

A turbulent week for stocks

STAR BUSINESS REPORT

Dhaka stocks suffered the highest-ever fall last week, plunging 551 points, but recovery almost beat the disaster at the end.

Week-on-week, the benchmark index of the premier bourse, DSE General Index, declined only 98 points, or 1.2 percent, to 8,108.

Angered by the index's free fall from the opening bell of the last week, investors took to the streets.

"Apart from the inactive institutional participation due to the skyrocketing call money rate, the Sunday's fall could largely be attributed to the rampant share sale by frightened small investors who never experienced such an abrupt correction," LankaBangla Securities, a leading stockbroker, said in its weekly market analysis.

The declining Dhaka stocks rebounded with 304 points of increase on Monday,

which was the highest-ever in 2010 and just second to the historical 764.87 points single-day hike on November 16 of 2009, the debut trading day of telecom giant Grameenphone.

"The regulator's withdrawal of new directive to tight Dhaka Stock Exchange (Members' Margin) Regulations, postponement of NAV-based margin loan calculation, hike of margin loan from 100 percent to 150 percent and bringing Grameenphone and Marico shares in the normal market contributed to this rally," the LankaBangla said.

"Also Bangladesh Bank's decision to ease the instable money market by limiting inter-bank call money rate to 50 percent and the directive to commercial banks deferring the time for adjusting industrial loan diversion fuelled this jump," it said.

The initiatives taken by both Securities and Exchange Commission and the cen-

tral bank kept pushing up the benchmark index of the premier bourse that gained Tuesday too.

The investors' rush for heavy weight banks and telecom scrips led the rally.

On Wednesday, Dhaka stocks took a break from deep losses after rising for two days. The gauge seasawed whole the session and finally ended flat due to profit-taking, as the session was the maturity day for the stocks that were bought at a cheap level on the historic 551 points crash.

In the pre-holiday session, stocks plunged 63.47 points after taking respite on previous day.

Although the regulatory body was able to reverse the market trend to some extent, there was no impact on the liquidity flow. The daily average turnover for the week was 3 percent lower compared to last week.

"The increase in margin ratio was yet to

make an impact in the turnover value as most of the merchant banks and brokerage houses are facing difficulties to fund the increased liquidity need of the investors," BRAC-EPL, an investment firm, said in its weekly market analysis.

The total turnover value was 20 percent higher last week compared to the previous week, as there was one more trading session last week.

Losers beat advancers 193 to 53 with two securities remaining unchanged on the prime bourse.

Market capitalisation rose to Tk 3,46,790 crore, registering a 0.53 percent rise.

Chittagong stocks, however, marked a sharp rise last week, with the CSE Selective Categories Index increasing 6.98 percent to 15,014.

Gainers beat losers 142 to 63, with four securities remaining unchanged on the Chittagong Stock Exchange.



RUPALI INSURANCE

Mostafa Golam Quddus, chairman of Rupali Insurance Company Ltd, presides over its extraordinary general meeting in Dhaka on Wednesday. The company approved the changing of denomination of shares from Tk 100 to Tk 10 with a market lot of 100 shares in place of 20. PK Roy, managing director, was also present.

Biogas a must for Khulna Analysts say at a workshop

QUAZI AMANULLAH, Khulna

The government has emphasised building small-range biogas plants to help tackle the energy crisis in Khulna, analysts said at a daylong workshop.

Only 3 percent of the population in Khulna enjoys gas supply while others are kept out of the service, who depend on other sources, said one of the speakers. This in turn is harming the environment and natural resource base, he added.

Khulna Press Club President Ahmad Ali Khan presided over the workshop organised by Infrastructure Development Company Ltd (IDCOL), a government investment company with support from GTZ, SNV and KfW to create mass awareness about renewable energy sources.

Khulna residents have been waiting for gas supply since the fuel crisis worsened in the southwestern region in recent years, said Nazmul Haque Faisal, senior programme officer of IDCOL.

No solution has so far been visible in this regard despite people's repeated demand and demonstrations in this regard, Faisal said.

"It is high time to focus on biogas as a renewable energy source."

ANM Zobair, programme officer of GTZ, said 3,018 biogas plants have so far been set up in 10 districts inside Khulna division, including 386 in Khulna district since 2006. Each plant can produce 1.6 to 4.8 cubic metres of biogas, he added.

IDCOL plans to set up more than 37,000 such

Decomposing organic materials, mainly animal waste, in an anaerobic condition, produce biogas

plants across the country by 2012 under its National Domestic Biogas and Manure Programme (NDBMP), Zobair said.

Market waste including blood from slaughtered animals is dumped in a chamber to produce biogas.

Decomposing organic materials, mainly animal wastes, in an anaerobic condition, produce biogas, said Faisal. Methane is the major component for biogas to cook foods, light houses and operate diesel engines, he said.

Cow dung, poultry droppings and water are the raw materials required for biogas, Faisal said.

Biogas reduces workload, especially for women, indoor air pollution, greenhouse gas emissions, saves biomass and organic fertilisers and improves sanitation, he added.

Besides, bio-slurry can be used for farming mushroom and fish feed cultivation. Slurry from biogas plants is a high quality fertiliser, which has no germ and can be used directly for crop, he said.

The NDBMP aims to develop and disseminate domestic biogas plants in rural areas with the goal of establishing a sustainable and commercial biogas sector in Bangladesh, said the GTZ official.

GTZ is an implementing agency working with field level partners like the government, private, non-profit organisations and universities.

An eco-friendly sustainable biogas plant can be installed within 200 feet of the kitchen. A biogas plant can last for over 30 years, although the company now offers warranty for five years.

The plant costs between Tk 21,700 and Tk 37,700. IDCOL grants Tk 9,000 for the plant with a repayment period of three to four years.

Apollo Tyres teams up with Rahimafrooz

STAR BUSINESS DESK

India's leading tyre maker Apollo Tyres launched cross-ply tyres in Bangladesh in partnership with Rahimafrooz Distribution Ltd on Tuesday.

Bangladesh is predominantly a cross-ply tyre market, with monthly demand for more than 75,000 heavy and light commercial tyres.

"We will create value for customers in mileage, fuel-economy and service," said Rajesh Kumar, head of international sales of Apollo Tyres, at a programme at the Westin hotel. "Rahimafrooz is a perfect partner, with its network, trained sales-force and service."

Mudassir Moin, managing director for Rahimafrooz Distribution Ltd, said: "We wanted to expand our product range and Apollo compliments us best. It's a long term partnership and in all senses a win-win combination."

Apollo Tyres exports to more than 70 countries across the world. It has four plants in India, four in Southern Africa and one in the Netherlands. Its key brands are Apollo, Vredestein, Regal, Maloya and Dunlop.



APOLLO TYRES

Indian tyre maker Apollo Tyres launched its products at the Westin Dhaka on Tuesday. Afroz Rahim, chairman of Rahimafrooz Group, and Rajesh Kumar, head of international sales of Apollo Tyres, are seen at the programme.

West Bengal wants more trade with Bangladesh

IBNS, Kolkata

The chief minister of West Bengal has proposed to set up a panel to explore the scope of increasing trade between the state and the neighbouring Bangladesh.

Speaking at the inauguration of the 24th Industrial India Trade Fair here on Friday, Buddhadeb Bhattacharjee said: "I appeal to the organisers to consider setting up a joint working group, with the Bangladeshi counterparts, to identify the areas of mutual interest."

The ten-day fair has been organised by the industry lobbies Bengal National Chamber of Commerce & Industry (BNCCI) and India Trade promotion Organisation (ITPO), along with the West Bengal state government.

This year's fair sees the participation of China, Nepal, Pakistan, Egypt and Turkey, apart from the two "focus countries: Bhutan and Bangladesh.

Bhattacharjee said the fair could play a pivotal role for promoting trade in the region, which was essential to keep the growth rates steady, rising and unlike the current scenario in the West.

"But GDP (gross domestic product) growth alone won't help us. We have to see the effects of that growth trickle down to the masses," said the chief minister.

"For that we have to keep corruption and malpractices at bay," he said.

There was "immense scope" for Bangladesh, Bhutan and India to do trade in West Bengal, he said.

"There is tremendous potential in power equipment, steel products, petrochemicals, agro-industries. We want more private players to join us in this quest for growth," said the Communist Party of India-Marxist politburo member.

India showcases footwear components in Dhaka

STAR BUSINESS REPORT

A two-day buyer-seller meet and exhibition of Indian footwear components and accessories kicked off at Hotel Purbani in Dhaka yesterday.

Ghulam Hussain, commerce secretary, appreciated the co-operation between the Council for Leather Exports, India (CLE) and Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB) while inaugurating the show as the chief guest.

Sanjay Bhattacharyya, Indian deputy high commissioner to Bangladesh, and Saiful Islam, president of LFMEAB, were also present.

Bhattacharyya said the joint efforts of the trade bodies of Bangladesh and India could speed up business.

SK Verma, deputy director of Indian Footwear Components Manufacturers Association, said the leather market in Bangladesh is growing steadily and its

export graphs are also going up.

Around 34 components are required to make footwear, but very few components are produced here. "Bangladeshi manufacturers can get benefit from the high-standard components of India," Verma said.

According to Verma, the Indian footwear component market has an annual turnover of around Rs 4,000 crore.

Synthetic shoes produced by China are a big threat to leather footwear producers as the prices and designs of the Chinese merchandise look more attractive, he said.

"Without improving the quality and design of leather footwear, there is no way we could win the battle against those synthetic shoes," he added.

Verma said Bangladesh government and associations should focus on new markets such as Africa and India.

Nineteen Indian footwear components makers have participated in the exhibition. The fair that is open from 1 pm to 8 pm ends today.



BRAC BANK

Nurul Amin Jahangir, president of Royal Exchange, USA, and Khwaja Shahriar, head of cash management, custodial services and probashi banking of BRAC Bank Ltd, exchange documents in Dhaka on Thursday. They signed an agreement to provide better remittance services across Bangladesh through the bank's 1,800 delivery points.



IBBL

Mohammad Abdul Mannan, managing director of Islami Bank Bangladesh, and Falalu Bellu, a director of Jaiz Bank (Nigeria), exchange documents of an agreement on technical services in Dhaka on Friday. Mohammad Mustapha Bintube, managing director of Jaiz Bank, and Abu Nasser Muhammad Abdus Zaher, chairman of Islami Bank Bangladesh, are also seen.



Zaitun Sayef

Mati-ul Hasan

IFIC Bank gets new DMDs

STAR BUSINESS DESK

IFIC Bank has promoted Mati-ul Hasan and Zaitun Sayef to deputy managing director recently, the bank said in a statement.

Hasan started his career with IFIC in 1984 as probationary officer. He was the senior executive vice president and relationship manager of the bank prior to the promotion.

Sayef was the senior vice president and head of training and research division of the bank earlier. She started her career as senior officer with Agrani