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Stocks

DGEN	▼ 0.38%	2,585.08
CSCX	▼ 0.91%	5,392.84

Asian Markets

MUMBAI	▲ 0.38%	11,371.85
TOKYO	▲ 0.21%	8,726.34
SINGAPORE	▼ 1.85%	1,818.61
SHANGHAI	▼ 1.77%	2,405.35

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	88.39	93.09
GBP	98.44	103.47
JPY	0.69	0.77

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▲	\$911.96	(per ounce)
Oil	▼	\$49.90	(per barrel)

SOURCE: AFP

(Midday Trade)

More News

Vision amid depression



The call of the present government to work towards a 'Digital Bangladesh by 2021' stands on the vision of an equitable economic prosperity being armed with an educated workforce and a just society based on rule of law.

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International

Malaysia to liberalise banking sector

Malaysia Monday announced measures to liberalise its banking sector, allowing nine new banking and insurance licences and easing foreign ownership limits for non-commercial banks.

Up to 70,000 more jobless in France

Between 60,000 and 70,000 people joined the ranks of France's jobless in March, slightly fewer than in February, Economy Minister Christine Lagarde said in an interview on Monday. France had 2.38 million unemployed workers at the end of February after 79,900 lost their jobs in a single month as the economic crisis forced factories and businesses to close.

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Swine flu chills world economy

Travel, tourism sectors take a hit; pharmaceutical shares rise

AFP, Paris

The global outbreak of swine flu sent shivers through financial markets on Monday just as some signs had appeared that the global economic crisis might be easing.

Travel and tourism took the brunt of uncertainty about how the threat of a pandemic might crimp economic activity, but the pharmaceutical sector rose as attention turned to defensive medical treatments and equipment.

The latest swine fever scare scythed through stock markets, cutting back gains made last week on some signs that the global economic crisis may be bottoming out.

But some pharmaceutical groups were in fine form on prospects for sales of their flu treatments and related supplies.

In Europe, Societe Generale analyst Patrick Bennett said: "The outbreak of swine flu in Mexico is a concerning development for the global economy."

At financial betting firm ETX Capital in London, trader Manoj Ladwa said: "Swine flu is ripping through the markets creating uncertainty in its wake."

Investors turned anxious where at the end of last week they had shown some optimism that the financial fever which has ravaged economies for the last 20 months may be abating.

The one flu-resistant sector was the pharmaceutical industry. Swiss giant Novartis said the World Health Organisation had contacted it about developing a vaccine.

And shares in Swiss drug giant Roche showed a gain of 3.51 percent on prospects of a surge in demand for its treatment Tamiflu.

An analyst at Vontobel in Switzerland, Andrew Weiss, said that shares in Roche had surged "when fear about bird flu really took hold in the fourth quarter of 2005" and the group's sales of Tamiflu had totalled 4.0 billion



Hong Kong health workers watch monitors that display information on the temperatures of incoming passengers at airport yesterday. Hong Kong authorities have announced a series of tough measures to combat the threat of swine flu.

Swiss francs (2.65 billion euros, 3.49 billion dollars) in 2006 and 2007.

GlaxoSmithKline, AstraZeneca and Shire all showed gains, and stock in Chugai Pharmaceutical, which sells the Tamiflu drug, climbed 14 percent.

A perception that the first sector to be hit would be the travel industry was given substance by EU Health Commissioner Androulla Vassiliou who urged people to avoid non-essential travel to flu-affected areas.

This provoked a sharp retort in the United States, where a state of public health emergency has been declared.

The bird flu epidemic that began in 2003 reduced the number of international travellers by 1.4 percent that year, data from the World Tourism Organisation shows.

In May of that year, traffic for airlines in the Asia-Pacific region

where the crisis began, slumped by nearly 50 percent, the International Air Transport Association reported, costing those airlines six billion dollars in lost sales in 2003.

This swine fever scare, originating in Mexico, was likely to hit US and Latin American airlines hardest, followed by European airlines and notably the Spanish company Iberia, which operates most routes between Europe and South America, a French analyst who declined to be named, suggested.

The travel industry was already one of the sectors suffering greatly from the global economic crisis as businesses and consumers curtail expenditure.

The World Tourism Organisation had forecast zero growth to a contraction of 2.0 percent for international tourism this year after growth of 2.0 percent in 2008.

Swine flu hits the economy

Stocks down (1000 GMT)	Stocks up (1000 GMT)
Airlines, travel companies: on fears of reduced air travel	Pharmaceutical companies: on sales of anti-viral drugs
Cathay Pacific (China) -8.4%	Biota (Australia) 82%
Lufthansa (Germany) -10.6%	Roche (Switzerland) 3.9%
Thomas Cook (UK) -7.9%	GlaxoSmithKline (UK) 3.7%
Air France (France) -9.0%	AstraZeneca (UK) 1.6%



Wall Street hammered by flu fears

AFP, New York

Wall Street followed global markets lower yesterday as fears about the spread of a deadly swine flu strain prompted traders to turn cautious.

The Dow Jones Industrial Average dropped 77.18 points (0.96 percent) to 7,999.11 and the Nasdaq composite shed 18.18 points (1.07 percent) to 1,676.11 in the first trades.

The broad-market Standard & Poor's 500 index declined 8.78 points (1.01 percent) to 857.45.

In the absence of economic news markets focused on the swine flu that has killed over 100

people in Mexico and appeared to be spreading across continents.

"The world won't come to a standstill, but already the market is digesting swine flu stories with a forlorn perspective that a global pandemic is inevitable," said Patrick O'Hare at Briefing.com.

"The attendant consequences for economic growth of a global pandemic wouldn't be good at all, of course, but the fear is way more pressing than the reality at this time. Nonetheless, it is certainly serving as an effective profit-taking catalyst."

Global stocks were dragged down by a tumbling travel sector. Strong gains for the heavyweight

pharmaceutical sector failed to prevent leading indices across Europe and Asia sliding into the red, as the value of airlines' stocks plunged on worries that governments could impose travel restrictions.

"Swine flu is ripping through the markets creating uncertainty in its wake," said Manoj Ladwa, senior trader at financial spread-betting firm ETX Capital in London.

"US markets are sure to be heavily affected by this crisis when they open later today."

Overall, London's FTSE 100 index was down 0.71 percent, pulling back from losses of more than one percent following the open. Frankfurt shed 1.26

percent, Paris lost 1.28 percent and Madrid shed 2.54 percent in early afternoon deals.

The Spanish government said a man who recently returned from Mexico has contracted swine flu, the first recorded case of the virus in Europe.

"News over the weekend of a deadly flu outbreak is rocking financial markets," said CMC Markets dealer Matt Buckland.

"It's also worth bearing in mind that after last week's gains many would have been looking to start locking in profits but clearly this (flu) news has the potential to become a rather serious development."

Local stocks down on profit-taking

STAR BUSINESS REPORT

The Dhaka market closed lower yesterday, driven by sales of bank shares for profit taking.

The benchmark index of Dhaka Stock Exchange, the DSE General Index, slid by 9.84 points or 0.37 percent to 2,585.08 points. The DSE All Share Price Index also declined by 6.93 points or 0.32 percent to 2,145.03 points.

Almost all banks faced losses. Jamuna Bank was only gainer with a 2.5 percent rise.

"The indices declined marginally due mainly to a selling pressure in bank stocks, as investors booked profit," said Mahmudul Bari, deputy general manager of IDLC Finance.

Although the trading curves showed a little volatility, the increased turnover showed the sign of market stability, he added.

Strong performance of fuel and power sector however offset the losses inflicted by banks and non-banking financial institutions (NBFIs).

In the fuel and power sector, Titas Gas gained by 4.3 percent, Powergrid 2.5 percent and Desco 0.3 percent. Summit Power however faced a 1.1 percent loss.

In contrast, most NBFIs lost.

Titas Gas topped the turnover leaders, with 12,11,350 shares worth Tk 63.79 crore being traded, followed by Beximco, Summit Power, S Alam Cold Rolled Steels, Summit Alliance Port, Desco, Social Investment Bank, AB Bank, Aftab Automobiles and Beximco Pharma.

Chittagong stocks also marked a fall yesterday. The CSE Selective Categories Index declined by 49.53 points, or 0.91 percent to 5,392.84. The CSE All Share Price Index dropped by 64.53 points, or 0.77 percent to 8,290.58.

A total of 54,55,758 shares worth Tk 66.39 crore changed hands on the Chittagong Stock Exchange.

AC market profits from summer



Sales of air conditioners are on the rise, driven by high demand during summer.

SOHEL PARVEZ

Sales of air conditioners (ACs) are on the rise, spurred by a buying spree among organisations and a section of middle- and upper middle-income groups amid a continuing heat wave with the mercury hovering a peak, electronics retailers said.

"Now we are getting a comparatively good response from the customers. Usually our sales increase when the mercury shoots up," said Manzurul Karim, manager (sales and marketing) of Esquire Electronics, which distributes a leading

AC brand in Bangladesh, General.

The AC sales witnessed a rise as demand surged in the summer days, said retailers.

They said middle- and upper middle-class customers are showing interest in the cooling devices even amid frequent outages.

Such a customer is Nadif Rahman who lives with his family in an apartment in Gulshan and installed an AC in his room last week although he dates with power cuts on a regular basis.

Manzurul said most of the city apartments have now standby generators, which encourage many families to go for installing ACs.

"Generator support gives an impetus to many middle-income people. Also the extent of load shedding remains low at night compared to daytime. Customers who are buying ACs want a comfortable night repose after passing days at air-conditioned offices," he said.

The electronics retailers said the market for AC is growing at a faster pace as some middle-income people, who earn more than Tk 30,000 a month, are showing interests in the item along with the purchase by public and private sector institutions.

Market insiders said the AC market grew by more than 30 percent in 2008 to around 100,000 units from around 75,000 units a year ago.

Sellers attributed the market growth to a steady decline in the prices of the appliance amid entry of Chinese brands that offer relatively lower prices.

"The market is growing. Middle-class consumers are coming at a higher rate, while we are also witnessing growth in institutional sales," said Manzurul of Esquire, which posted around 40 percent growth in sales in 2008.

Manzurul said the market for the current year would maintain growth despite worries of negative impacts of recession on domestic economy.

"If sales don't rise, I expect it won't go below 100,000 units this year," he said.

Hasan Iqbal, deputy general manager in charge of sales of Butterfly Marketing Ltd, which sells LG and Butterfly brands, also expected a good year.

"The market for AC will continue to grow as the number of apartments is increasing along with a rise in temperature," said the official.

Jafur Alam Khan, national sales manager of Transcom Electronics, which retails Transtec and Whirlpool brand ACs, also said the market would remain upbeat in the current summer.

But he said institutional sales might slow down on a cautious stand by corporate houses amid recession.

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