

Small hopes gone with the crash

MD FAZLUR RAHMAN

A cobbler in front of the DSE building says the market is going up again, but it will take time to recover the lost prices.

This reporter was trying to know how the small investors took the crash on Monday.

As soon as the cobbler got to know he was talking to a reporter, he became cautious, and stopped giving details, even his name. The 57-year-old now fears almost everything.

The country's premier bourse had been on the rise for the last one year. It did not lure thousands of educated investors only, but also street and footpath-based small businessman such as vendors, foodstall owners and even cobblers.

Monday's historic slump on Dhaka Stock Exchange (DSE) has left none unscathed, but small investors in the Motijheel commercial area said yesterday that they bore the brunt the most.

Although the main index of the prime bourse bounced back by 1,012.65 points or 15.58 per-

cent with 195 companies touching the circuit breaker yesterday, they said it would take time for them to make up, as the increase has not outdone the fall.

"It will take time to recover the losses. Most of the investors have lost, but we, the small investors, will carry the wound for long," said an investor, who sells books on stocks in front of the DSE building.

"The market had been on the decline for a few days and many have made away with crores of taka," he said.

The 55-year-old has been around the DSE premises for the last 40 years, and got involved with the stockmarket before 1996, when the bourse hit then a historic low. He has invested in stocks to supplement his earnings, as selling books alone could not meet expenditure of his nine-member family.

"I invested Tk 4 lakh. When I heard about the slump, I had not enquired about the development. I have lost all hopes," said the elderly, adding most of the people like him in the area are involved with the market.

Bachchu Mia, 58, came to Dhaka in 1978 from Noakhali, and since then has been involved with stock-trading though in small scale with an investment of Tk 1.5 lakh. He owns a bookstall.

"The market has no order. I have lost half of the prices. If it goes up for a moment then again it goes down. We are scared despite the today's increase because it may go down again," he told The Daily Star. "I will quit trading when I recoup my main capital."

He said there is a 'deep-rooted conspiracy' behind the fall. He urged the government to dig up what really happened behind.

Bachchu, one of a few lucky investors during the 1996 crash who could make Tk 4 lakh out of Tk 65,000 then, finds the current situation unusual. "When a stock with a face value of Tk 100 is sold at Tk 5,000, we rush to those and find ourselves in trouble."

Although the government has taken immediate steps to prop up the market, Bachchu is in doubt about the sustainability.

Akhtar Hossain Milon, a

mobile recharge card dealer at the commercial hub, lost 40 percent of his Tk 4 lakh investment.

Despite the slump in prices, he still remains glued to his computer, checking ups and downs. He said although the market plunged, he will still like to trade, but he does not have money.

Milon, who has been in the trade for the last five years, criticised the government for not trying enough to control the market. "Nobody looks after the market properly. Moreover, the ministers say why we have bought stocks, as we can't bear the losses."

It is not only the investors who have suffered. Some vendors, not involved in the trade, have also been affected, as their business largely depends on the mood of the traders.

Mokarram Hossain is one of them. The 25-year-old sells foodstuffs such as hodgepodge and noodles worth Tk 3,000 every day at a temporary shop on footpath. But on Sunday and Monday he could not sell one-third of his stock.

"I will have to quit the business

if the trend continues," he said.

The slump has also dented confidence of the potential investors. Abdus Salam, 45, guards an ATM booth near the DSE building from 6am to 2pm every day and then starts selling lungi and towel on the footpath.

"I was planning to invest, but after the debacle I do not feel encouraged," he said.

Ariful Islam, a 23-year-old from Laxmipur, sells the forms of initial public offerings. He mortgaged a small piece of land to bring Tk 50,000 for investing in the market.

"I tried to get a job in the city, but could not manage one. Two months ago, one of my uncles told me to bring some money from the family and invest in the market. I did so, although I did not understand anything about the market," he said.

Islam, who has passed Alim certificate examination from a madrasa, said although the market is reviving, he does not know when he would regain his confidence.

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Sanjay Prakash, chief executive officer of HSBC, and M Mahfuzur Rahman, executive director of Bangladesh Bank, attend a workshop on money laundering prevention jointly organised by the two organisations in Narayanganj recently.

Barclays chief pragmatic amid bonus anger

AFP, London

Bob Diamond, the new chief executive of British bank Barclays, acknowledged on Tuesday the need for a "safer and sounder" bonus system amid increasing public anger over excessive pay for bankers.

Addressing a cross-party panel of lawmakers, Diamond however insisted that it was important to reward staff in addition to their annual salaries.

Diamond, an American, added he had yet to make a decision on whether to waive his bonus for a third year running.

"The system needs to be safer and sounder in terms of how compensation works but it's in the interests of everyone in the country that we shift growth to the private sector," Diamond told the Treasury Select Committee.

Canon to spend \$12b on acquisitions by 2015

AFP, Tokyo

Canon plans to spend up to one trillion yen (\$12 billion) by 2015 on mergers and acquisitions to expand in the areas of medical equipment and robotics, according to an interview published Tuesday.

Chairman Fujio Mitarai told Kyodo News that the technology firm wanted to expand to achieve higher sales and profits, the news agency said.

Canon will also set up new research and development centres in the United States and Europe for its medical and printing operations, Mitarai said.

"We'd like to actively proceed with mergers and acquisitions," Mitarai said, adding that the company had already started selecting companies for possible mergers, according to Kyodo.



A delegation of Institute of Chartered Secretaries, led by its president Mohammad Sanaullah, meets Commerce Minister Faruk Khan at the latter's office in Dhaka on Monday.



Great Wall Motors has recently handed over its second lot of 20 units of Haval SUVs to the Department of Roads and Highways for the government's four-lane Dhaka-Chittagong Highway Project. Ace Autos is the exclusive distributor of Great Wall Motors in Bangladesh.

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