

CDS glitch halts trade settlement in bourses

STAR BUSINESS REPORT

Trade settlement through central depository system (CDS) in the bourses was disrupted yesterday due to a technical glitch in the server of the Central Depository Bangladesh Ltd (CDBL), the service provider of the electronic settlement system.

Mohammad Habibus Samad, managing director and chief executive officer (CEO) of CDBL, told The Daily Star that database system failed to update information from 12 noon yesterday.

"Technicians of CMC Ltd, Bombay, which supplied the system, are work-

ing and we hope to restore the system soon," he said.

"Earlier such problems occurred many times in the system but those did not prolong like this one," the CEO added.

Now, share settlement of 34 listed companies is held through the CDS and 80 depository participants are linked to CDBL server to conduct trade settlement electronically.

A high official of Dhaka Stock Exchange said if such technical disruptions occur so often, it will affect the capital market.

The electronic trading settlement system, which eliminates risk of fake

or soiled shares, made its debut in the capital market on January 24 this year with the shares of Square Pharmaceuticals Ltd.

Under the CDS, all paper-based share certificates are turned into electronic ones and transactions are held electronically.

Latest

Securities and Exchange Commission (SEC) Executive Director Farhad Ahmed told The Daily Star at 10pm yesterday that the system had been restored.

Swiss-Bangla business forum launched

UNB, Dhaka

Switzerland-Bangladesh Business Forum (SBBF), a newly formed joint body of businesspeople, was launched here yesterday.

Minister for Information M Shamsul Islam attended the ceremony at Sheraton Hotel as chief guest.

The SBBF is a non-profit volun-

tary organisation comprising individuals and companies from both the countries with the overall goal for promoting bilateral trade and investment.

President of the forum and also Managing Director of Novartis (Bangladesh) Ashfaqur Rahman, Managing Director of New Asia Limited Abdul Matin Chowdhury and Carlo Cifello,

managing director of Nestle Bangladesh Limited, and Charge d'Affaires of Switzerland J Casserini spoke on the occasion.

The forum will provide a link with government departments, tourist offices, chambers of commerce and other trade or business organisations and work for economic cooperation between the two countries.

Explore stock markets for infrastructure uplift

Ctg chamber president urges govt at CSE seminar

STAR BUSINESS REPORT

Chittagong Chamber of Commerce and Industry (CCCI) President Amir Humayun M Chowdhury urged the government to explore the stock markets for building much needed infrastructures of the country.

CCCI president made the observation at a seminar on Tuesday on "Investing in Share Market and Internet Trading Service" jointly organised by the Chittagong Stock Exchange (CSE) and its member Salta Capital Ltd aiming to make businessmen of Khatunganj aware of investment in the stock market.

He said a huge pool of fund remains idle with the banks which can be mobilised through the capital market contributing significantly to the nation building process, says a CSE press release.

CCCI president said the govern-

ment faced fund constraints in building essential bridges. "But the problem can be easily solved if the government considers floating fund raising through initial public offerings from the capital market."

"Such move will diminish our dependency on foreign funds usually tagged with tough conditions which the country is forced to swallow," he added.

CCCI president also suggested that government should commence trading of bonds through the stock market to bring diversity.

CSE President Habibullah Khan presided over the seminar while Wali-ul-Marooof Matin, chief executive officer of CSE, ASM Shahidullah Shahjahan, chairman of Salta, and ASM Shahidullah, director of Salta, were present.

Speaking at the event, Habibullah Khan said the stock

markets have gained maturity over the years and investors' confidence is reflected in the index pointing gradual gains.

He said investors are now switching their focus from the interest bearing securities to equity market, which will yield tremendously in the years to come. "Investors are much cautious nowadays regarding their investment and go after stocks with good prospects."

CSE president observed lower interest rates on government savings certificates and commercial bank deposits have contributed significantly to attract investors to the stock markets.

Wali-ul-Marooof Matin, chief executive officer of CSE, made presentation on various regulations and issues of capital market related to companies and services available on CSE.

CityCell holds meeting with channel partners in Sylhet

CityCell organised a meeting for its channel-partners of Sylhet zone recently in Sylhet.

Intekhab Mahmud, head of marketing of CityCell, was present at the meeting attended by distributors, dealers and agents of CityCell cellphone of the zone, says a press release.

Among others, Taslim Ahmed, assistant vice-president, marketing communications, and Mirza Nahidur Rahman, assistant vice-president, channel management of CityCell, were present.

Two docs from S'pore due today to participate in Medexpo

Dr Ang Peng Tiam and Dr VP Nair of Mount Elizabeth Hospital, Singapore will arrive in Dhaka today to participate in the medical exposition styled as Medexpo 2004.

During their visit, they will address a group of selected Bangladeshi doctors and a cross section of people regarding advanced treatment options for heart and cancer diseases, says a press release.

Tiam is a consultant medical oncologist and physician and Nair is president of Global Organisation of People of India and consultant cardiologist and physician of Mount Elizabeth Hospital, Singapore.

Continental Airlines Cargo starts operations in Dhaka

Continental Airlines cargo service started its operations in Dhaka on Tuesday.

The GSA for the airlines' cargo in Bangladesh is Ace Aviation Services Limited, says a press release.

Chairman of Ace Cargo Rajan Britto, Managing Director Rohantha Peiris, Director Bevis Kelly, Chairman of Bengal Airlift Limited Abdul Mannan, and Managing Director of the company Rezaur Rahman were, among others, present at the launching function of the cargo service.

Textile convention to be held in Dhaka Oct 13

Bangladesh Cotton and Textile Convention 2004 is going to be held at Sonargaon Hotel, Dhaka on October 13.

Cotton Bangladesh, a textile magazine, will organise the daylong convention jointly with Globecot, a cotton research organisation from USA, says a press release.

Jute and Textile Minister Shajahan Siraj is scheduled to chair the inaugural session.

The objective of holding this international convention is to sensitise the relevant stakeholders on issues and concerns that have relevance to the entire range of textile sector of the country.

A number of experts from home and abroad will share their views at the convention while leading textile spinning mills, readymade garments, cotton traders and inspection farm representatives and high officials will be present.

Financial insttts lose profits on lack of adequate expertise

ICC-B workshop told

STAR BUSINESS REPORT

Lack of adequate knowledge and expertise in handling treasury activities is forcing many financial institutions (FIs) in Bangladesh to count losses, International Chamber of Commerce-Bangladesh (ICC-B) President Mahabubur Rahman said yesterday.

He said gradual expansion of global economy and financial system has created immense opportunities, which are also accompanied by risks for traders in volatile market places.

"The endeavour to manage these financial and economic risks has sparked the search for new ways to understand the changes taking place and deal with mutable commodity prices and interest rates," Rahman said.

He said businesses have to be well acquainted in order to be able to interpret them for developing strategies for money, capital and equity markets.

He said the FIs are suffering due to lack of expertise in treasury management, which hurts institutions badly.

This observation of the ICC president came at an inauguration session of a two-day workshop on 'Foreign Exchange Transaction and Treasury Management' organised by the Bangladesh chapter of ICC, held at conference hall of Metropolitan Chamber of Commerce and Industry (MCCI).

At the inaugural session of the workshop the speakers said FIs have failed to achieve due profit share as they failed to maintain uniform

exchange management and treasury function in their institutions.

The speakers said both overseas and domestic business transactions are exposed to exchange rate movements either directly or indirectly.

As the exposure to exchange rate movements is inevitable part of everyday activity, the risk stemming from such exposure can be controlled through effective management system.

They also suggested organising frequent training programmes for the dealers and developing sophisticated treasury software to help monitor market risk and dealing limits.

Echoing the president, ICC-Bangladesh Vice-president Latifur Rahman said due to lack of proper foreign exchange management

system FIs are losing their profits.

To improve treasury operations, it is needed to overcome knowledge gap in managing treasury functions, he added.

Malay Kumar Ghatak, head (corporate sales and structuring) of Citibank NA, India, Kutubuddin Ahmed, president of MCCI, CK Hyder, secretary general of MCCI, ASM Quasem, chairman, Newage Group and Industries and executive members of ICCB, were also present in the functions.

A total of 70 executives from different banks, financial institutions, insurance companies and corporate houses are participating in the workshop.



PHOTO: ICC-B

International Chamber of Commerce-Bangladesh (ICC-B) President Mahabubur Rahman (3rd from left) speaks at the inaugural session of the two-day ICC workshop on "Foreign Exchange Transaction and Treasury Management" in Dhaka yesterday. Metropolitan Chamber of Commerce and Industry (MCCI) President Kutubuddin Ahmed (2nd from left), ICC-B Vice-president Latifur Rahman (3rd from right), former ICC-B vice-president ASM Quasem (left), MCCI Secretary General CK Hyder (2nd from right) and Head of Corporate Sales and Structuring of Citibank NA India Malay Kumar Ghatak (right) are also seen.

\$60 a barrel if winter is colder than expected

AFP, Singapore

Oil prices smashed new records above 51 US dollars a barrel in Asian trading Wednesday as analysts warned 60 dollars was "within reach" if the northern winter turns out colder than expected.

"If the (northern hemisphere) winter turns out to be colder than anticipated, the markets will run," said Esa Ramasamy, director for Asian oil markets reporting at Platt's, an energy agency whose analyses are widely used as benchmarks for international spot trading.

"If this happens, you will see 55 dollars as not a problem any more. It becomes a reality and 60 dollars is within reach," Ramasamy told AFP.

The winter months in the northern hemisphere traditionally drive up demand for kerosene and diesel, which are used for heating.

Ramasamy said refineries have already started building their inventories for diesel and kerosene, leading to a sharp rise in demand.

"No refinery will keep low on inventories in winter and because the refining margin is so good, every refinery is running full capacity. Once that happens, there is a natural demand for crude," he said.

India pledges to protect domestic consumers from record oil prices

AFP, New Delhi

India's oil minister pledged Wednesday to protect millions of poor consumers from the effects of rising global oil prices which are threatening to derail the country's economic boom.

State-run Indian companies which import oil and sell it in the domestic market have managed to keep a lid on prices earlier in the year, except for a small hike in August.

"We will continue to protect domestic consumers from the worst surge in crude prices," Oil Minister Mani Shankar Aiyar told reporters here.

New York's main oil contract closed above 51 dollars a barrel for the first time Tuesday, riding a speculative wave powered by fear of interruptions to supply from the Gulf of Mexico.

"We have a system to deal with normal volatilities," Aiyar said, referring to the government's pro-

tection mechanisms. "But in abnormal times, government has to take a view," he added, without elaborating.

He said a meeting has been scheduled with Prime Minister Manmohan Singh next week to discuss the situation.

Any rise in the price of crude has a major impact on India as it imports over 70 percent of its oil needs. India's inflation has risen to a three-year-high at around eight percent in recent weeks due to the combined effect of the oil price rise and scanty monsoon rainfall hitting prices of fruits and vegetables.

Indian Finance Minister Palaniappan Chidambaram Tuesday in Washington urged multilateral institutions to help countries exposed to oil price shocks and said the current oil price situation made macroeconomic management in India "very complex."

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