

Stocks' falling streak continues

STAR BUSINESS REPORT

Stocks declined for the fourth day yesterday, as investors went on a selling spree to avoid big losses in their portfolios.

A group of investors also adopted a wait-and-see policy to observe the market movement before making any investment decision.

The market gauge lost 416 points in the last four days thanks to a fall in large cap stocks in the market.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,054.74 points, after falling 35.28 points or 0.86 percent.

Investors' participations declined sharply as average turnover of last four sessions came down to TK 719 crore, commented IDLC Investments in its daily market analysis.

"Investors were seemed to be in search of a comfort zone in recent sessions after a two and half months' rally. As a result, panic rebounded alongside the turmoil in confidence."

The fall in large cap overheated stocks, which further pulled down the market sentiment, the investment banker said.

Market continued to roll down as investors were seeking to book whatever profit

left in the table, stated LankaBangla Securities in its analysis.

Turnover, the most important indicator for the market, declined 28.69 percent to Tk 432 crore compared to the previous day.

Overall turnover has declined on the day, the stockbroker said.

Oil marketing companies continued to dominate the turnover list with loss of market capitalisation, it said. Of the 286 issues traded on the DSE floor, 85 advanced, 178 declined and 23 remained unchanged.

A total of 0.96 lakh trades were executed with 7.79 crore shares and mutual fund units changing hands on the Dhaka bourse.

Amid the major sectors, pharma gained 0.45 percent, followed by travel and leisure 0.28 percent and life insurance 0.23 percent.

However, power lost 2.74 percent, engineering 2.73 percent and non-bank financial institutions 2.26 percent.

Meghna Petroleum featured in the most traded stocks' chart with 11.99 lakh shares worth Tk 32.43 crore changing hands.

JMI Syringe and Medical Devices was the biggest gainer of the day, as it posted a 9.83 percent gain, while Eastern Cables was the worst loser, plunging by 9.94 percent.

Philips posts three-fold jump in profits

AFP, The Hague

Dutch electronics giant Philips on Monday reported a three-fold jump in net profit for the second quarter, boosted by demand for smart lighting, household appliances and health care equipment.

Net profit reached 317 million euros (\$416 million), up from 102 million euros during the same time last year.

Sales for the three months ending June amounted to 5.65 billion euros, a 1.4 percent increase year-on-year, Philips said in a statement.

"We are pleased that in the second quarter our operational results improved year-on-year for the fifth quarter in a row... in a challenging economic environment," chief executive Frans van Houten said.

Philips is traditionally known for making televisions, small appliances and light bulbs but has in the last decade branched out to the health and lifestyle sector.

The company reported "better operating results across all sectors."

The group's best performer was digital LED lighting which showed a 28 percent jump in sales over the previous year. It made up 25 percent of the group's total lighting sales which reached 2.04 billion euros for the second quarter.

The Eindhoven-based company has been selected as a provider of advanced lighting systems for next year's FIFA World Cup football tournament in Brazil, including the interior, exterior and architectural lighting for the Maracana, Rio de Janeiro's main stadium.

In the consumer lifestyle sector, Philips said it has successfully introduced a number of new products including a noodle maker and air purifiers to China, while a new three-in-one male electronic shaver and kit was driving sales in North America.

Philips said orders were up 7.0 percent for health care products, lifted by the launch of a new range of X-ray machines and the recent \$300-million alliance with the a US medical centre to supply medical equipment over the next 15 years.

Despite the deals, Philips pointed out that overall sales in health care remained flat, especially in western Europe, where there was a slight dip in equipment orders.

Founded in 1891, Philips employs around 115,000 people globally.

The group in April 2012 sold its troubled television branch to TPV technology and in January this year announced it was selling its entertainment business to long-term partner Funai.



NATIONAL HOUSING FINANCE

Md Abdur Rob, managing director of National Housing Finance and Investments Ltd, and Sheikh Abul Hashem, managing director of Union Development & Technologies Ltd, exchange documents of a deal recently. National Housing will provide financial facilities to potential buyers of apartments/flats at Union's projects.

DSE to submit demutualisation scheme on July 29

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The DSE's move came following recent media reports on continuation of the flawed index, DGEN.

The DGEN, which contains inflated points due to faulty calculation, was scheduled to continue on the trading board until April, after the launch of a new index in January this year.

The new index known as DSEX, designed by Standard and Poor's, was formally launched on January 28, based on the free-float methodology used by the world's major indices.

The DSE authorities had announced to continue the DGEN for the next three months to April, but it has not been removed from the trading board.

The DSEX has a total of 199 listed companies, which is 93 percent of the total market capitalisation.

Market capitalisation under the free-float methodology is calculated by taking the equity's price and multiplying it by the number of shares readily available in the market.

Instead of using all the shares outstanding as in full-market capitalisation, which DGEN follows, the free-float method excludes locked-in shares held by promoters and governments.

CIMA looks to capitalise on growing private sector

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BBA graduates from Dhaka University and five private universities--North South, Brac, East West, Independent and United International-- however, are waived from 5 certificate papers; they can start directly from the diploma level.

Also, any MBA/Master's degree holders in accounting from UGC-approved universities in Bangladesh can fast track to CIMA by sitting for an assessment exam; upon passing, they would get exemption from 11 of the 15 papers of a CIMA exam.

Members and graduates of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) and the Institute of Chartered Accountants of Bangladesh (ICAB), too, are entitled to the same exemptions.

One has to go through four levels -- operations, management, strategic and professional competence -- to become a member of the international accountancy body. He said two-thirds of the curriculum is business-driven as it has enterprise, financial and operational pillars.

"We take the exam based on pre-seen and un-seen materials at the professional competence level. We give candidates a case study six week in advance, which is actually of a failed company, and they are asked to suggest on how to turn it around."

The three-year course costs around £1,500, but MBA holders and ICAB members have to invest around £850 and ICMAB members around £600.

On the salary structure, a recent salary survey by CIMA shows that it is "very lucrative", said the executive director. The UK-based accountancy body, established in 1919, has over 203,000 members and students in 173 countries and is growing at a double digit rate over the last couple of years.

Sri Lanka is the biggest market outside of the UK, according to the CIMA executive director. "They put greater value on a professional degree."

Born and brought up in Ghana, Tagoe said continuous professional development is the unique feature of the CIMA degree.

"Knowledge is endless as the world is changing so fast. Universities fill students' minds with knowledge. We don't only fill their minds with knowledge but also shape their minds."

Around 350 students are currently pursuing the CIMA course in Bangladesh and there are 17 CIMA qualified across the country. LCBS Dhaka, Pagemark and Skylab education are the CIMA tuition providers in the country.

"The gateway pass rate is around 40 percent in Bangladesh," he said, adding that the pass rate among females, globally, is higher. "Educational psychology shows male students seem to be over-confident and give less attention to actual studying."

Youth, especially from Asia, should give more focus on professional accountancy, he said.

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NCC BANK

ABM Jashim Uddin Ahamed, head of remittance at NCC Bank, and Mohammad Khairuzzaman, country head of Trans-Fast Remittance, exchange documents of a deal in Dhaka recently. Bangladeshi expatriates can now remit money to home using Trans-Fast Remittance through NCC Bank, TMSS and Ansar-VDP Unnayan Bank network. Mohammed Nurul Amin, managing director of NCC Bank, was also present.



IFIC BANK

Managing Director of IFIC Bank Shah A Sarwar inaugurates the 108th branch of the bank at Dholaikhal in Dhaka yesterday.

Food safety law within this tenure: minister

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In the case of a second time offence, the draft suggests imprisonment of 14 years or a fine of Tk 20 lakh.

The law also proposed forming a unified body, Bangladesh Food Safety Authority, to fight food adulteration and take care of other food-related concerns of consumers.

The new law, which will replace the ages-old Pure Food Ordinance, 1959, comes in the face of widespread concerns over food adulteration.

Razzaque said Bangladesh has become self-sufficient in food production and reduced import dependence significantly in the last two years.

But problems remain in ensuring balanced, nutritious and safe food, he added.

FBCCI President Kazi Akram Uddin Ahmed said anti-adulteration drives and imposing fines are not enough to stop food adulteration.

"We need to create awareness. Ethical practice is also important to ensure food safety," he said.

FBCCI Vice President Md Helal Uddin said there are no restrictions on formalin imports and sales.

"The chemical is available at open market. Without controlling its imports and open trade, it's unclear how a businessman can be brought to justice," he said.

Nazma Shaheen, a professor at Institute of Nutrition Food Science of Dhaka University, said a lack of knowledge among businesspeople also gives rise to food adulteration.

"Many are not aware of the harm of food grade colours," she said.

Ahsan Khan Chowdhury, deputy managing director of Pran-RFL Group, and Mohiuddin Monem, DMD of Abdul Monem Ltd, also spoke.

Airtel launches new cable link to boost internet speed

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With 7.66 million subscribers as of May this year, Airtel is the fourth-largest mobile carrier in Bangladesh behind Grameenphone, Banglalink and Robi.

At present, Bangladesh relies entirely on a single undersea cable system, the SEA-ME-WE-4, for global connectivity.

As a result, internet speeds and international voice communications are often disrupted whenever the cable snaps or is down for maintenance, forcing the country to opt for more expensive satellite connectivity to keep its 30 million-plus internet users online.

Airtel's new link will serve as a second international gateway to reinforce connectivity to Bangladesh and also help route bilateral global voice and data traffic, said company executives.

They also added all existing mobile phone companies and internet service providers in Bangladesh would be able to use the cable link to improve the overall quality of international voice and data connectivity in the country.

Mexican state launches \$4.5m social business fund

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During the four-day visit that ended on July 20, Yunus also addressed a conference in Leon attended by the country's top business leaders. His long-time friend and former Mexican president Vicente Fox organised the event.

The Banker to the Poor also appeared in a national TV programme alongside Fox. Later during a press conference, Fox also announced his plan to launch social business movement in his home state Guanajuato.

On his final day in Mexico, Yunus visited the borrowers of Etlá branch in Oaxaca state, where a microcredit programme was launched in 2009 in collaboration with Grameen Trust and Carlos Slim of Mexico, the wealthiest person in the world.

Known as Grameen Carso, the programme is focused in the state of Oaxaca, the poorest state in Mexico.

Nearly 1,000 borrowers, all of whom were women, gathered in a city hall in a festive environment to meet Yunus.

During the meeting with Yunus, a number of borrowers described their stories of successes in businesses and thanked Grameen Carso for helping them change their lives.

The Grameen Carso programme, headed by a Bangladeshi project director Shamsul Alam Khan Chowdhury, now has 7,000 borrowers under 24 branches. The borrowers are maintaining a 100 percent repayment record since the beginning of the programme five years ago.

Google to fund Taiwanese display maker to push Google Glass

REUTERS

Google Inc took another step toward a commercial version of its Google Glass eyewear by acquiring a small stake in a unit of Taiwanese chipmaker Himax Technologies Inc that develops tiny displays.

Himax's shares were up a third to \$6.86 on the Nasdaq.

Google will take a 6.3 percent stake in Himax Display Inc (HDI) and has an option to raise its stake to 14.8 percent within a year, Himax said in a statement without disclosing the financial details.

Google confirmed the deal in an email to Reuters and said Himax Display Inc had been its partner for several years.

Himax said the investment would help fund production of liquid crystal on silicon (LCoS) chips and modules, tiny devices used to project images inside head-mounted devices such as Google Glass as well as head-up displays and pico-projectors.

Time to get used to a weak rupee

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It is not only foreign investors or the steel sector that has such problems. Even domestic investors feel the pinch. Last year, Indian companies invested more overseas than foreign investors in India. Why?

There are many reasons. GDP growth has plunged, the market has shrunk, industrial growth is zero, food inflation is high, interest rates are exorbitant, profitability is down, CAD is excessive, land acquisition for industry

has become impossible. And so on. All because of poor governance. Foreign investment does not need an invitation. It pours into economies that are dynamic and progressive. We are far from that.

No wonder the rupee stayed put at 59-60 to the dollar and did not respond either to the RBI or to the government. That is the news saddle point we have to get used to.

The writer is the president of RPG Foundation, a private think tank in India.



PRAB

Md Ataur Rahman, president of the Public Relations Association of Banks, chairs a meeting of the association in Dhaka recently. A 31-member working committee of the body was formed in the meeting.



SOUTHEAST BANK

Shahid Hossain, managing director of Southeast Bank, opens the 97th branch of the bank at Sharulia in Dhaka recently.



SYNGENTA

FH Ansarey, executive director of ACI Agribusiness, and Md Sazzadul Hassan, managing director of Syngenta Bangladesh Ltd, sign a deal at Syngenta's corporate office in Dhaka yesterday. ACI Motors will provide mechanical transplanting service in Syngenta's TEGRATM programme in Natore.