. Part of Naogaon has also been inundated, said Mueyed, who was visiting the northern region yesterday.

Farmers have started harvesting the early varieties of the paddy, he said.

A former scientist of the Bangladesh Rice Research Institute said there was little hope of recovery of a large portion of Aman plantings submerged by the latest floods.

Farmers transplanted Aman paddy on 55.12 lakh hectares this



season, down from 55.71 lakh hectares the previous year. The areas for sown or broadcasted also declined, data from the agriculture ministry showed.

This is yet another round of flood that began to hit farmers and localities repeatedly from the end of June this year, fuelling prices of

the staple grain amid speculation among rice traders and millers that the overall output will drop during the Aman season because of crop losses and late cultivation.

Floodwaters started to recede at the end of August and the agriculture ministry had said the previous floods damaged Aush

and Aman crops on 111,000 hectares of area.

In September, retail prices of coarse rice were 31 per cent up year-on-year at Tk 44 a kilogramme in Dhaka, the Food and Agriculture Organization data showed.

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## Scanty imports barely impact onion prices

*Up by Tk 10 per kg in a day in Ctg wholesale market*

MOHAMMAD SUMAN, Ctg

Wholesale prices of both imported and locally grown onion shot up by Tk 5 to Tk 10 per kilogramme within a span of 24 hours in Chattogram city's Khatunganj market despite the arrival of stocks from alternatives to India through the port.

Traders of Khatunganj wholesale market yesterday were found selling the local variety at Tk 80 to Tk 82 a kg whereas a day back their asking price was Tk 70.

In case of Pakistani and Myanmar ones, the price has risen to Tk 66 to Tk 70 from Tk 60 to Tk 65 in a day.

Retailers in the city were seeking Tk 10 to Tk 20 higher.

Traders claimed that the alternatively sourced stocks were little in quantity, unable to meet the market demand. They predicted prices to regain stability within a week once larger volumes arrive.

The traders expected around 12,500 tonnes of the vegetable to enter the Chattogram port by October 10 and normalise supplies.

According to data from the port's plant quarantine centre and importers, 350 tonnes from Pakistan and Myanmar were received by four importers at Chattogram port in the last couple of days.



Two more consignments from Myanmar weighing 210 tonnes were sitting in the port's yards waiting for delivery, officials said.

"Importers come to get import permission (IP) before opening letters of credit (LC) for import," Muhammed Asaduzzaman Bulbul, the centre's deputy director, told The Daily Star.

After getting IPs from the plant quarantine centre, importers are able to open LCs in banks. Till October 3, IPs have been obtained for 1.60 lakh tonnes of onion from seven countries.

"A few consignments of around 350 tonnes have come from Myanmar and Pakistan during last few days and most of the consignments will start arriving next week from far-off countries including Egypt, the Netherlands, Turkey and New Zealand," he said.

The centre says about 100 importers had obtained the IPs, including Sonali Trading Company, Akhi Trading, Trade Link Corporation, Farhad Trade Co, Blue Sky Trade and Shele Trading Company.

"Due to the crisis of onion in the market, it is changing hands two or three times before being released from the port," said Mintu Sawdagar, a Khatunganj wholesaler.

"As a result, there is a big price difference between the wholesale or retail rate and the import rate. In order to control the market, it is important to increase supply while the government should fix the prices."

He claimed that Khatunganj's wholesalers offer prices fixed by importers and avail 2 to 3 per cent in commission from the sale.

## Insurance stocks go wild on rumours

STAR BUSINESS REPORT

Insurance stocks went wild on the trading boards in the past few days due to high investor participation fuelled by rumours.

Although the index remained flat yesterday, most insurance stocks were in the black with nine out of the top 10 gainers belonging to the sector.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), shed 2.67 points, or 0.05 per cent, to 4,997.99 yesterday.

Of a total of 48 insurance stocks, nine dropped, two remained unchanged and 37 rose on the DSE board.

These stocks have been victimised by rumours as there is no significant news for the insurance sector that could have led to the recent rise, said a top official of a merchant bank.

However, the commission income for insurers will rise as

they are following the lower commission rate guideline as directed by the Insurance Development and Regulatory Authority (IDRA), he added.

In 2010, the IDRA issued a circular stating that insurance companies could no longer pay more than 15 per cent of the premium as commission to their agents.

But since most insurers disregarded the directive, the IDRA issued another notice in late 2019, urging insurance companies to comply for the sake of the sector's well-being.

In the past, many companies offered as much as 60 per cent of the premium as commission in a bid to secure business and this hurt the industry's overall revenue, according to industry insiders.

"But that does not mean that these stocks deserve to rise by around double amid the

TOP TEN GAINERS OF DSE	
COMPANY NAME	RISE IN (%)
Takaful Insurance	9.94
Continental Insurance	9.94
Karnaphuli Insurance	9.93
Prime Insurance	9.92
Northern Insurance	9.89
Central Insurance	9.88
Islami Insurance	9.86
Bangladesh National Insurance	9.83
Asia Pacific Insurance	9.81
Newline Clothings	9.79

pandemic," the merchant banker said, adding that a certain rumour led to increased interest in insurance stocks.

The rumour is that the chairman of the Bangladesh Securities and Exchange Commission was involved with the insurance sector

and therefore wishes to see it flourish in the capital market.

Following pharmaceuticals, insurance stocks have been traded the highest on the boards since July.

Takaful Insurance topped yesterday's gainers' list with a 9.94 per cent increase followed by Continental Insurance, Karnaphuli Insurance, Prime Insurance and Northern Insurance.

Beximco Pharmaceuticals led the trading board with trade worth Tk 63 crore followed by Beximco and Sandhani Insurance.

Familytex Bd shed the most, dropping 10 per cent followed by C&A Textile, AB Bank First Mutual Fund, SEMI IBBL Fund and Prime Finance.

Of the total 355 companies to witness trade, 133 advanced, 171 declined and 51 remain unchanged.

## Leeway for firms that serve local markets

*The companies in economic zones can send remittance without prior approval from BB*

STAR BUSINESS REPORT

Industrial units in domestic processing areas of economic zones will be allowed to send outward remittance without taking prior approval from the central bank in order to pay fees of different services to foreign companies.

The companies have to take technical know-how and assistance and royalty of foreign companies on a regular basis to run their business.

Some companies in the domestic processing areas of the economic zones have already started producing goods, which are being sold in the local market.

They earlier had to take approval from the Bangladesh Bank for sending remittance abroad, according to a notice of the BB.

This created some difficulties in operating their business smoothly.

The companies will have to convert the local currency, which is earned by selling their products, into the US dollar to make the payment.

The central bank has taken the decision as part of its efforts to relax the foreign exchange guidelines and rules.



## MFS takes a dip after Eid bonanza

*Transaction, however, rises year-on-year in Aug showing its growing popularity*

MD FAZLUR RAHMAN

Transactions through mobile financial services rose 16.6 per cent year-on-year to Tk 41,403 crore in August, which shows the growing popularity of the digital money in Bangladesh, Bangladesh Bank data showed yesterday.

However, it plunged 34.3 per cent compared to July, when a record Tk 62,999 crore was transacted.

The number of transactions rose 32.06 per cent to 269,697,875 in August but it fell 13.1 per cent from July this year.

Tanvir A Mishuk, managing director of the postal department's mobile financial service Nagad, said before Eid-ul-Azha, there were heavy transactions in the disbursement of salary, wages, bonus and other allowances.

"People also sent a huge amount of money to their relatives. Even people made payment through MFS providers when they bought sacrificial animals."

"It came down in August," he said.

He said financial transactions usually fall in the following month after Eid. This is true for all sectors, not just in the MFS segment.

Shamsuddin Haider Dalim, head of corporate communications at bKash, said transactions through MFS returned to regular state following a huge increase in July.

He said there was an obligation for



garment factories to use banks and MFS to disburse wages and salaries of the workers under the government's stimulus package.

Later in August, many companies went back to their own disbursement method as there was no obligation. As a result, its impact was seen in the transactions of August, he said.

Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, which owns Rocket, said there were a number of events in July, which include Eid.

"All of these contributed to the historic high of the transactions in the month."

Cash-in and cash-out transactions, inward remittance, person-to-person transaction, salary disbursement, merchant and government payment all fell in August compared to July. Only utility bill payment grew in the month.

But year-on-year, inward remittance channeled through the MFS segment trebled to Tk 104.75 crore in August, utility bill payment doubled to Tk 908 crore and merchant payment more than doubled to Tk 1,060 crore.

Cash-out transactions, person-to-person payment, salary disbursement and government payment were also in the black in August compared to the same month in 2019. Only cash-in transaction fell to Tk 11,463 crore from Tk 12,524 crore in August last year.

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