

Turnover highest in one month

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange hit a one-month high yesterday, as a group of investors injected fresh funds into the market, while some took profits.

Seen as the most important indicator for the market, it advanced 48.80 percent to Tk 707 crore from the previous day.

The market witnessed a decline, breaking a six-day gaining streak, with its free float index, DSEX, closing the day at 4,082.67 points, after falling 1.24 points or 0.03 percent.

The upbeat vibe at the very beginning could not sustain due to investors' dive toward profit booking, IDLC Investments said in its daily market analysis.

A selling spree in some of the heavy-weight large cap scrips derailed the market near the end, the investment banker said.

"As DSEX surpassed and persisted over 4,000 points in last two sessions, an expectation improvement was observed among the investors."

Alongside this, no major distortion on the political frontier made investors' confidence stronger, it added.

The high turnover indicated high sell

pressure at the 4,100 points level, which is also a resistance area, LankaBangla Securities said in its analysis.

"Investors will be curious to see whether the market can close above this level in forthcoming trading sessions to get a sense of direction," the stockbroker said.

A total of 1.32 lakh trades were executed with 11.33 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 291 issues that traded on the DSE floor, 133 advanced, 132 declined and 24 remained unchanged.

Amid this mixed scene, food and allied sector gained 2.82 percent, non-bank financial institutions 2.63 percent and tannery 2.07 percent.

However, travel and leisure declined 2.40 percent, banks 0.68 percent and non life insurance 0.67 percent.

Bangladesh Submarine Cable Company featured in the most traded stock chart with 16.97 lakh shares worth Tk 53.32 crore changing hands.

JMI Syringes and Medical Devices was the day's highest gainer, posting a rise of 9.62 percent, while Navana CNG was the worst loser, slumping 13.77 percent.

MoneyGram awards Ramadan campaign winners

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MoneyGram, a leading international money transfer company, awarded 50 winners of the company's Ramadan campaign in Dhaka yesterday.

It ran the campaign for customers who received remittances through MoneyGram between July 1 and August 1 to encourage migrant workers to remit more money to their families.

"Bangladesh is one of the fastest growing markets for us. This market registered double-digit growth last fiscal year," said Hemant Vishnoi, regional manager- South Asia of MoneyGram.

"This award is just to recognise our valued customers and agent partners in the country," he told reporters at the award giving ceremony at The Daily Star Centre.

All transactions received during this period in Bangladesh automatically entered into a draw for customers to be selected winners of LCD TVs, digital cameras and DVD players.

In addition, each customer received an instant gift of prayer beads in a pouch with every transaction at more than 4,300 participating locations in Bangladesh.

Migrant workers remitted over \$14 bil-



Hemant Vishnoi, MoneyGram's regional manager for South Asia, poses with draw-winners of a month-long Ramadan campaign of the company aimed to encourage remittance inflow to Bangladesh, at The Daily Star Centre in Dhaka yesterday. Nidhi Kataria, senior marketing executive, was also present.

lion to Bangladesh last fiscal year, accounting for about 10 percent of the gross domestic product.

MoneyGram offers money transfer services worldwide through a global network of 327,000

agent locations, including retailers, post offices and financial institutions in 198 countries and territories.

Nidhi Kataria, the company's senior marketing executive for South Asia, was also present.



Atiur Rahman, governor of Bangladesh Bank, presents a gold medal on behalf of Centre for Non Resident Bangladeshis to Mohammad Abdul Mannan, managing director of Islami Bank Bangladesh, for the bank's support towards inward remittance, at Sonargaon hotel in Dhaka on Saturday.

With Gulf aid, Egypt economy can limp through crisis

REUTERS, Cairo

Egypt's political crisis has dealt a blow to all hopes for a quick economic recovery, but aid from its Gulf allies is likely to prevent a financial collapse.

Clashes between followers of deposed Islamist President Mohamed Mursi and security forces have caused the deaths of at least 830 people since Wednesday, the worst political bloodletting to rock Egypt in recent history.

When the army-backed government took over after the ousting of Mursi last month, it hoped to repair the business environment and attract money back to Egypt by improving security, removing logistical bottlenecks and pumping in new funds. That in turn could reduce social tensions by starting to create jobs and raise living standards.

The latest violence may have doomed such hopes for some months at least. If the conflict continues to worsen, the economy could slow further from the anaemic 2.2 percent growth in the first quarter of this year - a rate already much too low to cut unemployment, officially estimated at around 13 percent.

"If you see widespread terrorism and bombs, you won't get a recovery in tourism or domestic investment, and capital flight may continue," said Simon Kitchen, a strategist with investment bank EFG Hermes.

But after Mursi was deposed, Saudi Arabia, Kuwait and the United Arab Emirates promised Egypt a total of \$12 billion in loans, grants and fuel shipments.

Of that, \$5 billion has already arrived - an unusually fast delivery of aid commitments, showing the importance the Gulf attaches to stabilising Egypt.

That means a balance of payments crisis or a collapse of government finances—which had seemed possible during Mursi's administration—do not appear to be on the cards.

Late on Monday, Saudi Arabian Foreign Minister Prince Saud al-Faisal signalled that the world's top crude oil exporter was ready to provide more billions if necessary.

"To those who have declared they are stopping aid to Egypt or are waving such a threat, the Arab and Muslim nations are wealthy with their people and resources and will not shy away from offering a helping hand to Egypt," he told state news agency SPA in Jeddah.

Much depends on whether the struggle between the army and the Islamists develops into a protracted armed conflict. Even if it does not, the latest violence is likely to have harmed the economy for some months.

Tourism may not recover before next year at the earliest. In 2010 Egypt attracted 14.7 million visitors, according to the Organisation for Economic Co-operation and Development; in the wake of the 2011 revolution, the number fell to 9.5 million that year before partially recovering to 11.2 million in 2012. The tourism sector directly accounts for about 7 percent of Egypt's GDP, according to its State Information Service.

Chinese oil imports to reach record \$500b by 2020

AFP, Paris

Seventy percent of China's oil needs will come from imports by 2020, with the bill expected to land at a record \$500 billion (375 billion euros) as rapid economic growth is spurring car sales, a study showed on Tuesday.

In the report, British advisory firm Wood Mackenzie said Chinese crude oil imports will surpass that of the United States in 2017 and are expected to reach a total of 9.2 million barrels of oil per day in 2020.

At the same time, it said US oil import requirements will shrink to 6.8 million barrels of oil per day, or a spend of around \$160 billion from its peak of \$335 billion, mainly on the back of falling demand and an increase in domestic supply and a growth in imports from Canada.

"We will therefore see Opec suppliers, who traditionally focused on the US for crude sales, compelled to shift their focus towards China," said William Durbin, the group's Beijing-based president of global markets.

The firm estimates that Chinese imports from the Organisation of the Petroleum Exporting Countries (Opec) will grow to 66 percent from the 52 percent recorded in 2005.

Oil market analyst Harold York said the jump in Chinese imports can largely be attributed to domestic oil demand growth and is "driven by gasoline demand due to the near-exponential increase in personal auto vehicles and diesel demand related to commercial trucking as China's economy grows."

"By 2020 China will be second only to the US for the total fleet of personal auto vehicles in use. From 2005-2020, China will see the number of vehicles rise from 20 million to 160 million," he said.

Help us get GSP back

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Atiul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, also sought cooperation from Levin for reinstatement of GSP benefits, during a meeting on Monday.

"We have also demanded duty-free entry of Bangladeshi garment items to the US market," Islam said.

Bangladeshi garment exporters currently pay 15.30 percent duty upon entry to the US market. In 2012, the country paid nearly \$746 million as duty to the US customs for exporting \$5 billion worth of garment items.

Levin earlier wrote to US President Barack Obama saying the mounting death toll in the country's garment industry underscores the need for immediate action to address the crisis of working conditions and worker rights.

"We must use all possible tools to address this situation. The GSP is one tool that we understand your administration is already considering and we support its robust use. But action under GSP alone is insufficient to address the monumental challenges in Bangladesh's garment sector," he said in the letter to Obama May 1.

To date, around 1,800 died due to garment factory-related incidents.

He also wrote to Hasina and some retailers in May to take proper steps to ensure safety of the workers in the factories.

Levin is the second Congressman to visit Bangladesh after the Rana Plaza tragedy: George Miller paid a visit earlier in May to observe the labour and working conditions.

Indian rupee hits new low, bank intervention suspected

AFP, Mumbai

India's rupee slumped to a new record low to the dollar Tuesday, prompting suspected central bank intervention, amid fears that measures to stabilise it and kickstart the economy will not work.

Asia's worst-performing currency this year slid to 64.13 rupees to the dollar in morning trading, past its previous low of 63.22 the previous day.

Two suspected interventions by the Reserve Bank of India to sell dollars saw the rupee retrace slightly to 63.19, dealers told AFP on condition of anonymity.

The RBI does not confirm forex market interventions and says it intervenes only to prevent rupee volatility.

The troubles of the rupee, which has slumped nearly 17 percent against the dollar this year, has spilt over to the stock

and bond markets.

Indian shares -- which have fallen seven percent in the past three trading days -- slid as much as 1.83 percent in early trade Tuesday to a low of 17,970.98 points before recovering to close down 0.34 percent at 18,246.04.

The yield on the 10-year benchmark bond hit 9.23 percent intraday, the highest for over five years, reflecting eroding investor appetite for Indian debt as worries about the economy and potential default mounted.

India's weak trading sentiment was mirrored across key Asian stock markets, with investors jittery before Wednesday's publication of the minutes of July's US Federal Open Market Committee meeting.

These may give indications about a possible rollback of the Fed's massive stimulus programme.

US clothing retailers' alliance appoints chair

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As the chair, Tauscher will serve a three-year term in the board, according to a statement. "The respect Ellen has earned in Congress, the State Department, and the private sector will serve her well in the role as an independent leader and convener," said James F Moriarty, an Alliance board member and former US ambassador to Bangladesh.

She will work with the Alliance members and governments to pursue the critical safety mission and aggressive implementation schedule, Moriarty said in the statement.

Tauscher said, "I am excited to be part of this unique public/private partnership between companies and stakeholders who want to materially change the safety and work conditions of tens of thousands of Bangladeshi garment workers."

She also added, "This is an enormous challenge, but one well worth the time, effort and investment, as it will not only provide real change for the Bangladeshi workers, but this Alliance endeavour could serve as a global model for collaboration."

Tauscher also had a noteworthy career in the financial sector, serving as one of the first and youngest women to become a member of the New York Stock Exchange during a 14-year Wall Street career that

began at Bache & Co in 1974.

Apart from Moriarty, three other members of the independent board are Atiul Islam, president of Bangladesh Garment Manufacturers and Exporters Association; Randy Tucker, global leader of the fire protection and safety team of a Houston-based engineering firm, and Muhammad A (Rumeel) Ali, managing director of BRAC Enterprises and Investments.

The four board members from Alliance companies are: Daniel Duty, vice president of global affairs for Target; Jay Jorgensen, senior vice president and global chief compliance officer for Wal-Mart Stores Inc; Tom Nelson, vice president for global product procurement for VF Brands, and Bobbi Silten, senior vice president of global responsibility for Gap Inc and president of Gap Foundation.

Alliance, which brought the initial membership to 20 apparel companies and retailers and brands, including Costco Wholesale Corporation, Intradeco Apparel, and Jordache Enterprises Inc, will inspect garment factories in Bangladesh to ensure worker safety.

With these additional members, more than \$45 million has been committed to administer the programmes developed by the Alliance over the next five years.



Md Ehsan Khasru, managing director of Prime Bank, launches JCB Card's online acquiring service at the corporate head office of the bank in Dhaka yesterday. Md Iqbal Hossain, head of IT, was also present.



Atiur Rahman, governor of Bangladesh Bank, presents the best support service providers award on behalf of Centre for Non Resident Bangladeshis to Mohammad Nurul Amin, managing director of NCC Bank, at Sonargaon hotel in Dhaka on Saturday.

Regulator plans new payment methods for IGWs

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Mobile operators also want changes to the payment methods for the IGWs, which share a certain portion of their revenues with the mobile operators as well.

An official of a mobile operator said the IGWs often take more than three months to pay the mobile operators.

The Association of Mobile Telecom Operators of Bangladesh recently sent a letter to the BTRC seeking a change to the payment methods for the IGWs.

The billing problem arose as the government issued 19 new IGW licences last year making the market saturated.

In 2008, the then regulator awarded three licences in the private sector, breaking the monopoly of the state-run Bangladesh Telecommunications Company Ltd.