

Stocks end week in the black

STAR BUSINESS REPORT

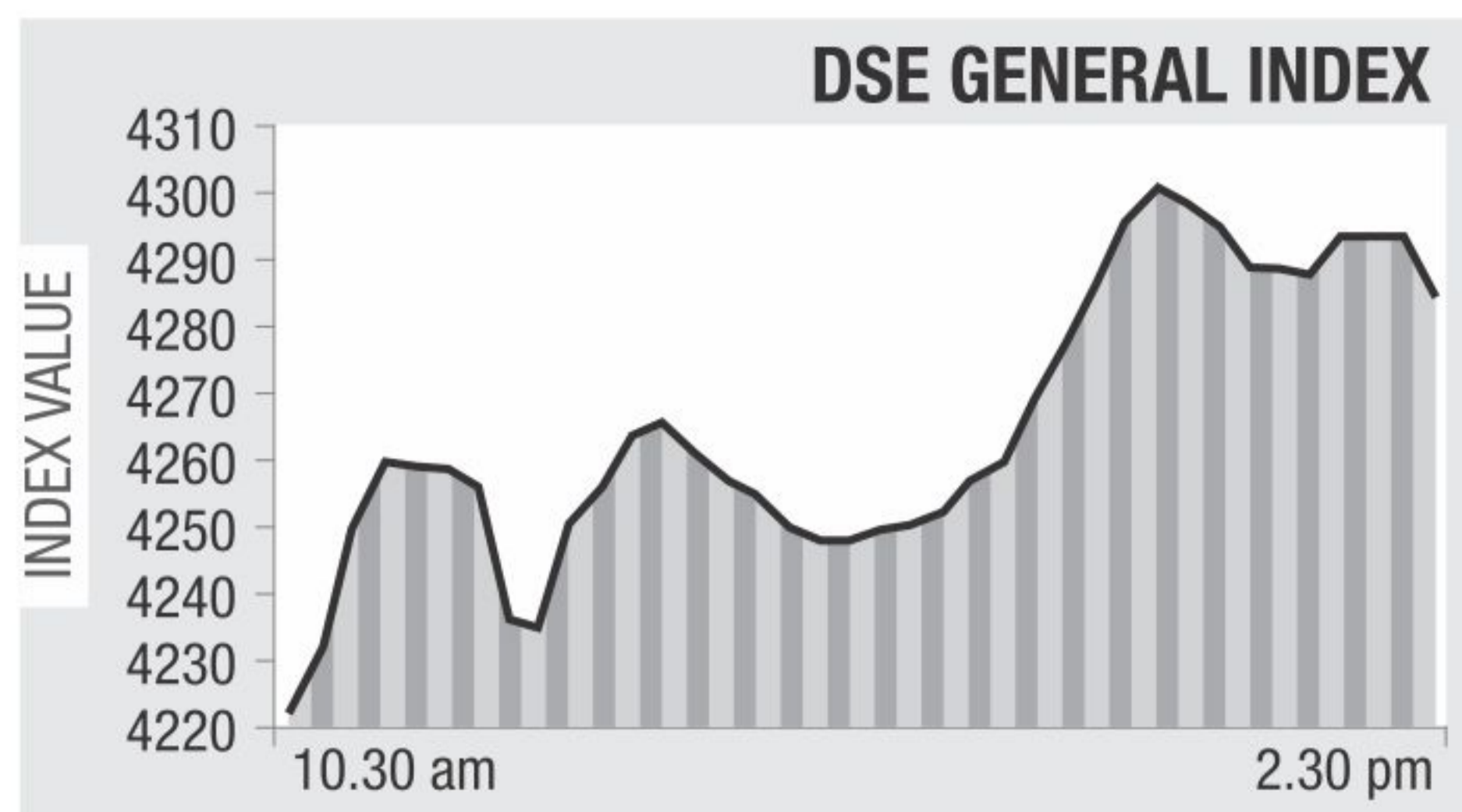
Stocks returned to the black yesterday, as institutional investors injected fresh funds into the market.

The benchmark general index, DGEN, the market tracking index of the Dhaka Stock Exchange, finished the week at 4,284.96 points, after surging 62.78 points or 1.48 percent.

The market began the day with a bull run but failed to continue the pace later. However, as the day progressed the prices picked up once again and closed positive.

"It seemed the market vibrated mainly by the active participation of institutional investors as the money market has eased up in recent times, which is evidential in the single-digit call money rate," said IDLC Investments in its market analysis.

Besides, expectations of good half-yearly earnings by the fundamentally sound scripts along with announcement of fresh fund injection by several financial



institutions further improved the market sentiment, the stockbroker said.

"The market is trying to find a consolidation point from where it goes higher," commented LankaBangla Securities in its analysis.

In terms of breadth, market sentiment was positive, it said.

"The week ended with a bull run on the DSE as the investors were cautiously participating in trade, said Green Delta LR Holdings in its market research.

Turnover stood at Tk 238 crore yesterday, a fall of 5.4 percent compared to the previous day.

In the premier bourse, a total of 0.77

lakh trades were executed with 5.51 crore shares and mutual fund units changing hands.

Out of the 266 issues traded on the DSE floor, 227 gained, 23 declined and 16 remained unchanged.

Grameenphone was the most traded stock of the day, owing to its transactions of 6.82 lakh shares worth Tk 14.16 crore, followed by Keya Cosmetics, Bangladesh Submarine Cable Company and GPH Ispat.

The Sixth ICB Mutual Fund was the biggest gainer of the day, rising by 9.53 percent, while NLI First Mutual Fund, plunging by 6.66 percent, was the worst loser.

The selective categories index of the Chittagong Stock Exchange finished the week at 8,273.20 points, after gaining 149.53 points, or 1.19 percent.

Gainers beat losers by 151 to 23, with 11 securities remaining unchanged in the port city bourse that traded 84.53 lakh shares and mutual fund units with the turnover of Tk 29.87 crore.

PDB signs 450mw power deals with Dubai company

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The Power Development Board (PDB) yesterday signed agreement with Dubai-based Energy Holdings International INC and its subsidiary EHI MENA DMCC to generate 450 megawatt of electricity in two power plants.

PDB Secretary Md Azizul Islam and Energy Holdings International Vice Chairman Jalal Alghani signed the memorandum of understanding at a ceremony at the PDB office in the capital.

One of the plants would be set up in Bibiyana in Sylhet. The other plant would be in Fenchuganj or any other suitable place, according to the PDB.

The two power plants -- with capacity of 225MW each -- would be set up on build-own-operate basis.

The simple cycle operation of the plant will start commercial production within 20 months of the agreement signing, while the plants will go for combined cycle operation within 28 months of the deal signing, said an official of the PDB.

Emirates adds two Dhaka-Dubai flights

STAR BUSINESS DESK

Emirates has recently announced two more flights to Dhaka from September 1, bringing the total number of flights to the capital to 19 a week, the airliner said in a statement yesterday.

The additional flights -- EK587 -- will be operated on Saturdays and Thursdays.

"We are delighted to announce that we'll be operating two more flights responding to Bangladesh nationals' increased demand for travel to Dubai and onward destinations across the world," said Satish Sethi, Emirates' area manager in Bangladesh.

"The two new additions effective from September 2012 will expand their choice of timings to fly from Dhaka and avail convenient connections from Dubai."

Emirates started its services to Bangladesh in 1986. Passengers from Chittagong and Sylhet will receive complimentary air conditioned coach service during travel to and from Dhaka.



Mustafa Anwar, vice chairman of Islami Bank Bangladesh, presents a cheque to Nasreen Fatema Awal, president of Women Entrepreneur Association of Bangladesh (WEAB), to establish WEAB training centre cum outlet, at a programme in Motijheel on Wednesday.



Humayun Rashid, chief executive officer of Energypac, attends a programme to launch the company's special offer for Eid-ul-Fitr, in the capital recently. Customers will get gift with every purchase of Energypac products.

Stock regulator to install surveillance software

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The Securities and Exchange Commission will introduce 'surveillance software' of international standards this year to strengthen stockmarket monitoring.

"We will complete procurement of the surveillance software within October, and after installation, can launch it by this year," said M Khairul Hossain, chairman of the SEC.

He was addressing a certificate awarding ceremony for a training programme on financial journalism in Bangladesh Institute of Capital Market (BICM), in Dhaka yesterday.

The Capital Market Journalists' Forum (CMJF) organised the

training programme for journalists currently involved in capital market reporting.

The SEC chief said it would be easy for the regulator to identify market manipulation efforts once the surveillance software is launched.

Presently, the SEC has no software of its own and is using the software of the Dhaka Stock Exchange to monitor the market.

The SEC has been facing severe criticism since the market debacle in January last year as the regulator has no surveillance system of its own.

After installing and launching the surveillance software, the SEC will be more vibrant in ensuring supervision, monitoring and transparency in the market.

Development and installation of the software is being implemented under the 'Improvement of Capital Market Governance Project' worth Tk 15 crore, jointly funded by the Bangladesh government and the Asian Development Bank (ADB).

The ADB is providing the fund loans.

"We are working hard to develop the capital market. We have already modified some of our securities rules, as these laws had many weaknesses, and we are in the process to formulate many other rules in the context of our stockmarket," the SEC chairman said.

Emphasising objective news reporting, he said financial jour-

nalists are playing a great role as "informal regulators" of the capital market.

"Through your reporting, every market stakeholder is aware of their job and responsibility," said Hossain, also the chairman of the BICM.

"We also plan to introduce diploma courses on financial journalism at the BICM," he added.

Earlier, Hossain handed over certificates to the participants.

BICM Executive President Mohammad Abdul Hannan Zoarder, DSE Senior Vice-President Ahmad Rashid Lali, Chittagong Stock Exchange President Al Maruf Khan and CMJF President Ziaur Rahman also spoke.

Power Grid Company to set up telecom firm

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The agency is responsible for operation, maintenance and development of the transmission system of the country for distribution of generated electricity.

To appoint the consultant, the PGCBL yesterday published a notice seeking expression of interest (EoI) from the consultants who have prior experience in conducting feasibility study on infrastructure development of fibre optic based nationwide telecom network.

Interested consultants were requested to submit the EoIs by August 26.

China economy to rebound in H2: IMF

AFP, Beijing

China's economy will rebound in the second half of 2012 to expand eight percent annually as government policies to spur growth take effect, the International Monetary Fund said Wednesday.

"Growth is expected to bottom out in the second quarter, and then accelerate in the second half of the year," the IMF said in an annual report on China's economy, which it also predicted would grow 8.5 percent in 2013.

The Fund noted that Chinese authorities, whose views are included in the report, said they had been pursuing policies to achieve a more sustainable pace of growth.

"This managed slowdown, however, has run into stronger-than-anticipated headwinds from the worsening of the euro area crisis," the IMF said.

"Measures to support growth are now being given more prominence and the authorities are confident that growth will be at least 7.5 percent this year."

Still, an expansion of eight percent would mark a further deceleration for China, a key engine of global growth. The



A woman stands outside a retail store along a street in Shanghai on Wednesday. The IMF said Chinese economy will grow by 8.5 percent in 2013.

economy, the world's second biggest, grew 9.2 percent in 2011 and 10.4 percent in 2010.

Authorities, worried the economy was overheating, from 2010 tried to rein in growth by raising borrowing costs and suppressing bank lending, among other steps.

But the slowdown has prompted them to start unwinding some of those measures,

including cutting interest rates and loosening requirements for the amount of reserves banks must maintain, in order to spur lending and boost activity.

The IMF also said that the government has room to do more.

"The authorities have taken the foot off the brakes, but they have not yet stepped on the accelerator," Markus Rodlauer,

the head of the IMF's China team, said in a conference call to discuss the report.

"But they are ready to do so and they have room to do so if needed," he said.

Chinese leaders have repeatedly expressed concern over the weakening economy and vowed to take further measures.

Premier Wen Jiabao has called

stabilising growth the government's top priority.

Growth slowed to a more than three-year low of 7.6 percent in the second quarter, marking the sixth straight three-month period in which it had slowed.

The Washington-based IMF said the projection of eight percent growth was based on the premise that China maintains policies aimed at such a result.

The IMF's assessment echoes many private economists, who also see the economy rebounding in the second half.

The Fund cited the ongoing eurozone sovereign debt crisis as the biggest external risk facing China's economy.

"The authorities were concerned about the external outlook, especially the risk of a worsening of the euro area crisis and the lack, so far, of a sufficiently strong policy response within Europe," it said.

Regarding China's currency, the IMF changed its assessment from last year's report, determining that the renminbi, or yuan, is now more closely aligned with the country's economic fundamentals.

Potato exporters lose out to cheap China produce

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According to data from the Department of Agricultural Extension (DAE), which issues the plant health certificates needed to export farm produce, fresh potato shipments recorded in 2011-12 were 18,862 tonnes, a 52 percent drop from 39,539 tonnes in 2010-11.

Customs data also showed that shipments of potato and potato products and earnings from exports nearly halved in the July-May period of 2011-12 from the same period of the previous fiscal year.

Moreover, incidences of potatoes rotting in transit to places such as Sri Lanka and Malaysia badly dented the image of Bangladesh's potato to international buyers, said Jasim Uddin, chairman of Bangladesh Cold Storage Association.

Currently, Bangladesh exports potato to seven countries, including Malaysia, Singapore and Sri Lanka, while potato exporters get cash incentives from the

Tanners move slow on factory relocation

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Barua expects the construction of the CETP to be completed by June next year and urged the tannery owners to start construction of factories on the allotted plots immediately.

"It is not a viable deadline as the construction of a normal ETP takes 2-3 years to finish the work," M Belal Hossain, chairman of Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association, told The Daily Star over phone.

Additionally, they are demanding another 200 acres of land in the proposed leather estate at Savar for building dumping yards and labour barracks for the workers.

The relocation process started nearly ten years ago following a High Court verdict in 2001.

The government, to accommodate the tanneries, began work on the leather estate more than five years ago.

The estate, which cost Tk 545 crore, remains unused and empty.

The tanneries located in Hazaribagh, Dhanmondi, Basila, Kamrangirchar and the surrounding areas continue to inflict its emissions upon the long-suffering residents of the western part of the city.

The stench of the tanneries can be smelt from miles into the residential areas like Rayerbazar and Zigatola.

More importantly, locals claim to frequently require treatment for skin diseases, fever, cough, gastroenteritis, asthma and diabetes.