

# Stock markets boom again

By Rafiq Hasan

The country's two bourses, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), have again bounced back to bull-run since yesterday as the panic created by warnings of the Securities and Exchange Commission (SEC) circulated out.

But with the circuit breaker system reintroduced, there are fewer sellers outnumbered by many times by prospective buyers in the markets.

Buyers, unable to purchase scrips from the DSE, are now turning back to the kerb market despite SEC's warning about trading outside the floor.

Meanwhile, the kerb market traders are doing a roaring business where prices of scrips are much higher than what they are in the floor.

For example, scrips of Orion Infusion were selling at around Taka 480 in the kerb market

while the average closing rate in the DSE floor was Tk 345. Shinepukur was selling at around Tk 215 while its price in the floor was Tk 184.

"We have our hands full of buying orders," said a broker at the DSE, "but we can't execute the orders because hardly anybody wants to sell their shares through the DSE."

The reason is that with the ten per cent limit on fluctuations of prices of scrips, share holders are unwilling to sell their scrips at ten per cent above the previous rate. Instead, they find a easy instant and much more buoyant market.

A small investor said yesterday he has been buying and selling in the kerb market because trading in the DSE takes a long time.

"If you buy a share, it takes at least seven days to get hold of the certificate," said the Azad who has been lured to the kerb market by its prospects of making immediate profits.

Brokers said instead of traditional system of auctioning of shares, they are doling out scrips among the buyers at a fixed ten per cent higher rate than the previous day's rate.

Meanwhile, the DSE has decided that any share coming for the first time in the floor would not be subject to the circuit breaker for the first six days.

The decision came in meeting of the DSE councillors with the officials of SEC to discuss the market situation.

The DSE All Share Price Index gained 109.15 points and stood at 2025.17 points yesterday.

Out of total 95 traded issues, 87 gained while only seven suffered losses and one remained unchanged.

The market capitalisation of the bourse surged by Tk 763.69 crore, reaching Tk 14169.22 crore from previous day's record of Tk 13405.53 crore.

Both the turnovers in volume and value almost doubled as more than 7.77 lakh shares and debentures worth about Tk 22 crore changed hands against transaction of only 2.90 lakh scrips valued at Tk about 7.06 crore on the previous day.

In the Chittagong Stock Exchange (CSE), prices of 57 issues went up and only four suffered while one remained unchanged.

The CSE All Securities Price Index shot up to 884.85 points while its market capitalisation reached Tk 9110.55 crore.



Minister for Water Resources Abdur Razzaq seen addressing the inaugural session of a two-day workshop on "Coastal Embankment Rehabilitation Project, Phase-II" held at Hotel Saibal in Cox's Bazar on Tuesday. Water Resources Secretary Dr A T M Shamsul Huda, Chairman of BWDB M A Salam and World Bank's Jan Weijenberg also addressed the workshop.

## Nitol Motors launches Korean Jeep

Nitol Motors Limited, a leading automobile marketing company, has launched a Korean-built four-wheel drive jeep suitable for driving in city or off-road conditions, reports UNB.

Nitol Chairman Abdul Matlub Ahmad told a news conference at a local hotel yesterday that the new vehicle, Musso, is built by SsangYong Motor Company in collaboration with famous Mercedes Benz of Germany.

The jeep is spacious, elegant and luxurious and its fuel consumption is 25-30 per cent lesser compared to similar type of vehicles offered in Bangladesh by other countries or companies, Ahmad said.

Every unit of the jeep will cost Tk 23.50 lakh, but the company fixed the price of first 20 vehicles at Tk 19.50 lakh to popularise the 2300 cc jeep. Parts will also be easily available in the country, he said.

"Our target group is the people who enjoy duty-free facility like parliament members, embassy officials and entrepreneurs of export processing zone, and people from rich class," he said.

Buyers, especially the institutional buyers, can be given credit facility, Ahmad said.

He pointed out that Musso's doors can be opened with the touch of a remote control button from a distance of up to 10 meter which is ideal for rainy days and nights.

The Nitol executive informed that after testing on the roads of the North Bengal areas, it has been found that the vehicle is suitable for drive in every kind of roads — from smooth roads to highways and also in off-road conditions.

"Musso's shock absorber system is excellent," he said, adding that Japan, which is a major exporter of automobiles, only import this brand of jeep from South Korea.

Do-kee Park, General Manager of SsangYong Corporation's Dhaka office, told newsmen that his company is the fifth biggest business house in Korea and it sold over 10,000 Musso jeeps worldwide, mostly in Europe.

Nitol Group, which is the sole distributor of Tata vehicles in the country, will import four-stroke small vehicles from Malaysia which can easily replace the scooter pool from the city's transportation system.

## Air Lanka raises fare

COLOMBO, Oct 16: Sri Lanka's national carrier Air Lanka has increased fares to all its destinations by between 10 and 15 per cent with the exception of India from Tuesday midnight, airline sources said today, reports Xinhua.

The sources said that the increase has been made in accordance with regulations of the International Association of Travel Agents.

Air Lanka has opened more ticketing offices in Colombo following an increase in passenger traffic, they said.

They added there had been a marked improvement in passenger flights to and from South Africa. Flights are expected to be full in December when a large number of tourists are expected to fly from there.

# Rampant oil price rings inflation alarm in North

LONDON, Oct 16: Soaring oil prices could reignite dormant inflationary pressures across the world's leading industrial nations earlier than expected as crude markets near six-year-highs approaching winter, economists and analysts said, reports Reuters.

Producer and consumer price indices in the United States and other leading economies could rise as oil's strength filters through to other energy components in inflation baskets, said investment bank Deutsche Morgan Grenfell (DMG) in a report.

This bullish oil price scenario obviously has negative implications for the future path of inflation across the major economies," the bank said.

Assuming crude stays between 22 US dollars and 24 dollars a barrel for the next

three months, estimates show that the biggest increase in inflation would be in France and the US increasing by 0.7 and 0.6 percentage points respectively.

World oil price on Tuesday extended the storming bull run which has pushed crude values up 40 per cent in the last four months, leaving benchmark Brent crude at 25 dollars a barrel, 9 dollars above year-ago levels.

"Certainly this could bring an end to current falling inflation," said Steohen Schneider at investment bank Paribas in Frankfurt.

Federal Statistics Office data released Tuesday showed German September wholesale prices actually eased as sharp falls in food and nonferrous metals more than offset rising fuel prices, but Schneider said the picture would change.

"Indeed, if it continues we'll have not only the first round effect on oil products directly but also on things which are produced from oil like chemicals and plastics," he said.

Germany, Europe's biggest oil importer, would not be alone in suffering the impact of the highest crude price since the 1990-1991 gulf crisis, the previous peak was in the wake of the 1979 Iranian revolution.

"We have highlighted that this is starting to feed through, we're going to get higher airfares in the US and we've already seen it in the UK figures," said DMG's Michael Lewis.

Britain, a net exporter of oil, is starting to feel the pinch. September saw the first rise in factory output price inflation for 14 months as a direct consequence of the oil market rally.



The 7th, 8th and 9th annual general meetings of Eagle Box & Carton Mfg Co Ltd were held on Monday at the company office premises with M A Matin, Chairman of the company, in the chair. Helalur Rahman, Managing Director and other directors of the company were also present.

SYDNEY, Oct 16: JNA Telecommunications Ltd said Tuesday it would expand JNA-installed networks in China as a result of growth in demand for high-speed data services.

JNA said in a statement it had received orders for this service from the China telecoms market. The company would also build a new digital data network for Xizang Autonomous Region to provide critical data communications to this remote region.

JNA said China's economic boom has placed increasing emphasis on reliable and efficient telecommunications infrastructure.

It said the contract to assist Henan Post and Telecommunications Administration (PTA) includes the addition of 10 sites to the network installed by JNA in 1995 and expansion of the existing sites.

MANILA: The Philippine trade deficit widened in the first eight months of the year to 8.15 billion dollars, compared with a 5.56 billion dollars deficit for the same period in 1995, the government said Wednesday.

A big leap in imports of telecommunication and transport equipment, industrial machinery, electronics and components propelled the trade gap to its August level.

For the month of August alone, the deficit stood at 1.01 billion dollars, down from 1.14 billion dollars in July, when the purchase of several aircraft were booked, the National Statistics Office reported.

Imports of telecommunication equipment and electrical machinery topped the list of gainers, with import receipts up 53 per cent from a year earlier.

Japan was again the top source of imports. TOKYO: Mitsubishi Heavy Industries Ltd.

Japan's largest comprehensive machinery maker, said Tuesday it has received an order for a jet engine testing cell from a unit of Singapore Airlines.

The call can test jet engines with a thrust of up to 150,000 pounds. The order comes from SIA Engineering Co and is worth about two billion yen (18 million dollars), said a Mitsubishi Heavy spokesman.

The cell will be built by Mitsubishi Heavy near SIA Engineering's existing test cell near Singapore's Changi Airport, the spokesman said.

CANBERRA: Australia's two-day trade with India is expected to double to more than 2.37 billion dollars (3 billion Australian dollars) by 2000, the Department of Foreign Affairs and Trade said.

## New plan to reduce world hunger soon

LONDON, Oct 16: A new plan to reduce world hunger is to be produced by the food summit next month which some 200 countries will attend, a senior organizer of the meeting said here yesterday, reports Xinhua.

More than 800 million people throughout the world, and particularly in developing countries, do not have enough food to meet their basic nutritional needs, said Kay Killingsworth, Secretary-General of the summit being organized by the UN Food and Agriculture Organization (FAO).

Without action it expects that proportion to remain the same when the global headcount hits 8.5 billion in 2030, she said.

The Rome Declaration and the world food summit plan of action which will be produced by the November 13-17 gathering lay the foundations for diverse paths to a common objective—food security.

Food security depends not only on agriculture but also on policy in many other areas," she added.

Each nation must adopt a strategy consistent with its resources and capacities to achieve its individual goals and co-operate regionally and internationally in order to organize collective solutions to global issues of food security.

Although food production has increased to match the rise in global population since 1945, current grain shortages suggest a future food crisis unless fish stocks are conserved, fertile land protected and agricultural techniques improved.

Some 200 world leaders have been invited to the meeting and about 100 have agreed to attend, said Killingsworth said.

Let us build a healthy nation," Matia Chowdhury said adding that the famous Bengali proverb "Amar Smitan Jeno Tiake Dudhe-Bhatey" should be turned into reality.

The minister stressed the need for specific and clear-cut policy and plan of action to achieve the target of meeting food deficiency by increasing production.

She said increasing cereal output, and establishing a smooth food reservation, marketing and distribution network are essential for the food management system.

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# World Food Day observed Matia calls for concerted effort to combat poverty

Agriculture, Food, Disaster Management and Relief Minister Begum Matia Chowdhury yesterday called for concerted effort to combat hunger, poverty and malnutrition, reports UNB.

She was addressing a seminar on "Food and Development in Bangladesh" at the Bangladesh Agricultural Research Council (BARC) auditorium in observance of World Food Day 1996.

The day was observed in the country yesterday elsewhere in the world a month ahead of the five-day world food summit scheduled to be held in Rome from November 13.

This year's theme of the day is "fighting against hunger and malnutrition."

The Food Minister said a bright future would have to be built by ensuring food security and eliminating hunger and malnutrition from the society.

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also laid emphasis on health, education, increase of income and environmental programmes for the poor people to overcome poverty and hunger.

"The poorest of the poor should be provided with necessary support... and the support should be income-oriented, not relief-oriented," she added.

Matia suggested that the scientific innovations and technologies should be made affordable and simple so that the users can understand and utilize those easily.

The minister pointed out some irregularities and corruption in VGD (Vulnerable Group Development) card distribution system and stressed the need for distributing those among the distressed mothers.

She said "We have to find out ways to free ourselves from this system loss or social disease" in which both people's

## Prime Bank opens 10th branch at Kawran Bazar

Prime Bank Limited opened its 10th branch at Kawran Bazar Commercial Area in the city on Monday, says a press release.

Dr R A Ghani, Chairman of the Board of Directors of the bank in his inaugural speech, firmly expressed commitment to establish Prime Bank as a proper progressive and developing bank through modern technology based bank management.

He said sincere political will and commitment as well as political stability are needed to explore these potentials.

Later, the Agriculture Minister inaugurated a two-day food exhibition at the BARC premises and went round different stalls.

## Tofael meets Li Peng China to send trade team soon

GUANG ZHOU (China), Oct 16: Chinese Premier Li Peng reiterated his country's commitment to continue assistance and participation in development programmes of Bangladesh, reports UNB.

This assurance was given to visiting Bangladesh Commerce and Industries Minister, Tofael Ahmed when he met with the Chinese Premier today.

The Minister is now visiting China, at the invitation of the Chinese government, to participate in the 80th International Commodity Fair at Guang Zhou, the capital city of economically developed province Guangdong.

Tofael also had a meeting with Chinese Foreign Trade and Economic Cooperation Minister Wu Yi on ways of increasing Bangladesh export to China.

The Chinese Foreign Minister stated that China would soon send a trade mission to Bangladesh for locating and buying more commodities.

Bangladesh Commerce Minister also met with Chemical Industry Minister Gu Xiaolin and briefed her about favourable environment created by the present government for attracting foreign investment.

## IJO project body recommends 5 proposals

International Jute Organisation's (IJO) committee on projects recommended five proposals in its 26th session held in the city yesterday with COP chairman Binal Pande in the chair, reports UNB.

The proposals relate to Molecular Characterisation of Jute Germplasm, costing 120,000 US dollar, Varietal Improvement of Jute and Kenaf through the Use of Genetic Engineering Techniques, at a cost of 717,670 US dollar, Natural Dyes for Jute, at an estimated cost of 74,000 US dollar. Expansion of Jute/Kenaf Cultivation in Egypt and Pakistan, at a cost of 55,000 US dollar and the Biotechnological Application of Enzymes for Making Paper Pulp from Green Jute/Kenaf (the whole plant) Phase-1 that will cost an estimated 1,100,000 US dollar.

## Good demand marks Ctg tea auction

CHITTAGONG, Oct 16: The weekly tea sale held here on Tuesday was marked by good demand for all grades of teas with a quite strong export enquiry for larger and bolder broken types, market sources said, reports BSS.

Poland and Russia competed for larger and bolder broken types resulting in higher rates for these types. Pakistan and Afghanistan lent a fair support for small broken and fannings.

Internal buyers including blenders were also active, but operated at generally lower levels.

Bold and large broken were a stronger feature and sold at firm to slightly dearer rates. Medium broken were easier often declining by upto Tk. 1/- per kg. Smaller broken especially the good liquoring types were a good market and sold around last levels, but plainer types were easier by upto Tk. 1/- per

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## Acer Regional Manager in city

Raymond Teoh, Regional Manager for South Asia of Acer Computers arrived in the city from Singapore on Tuesday, on an invitation of their Bangladesh distributor, Dolphin Computers Ltd, says a press release yesterday.

During his three-day tour he will explore possibilities for expansion of computer business in Bangladesh. For this purpose he will visit Chittagong also.

## Dragonair launches Return Check service

Dragonair launched a Return Check Service on its Hong Kong-Kaohsiung route to further enhance its customer services from October 8, says a press release.

Passengers travelling between Hong Kong and Kaohsiung with confirmed bookings for return flights on the same day or next day, will have the opportunity to receive a boarding pass for their return flight.

This means that they are not required to check-in again at the airport for their return sector. The new service will help passengers save time and avoid long queues at the check-in counter.

Passengers with no check-in baggage and a valid travel document for the return journey are eligible for the Return Check service.

We have designed the Return Check service to offer greater convenience to our passengers. It is part of Dragonair's commitment to its customers to provide a safe, reliable, efficient and pleasant service. This is another example of us making the extra effort to achieve this objective," said Mr. Philip Chen, Chief Operating Officer.

Dragonair presently operates three daily flights from Hong Kong to Kaohsiung, deploying an A330 aircraft offering both First and Economy Class seats.

## Thailand's new Finance Minister

BANGKOK, Oct 16: Thai Prime Minister Banharn Silpa-archa appointed Chaiyawat Wibulsawadi as Finance Minister today following the resignation of Bodi Chunanonda, a government spokesman said, reports AFP.

Chaiyawat, the third Deputy Minister in the Finance Ministry, was selected to succeed Bodi as the other two deputies will be canvassing for seats ahead of the November 17 general elections, the spokesman said.



Ali Hossain, President of the Dhaka Chamber of Commerce & Industry (DCCI) seen delivering his speech at a seminar entitled "Uruguay Round Multilateral Agreements on Anti Dumping Measures, Subsidies and Countervailing Measures, Safeguard Measures, Customs Valuation, Pre-shipment Inspection, Technical Barriers to Trade and Import Licensing Procedures," jointly organized by the Ministry of Commerce and the Dhaka Chamber of Commerce & Industry at the DCCI auditorium on Tuesday. The seminar was presided over by Azad Ruhul Amin, Additional Secretary and Ghulam Rahman, Joint Secretary, Ministry of Commerce.

Industrial Park, a special economic zone built on land owned by the family of former President Corazon Aquino.

Sanyo invested 806 million pesos (31 million dollars) in the country, which will produce large-scale integrated circuits.

Construction of the plant began in April 1995. The factory will produce about 20 million integrated circuits a month when it becomes fully operational next year.

Company president Masaharu Nishii said in a statement that the factory will be an important part of worldwide operations of the Sanyo Electric group. It will supply integrated circuits for many consumer electronic products made by Sanyo.

The plant, Sanyo's fifth subsidiary in the country, will hire about 1,000 Filipino workers.

ADELAIDE, Australia: The third Korean car company to enter the Australian market, Kia, has forecast sales of up to 10,000 vehicles in its first year.

The company has put its cars on display at the Sydney Motor Show, including the four-wheel-drive Sportage and the 1.5-litre Mentor, a mid-sized hatchback.

Hyundai and Daewoo also sell automobiles in Australia. Source — AP