

Stocks fall as investors go for profit taking

STAR BUSINESS REPORT

Share prices on the premier bourse fell, as the majority of investors booked profit from their previous purchase.

DGEN, the benchmark index of Dhaka Stock Exchange, finished the day at 4,341.25 points, after falling 42.15 points or 0.96 percent.

"Profit-taking kept the market calm during the first hour of trading session while, subsequent spontaneous buying pressure helped DGEN cross 4,400 points after the last 31 trading sessions," IDLC Investments said in a market analysis.

The buying binge could not last long as news of bleak hope for Padma Bridge funds by the World Bank spread over the bourse, resulting in a sharp fall, the merchant bank said.

"DSE got corrected on the day as

profit booking countered the bull-run that continued for one and a half hours after the trade began," Green Delta LR Holdings said.

Retail investors' participative approach towards trade helped the total turnover to clock the four months' highest, it said.

Compared to the previous day, turnover rose 19.90 percent to Tk 630 crore.

A total of 1.64 lakh trades were executed with 13.16 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the total 270 issues that traded on the DSE floor, 99 advanced, 147 declined and 24 remained unchanged.

Among the major sectors, only non-bank financial institutions saw gain, rising by 0.53 percent.

Pharmaceuticals lost 0.03 percent, followed by power 3.21 percent, telecoms 2.24 percent and

banks 1.03 percent.

Meghna Petroleum featured on the top traded stocks chart with 14.42 lakh shares worth Tk 34.42 crore changing hands.

Unique Hotel and Resorts and Bangladesh Submarine Cable Company were the next popular stocks of the day.

Padma Islami Life Insurance was the biggest gainer of the day, posting a 9.44 percent rise. Square Pharmaceuticals lost 28.41 percent as the worst loser.

The Selective Categories Index of Chittagong Stock Exchange closed the day at 8,333.65 points after falling 64.37 points or 0.76 percent.

Losers beat gainers 114 to 72 with 13 securities remaining unchanged on the port city bourse that traded 1.71 crore shares and mutual fund units with Tk 71.66 crore in turnover.

ICCB chief joins Indonesia's Independence Day celebration

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Mahbubur Rahman, president of International Chamber of Commerce, Bangladesh, participated in the fifth "Presidential Friends of Indonesia" programme 2012 in celebration of 67th Independence Day of Indonesia in Jakarta recently.

Rahman was invited as a special guest of the president of Indonesia, the largest Muslim country in the world where August 17 is the Independence Day.

Indonesia's Ministry of Foreign Affairs organised the programme where 10 special guests from 10 different countries representing parliament, former minister, business leader and university professors and civil society representatives were invited.

The countries were: Australia, Bangladesh, Egypt, Fiji, Japan, Mongo-

lia, Myanmar, Republic of Korea, Tunisia and Vanuatu.

Rahman, the only business leader in the group, and other special guests called on the Indonesian President H Susilo Bambang Yudhoyono, former president of the country BJ Habibie, Foreign Minister RM Marty Natalegawa and Governor of Central Java Bibit Waluyo.

They exchanged thoughts and ideas on topical issues, including current economic situation and political developments in the region as well as elsewhere in the world.

The seven-day programme from August 12-18 included presentation of the reformed electoral system of democratic Indonesia and dialogue on "Democracy and economic development: Indonesia's lessons learned and best practices".



PRAN

Mahatabuddin Ahmed, chief operating officer of PRAN Agro Business Ltd, attends the free peanut seed distribution ceremony organised by PRAN for farmers of Haybatpur in Natore recently. Abul Kalam Azad, principal scientific officer at Bangladesh Institute of Nuclear Agriculture, was also present.

Gold seen hitting new peak

REUTERS, Mumbai

Indian gold prices are likely to touch a new high this week, but could witness a correction in the next couple of sessions, giving traders in the futures market a good buying opportunity.

The most-active gold for October delivery touched a record high of 31,091 rupees per 10 grams on the Multi Commodity Exchange (MCX) and was up 0.28 percent at 31,033 rupees by 1110 GMT.

"Gold and silver both could first correct lower in the initial part of the week. But, could resume higher after the correction towards the end of the week when some Federal Reserve members are expected to speak again on quantitative easing," said Gnanasekar Thiagarajan, director with Commtrendz Research.

The Federal Reserve has room to deliver additional monetary stimulus to boost the U.S. economy, Fed Chairman Ben Bernanke told a Congressional oversight panel in a letter, supporting sentiment in the gold market.

Buying could be done at 31,100 rupees, for a target of 31,600 rupees, with a stop loss below 30,830 rupees, said Aurobinda Prasad, head of research with Karvy Comtrade.

Weak demand from India, the world's biggest consumer, post record high prices and doubling of import

IBBL to launch mobile banking with Robi

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Islami Bank Bangladesh Ltd is going to launch mobile banking service 'Islami Bank mCash with Robi, the bank said in a statement yesterday.

"mCash" will enhance the bank's services," it said.

"Clients can enjoy banking services like money deposit, cash withdrawal, fund transfer to other accounts and remit money from overseas to mobile accounts in the least possible time," Islami Bank said.

Mohammad Abdul Mannan, managing director of Islami Bank Bangladesh, Michael Kuehner, chief executive officer of Robi Axiata, have attended the signing of a mobile banking agreement in Dhaka.

The service also accommodates mobile top-up, commodity buying and selling and salary/wage transfer. The service will be available through any mobile operator. Accounts can be opened free with a primary balance of Tk 20 only.

Mohammad Abdul Mannan, IBBL's MD, said the bank is loyal to the central bank's effort of inclusive banking for unbanked people and the government's effort of digitalisation and that mobile banking will play a vital role in the process.

IBBL's joint service with Robi will be a milestone in the communication and banking sector of the country, he added.

Kuehner said the efforts of these two organisations can be vital to the total development of the country and bring banking



IBBL

Mohammad Abdul Mannan, managing director of Islami Bank Bangladesh, and Michael Kuehner, chief executive officer of Robi Axiata Ltd, shake hands after signing a deal between their companies in Dhaka on Sunday. The bank intends to launch its mobile banking service, Islami Bank mCash, in partnership with the mobile operator.

Eminent citizens worried about Grameen Bank future

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In another statement, 65 eminent citizens said: "The government and the head of the government have taken steps to destroy the Grameen Bank in the name of controlling it, which is worrisome."

They said Prof Yunus has shown the dream of activating the country's disadvantaged poor womenfolk, which has injected life into the women awakening.

"The countrymen have started to reap its benefit slowly. We request the government not to destroy the bank that is enabling women awakening," said the statement.

The platform also urged the government to refrain from curbing the authority of the board of directors of the bank in the name of amending the ordinance.

The signatories to the statement include former vice chancellors of Dhaka University Emajuddin Ahmed and Moniruzzaman Miah, former VC of Jahangirnagar University Mustahidur Rahman, former deputy VC of Agriculture University Shah Mohammad Faruque,

vice-president of Bangladesh Bar Council Khandokar Mahabub Hossain and former general secretary of Bangladesh Supreme Court Lawyers Association Badruddoza Badal.

Under the banner of "Shato Nagorik", 219 eminent citizens urged the countrymen to be alert about any play that could harm the Grameen Bank.

"We are worried that the government is desperate to establish its control over Grameen Bank and destroy it through steps taken one after another"

"We are deeply worried that the present government is desperate to establish its control over the country's only Nobel winning organisation Grameen Bank and destroy it through steps taken one after another," they said in a joint statement.

"Besides, the government is spreading vices to vilify and tarnish the image of microcredit and social

business pioneer Prof Yunus," it said. The signatories to the statement include Prof Sadrul Amin, Prof Tajmeri SA Islam, Prof Abu Ahmed, poet Abdul Hye Shikder, Prof ZM Tahmida Begum, Prof Mohammad Golam Rabbani, Borhan Uddin Khan, Mosharraf Hossain Miah and Prof Mokhlesur Rahman.

Govt mulls fee formula for Bhutan transit

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The core committee also submitted a framework agreement on transit along with the recommendations, Patwary said, adding that the transit to Bhutan will be under the guidelines of this framework agreement.

He said if Bhutan is allowed transit facility, the Bhutanese transports will be able to go to other countries through Bangladesh. The current facility does not allow that.

Under the present terms, Bhutanese vehicles only come till the Bangladeshi Burimari Land Port through Indian Chengrabandha Land Port and then turn back.

The current facility is renewed time to time through consultation under the Trade and Transit Protocol and a Technical Cooperation Agreement signed in 1984. The two also inked a trade agreement in 1980.

The trade agreement was renewed twice since but the last renewal expired in 2000, Patwary said.

Manzur Ahmed, an adviser to the Federation of Bangladesh Chambers of Commerce and Industry and a member of the committee, said the committee will prepare the protocol soon which will work as a model for other transit agreements.

Trade between Bhutan and Bangladesh was worth \$22.12 million in 2010-11, with Bhutanese exports to Bangladesh being \$19 million, according to the commerce ministry.

Bangladesh's GDP growth to fall far short of target

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Although the government is expected to make gradual progress in boosting electricity supplies, these are unlikely to improve significantly until work on two planned nuclear power plants commences in 2014, it said.

About monetary policy, it said the Bangladesh Bank is expected to maintain a pro-growth stance during the remainder of this year.

"The publication of a new inflation gauge, which points to a much slower rate of inflation than the previous measure, could prompt the central bank to adopt an easing policy stance from 2013," it said.

The EIU said the central bank will resume a tightening stance from 2014 as domestic demand gathers momentum.

It also expects consumer price inflation to moderate to an average of 8.5

percent in 2012, from 10.7 percent in 2011, amid an easing of global non-commodity prices and reasonable domestic harvests.

About exchange rate, the EIU said the taka may depreciate against the US dollar in the forecast period, weakening on an annual average basis from Tk 82.6: \$1 in 2012 to Tk 93.1: \$1 in 2016.

"Deterioration in the current account, stemming from strong import growth, is expected to exert downward pressure on the local currency," it said.

The report said the current account will remain in deficit in 2012-16.

"Merchandise export growth will be underpinned by Bangladesh's favourable access to European markets, but the value of imports will continue to exceed that of exports by a wide margin, resulting in a trade deficit throughout the forecast period."



UTTARA BANK

Shaikh Abdul Aziz, managing director of Uttara Bank, distributes agri loan to farmers at the bank's Khepupara branch in Patuakhali recently. Md Fazlur Rahman, deputy managing director, was also present.

Black money amnesty draws poor responses

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Towfiqul Islam Khan, a senior research associate at the Centre for Policy Dialogue, however, is sceptical of the success of the NBR provision.

"It fails to have a special impact if the opportunity is given every year."

He feels the past low responses suggest the inclusion of a permanent provision in the law would hardly lead to better outcomes.

In recent memory, the NBR logged in Tk 803 crore as taxes in fiscal 2007-08 after 16,664 people legalised a staggering Tk 8,895 crore fearing anti-corruption crackdown by the then caretaker government.

The number of people declaring their undisclosed incomes since then has been on the wane, with the figures being 14,258 and 1,923 in the successive fiscal years of 2008-09 and 2009-10.

The tax receipts registered for fiscal years 2008-09 and 2009-10 were Tk 108 crore and Tk 121 crore respectively.

"Rather, the NBR should improve its law enforcement and increase administrative reach to net more