

Stocks continue gaining amid shutdown

STAR BUSINESS REPORT

Stocks gained for the second day yesterday amid a three-day strike, as investors bought shares on expectations of good earning declarations by listed firms.

DSEX, the benchmark general index of the Dhaka Stock Exchange, gained 1.08 percent or 42 points, to close the day at 3,951.50 points. "Buying spree backed by expectation on quarterly earnings disclosure assisted the bourse in maintaining green zone for the second session," said IDLC Investments in its daily market analysis.

Meanwhile, investors' consistent focus on large cap stocks, especially banks, in recent days highlighted another demand push scenario throughout the session, the investment banker said.

Positive earnings surprise along with price advantage in the sector lured some witty participants to the market, it said.

Turnover, the most important indicator of the market, advanced 47.51 percent to Tk

369 crore from the previous day.

"The rally can be attributed to the continuous buying pressure as hope popped in traders mind over dialogue between the two major political parties for the formation of an election-time government," commented LankaBangla Securities in its analysis.

Rising from the oversold situation five days back, stocks are responding positively, shooting up the benchmark index to the psychological level of 4,000 points during intraday trading and closing to a new high, the stockbroker said.

A total of 1.06 lakh trades were executed with 11.62 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 288 issues that traded on the DSE floor, 132 advanced, 132 declined and 24 remained unchanged.

Amid the major sectors: foods gained 3.69 percent, miscellaneous 3.54 percent, banks 2.67 percent and life insurance 2.05 percent. However, power declined 0.79 percent and engineering 0.69 percent.

Pabna milk producers hit hard by hartal

OUR CORRESPONDENT, Pabna

The countrywide shutdown took a heavy toll on the milk producers in Pabna and Sirajganj districts.

No firms, except for Milk Vita in Baghabari, the biggest buyer of milk in the region, have purchased milk from the local producers in the last two days due to disturbance in transportation.

Farmers in Sathia and Bera upazilas in Pabna and Shahzadpur in Sirajganj, where most of the 1,200 milk producing units are located, produce around 2 lakh litres of milk daily on an average, said Md Nazrul Islam, director of Baghabari Milk Vita.

Milk Vita alone consumes nearly 1.2 lakh litres of milk daily, said Md Idris Ali, factory manager of the firm. "We continue collecting milk during hartals. But the thing is we cannot consume more milk than our requirement."

Hartal bars other private firms from collecting the rest of around 80,000 litres of milk, causing huge losses to over 1.2 lakh families who depend on its production, Ali said.

Firms under Nukali Uttarpara Milk Producing Association of Shahzadpur produced around 160 litres of milk yesterday, Samsul Alam, president of the association, told The Daily Star.

"Milk Vita collected only 51 litres of the milk. We did not get any buyer for the rest of 109 litres due to the hartal."

"We also tried to sell the liquid in local markets at Tk 20 a litre, much lower than its regular price at Tk 36 a litre, but got poor response."

Hartal can bring nothing but a loss for the milk producers in the region, said Islam. "Political parties should not take such programmes which hurt the economy. They should avoid calling shutdowns."

Security firm G4S rejects takeover bid

AFP, London

G4S, the British security services firm, said Monday it had rejected a bid of £1.55 billion for its unit responsible for transporting and storing cash and valuables on behalf of businesses.

G4S revealed that it had last week received an offer for its cash solutions business, equivalent to \$2.51 billion or 1.81 billion euros, from British private-equity group Charterhouse Capital Partners.

"The Board regards the nature and timing of the approach to be highly opportunistic and... the offer has been firmly rejected considering the strategic importance of the cash solutions businesses to G4S," a statement said.

It also felt that the bid "fundamentally undervalues the business and its prospects".



ELECTRO MART

Md Nurul Afser, director of Electro Mart, receives the "Global Most Valuable Distributor" award from Michael Changdong, chairman of Hong Kong Konka Ltd, during the 2013 Konka Global Distributor Conference at Shenzhen City in China recently.

Dhaka bourse's EGM today

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Dhaka Stock Exchange will hold an extraordinary general meeting (EGM) today to modify its Memorandum and Articles of Association in line with the approved demutualisation scheme.

The premier bourse, at the EGM to be held at Sonargaon Hotel, will also adopt the demutualisation scheme and select the first Board of Directors for the exchange under the scheme.

Meanwhile, the Chittagong Stock Exchange on Friday arranged its EGM, where the port city bourse adopted the demutualisation scheme, amended the Memorandum and Articles of Association, and selected the first Board of Directors under the scheme.

The demutualisation is a way of separating the bourses' management from ownership and also to bring transparency and accountability into the market. It is going to transform the two bourses from their current non-profit, co-operative state into profit-oriented entities.

India's top carmaker Maruti posts rise in profits

AFP, New Delhi

India's top carmaker Maruti Suzuki Monday posted a nearly threefold jump in its quarterly net profit compared to the same period last year when production was hit by a labour dispute.

Net profit was 6.70 billion rupees (\$109 million) for the three months ending September 30, compared with 2.27 billion rupees a year earlier, higher than market expectations.

Sales in the quarter rose 26.5 percent to 102.11 billion rupees despite India's rapidly slowing economy and the worst slump in the car market for a decade.

Car sales for the six months since April have fallen by 4.67 percent year-on-year, the sharpest drop since the first half of 2002-03, industry data shows.

Maruti closed one of its two factories temporarily in July and August last year because of a strike and a dispute which led the management to accuse workers of sabotaging production.

"The company's performance during the quarter has to be viewed in the context of unusually low levels of profit in the second quarter of last year owing to labour problems," the company said.

Telenor's Baksaas to head GSMA

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"I look forward to working closely with the rest of the board, the GSMA team and our entire membership to advance important industry issues," Baksaas said.

"Connecting more of the world's population to the mobile internet is a top priority, and to address this, the GSMA will continue to focus on the future evolution of our networks, the adoption of secure and interoperable new services and advocate for the needs of our industry to governments and regulators."

Baksaas is a Norwegian citizen and has worked in the telecom industry for 25 years.

GSMA also represents 250 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in financial services, healthcare, media, transport and utilities.

The GSMA also produces industry-leading events such as Mobile World Congress and Mobile Asia Expo, according to the statement.

Poultry bears the brunt

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Shahriar's company will have to destroy around two lakh one-day old chicks, including 1.6 lakh broiler chickens, till yesterday, due to failure to make deliveries, he said.

MM Khan, secretary general of Bangladesh Poultry Industries Association, also expressed the same concerns. "If we cannot deliver the chicks in a day, they die."

"We also have to stop the delivery of chicks due to the hartal," said Kazi Zahedul Hasan, managing director of a leading poultry breeder, Kazi Farms.

The poultry industry accounts for 4 percent of the GDP. The country has around 1.5 lakh poultry farms and the sector trades around Tk 22,000 crore a year.

The leaders urged the opposition parties to keep the sector out of the purview of hartal.



BANK ASIA

Aminul Islam, managing director (current charge) of Bank Asia, poses with the participants of a training on business English and writing skills, at Bank Asia Institute for Training and Development at Karwan Bazar in Dhaka yesterday. Md Azharul Islam, head of training, was also present.



ADCOMM

Geeteara Safiya Choudhury, chairman of Adcomm Ltd, and Md Shah Jobaer, managing director of China-Bangladesh Electronics Ltd (CBE), exchange documents of a deal at a programme recently. Adcomm will handle the communication material of CBE.

Hartal chokes RMG exporters

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The bad impact of the shutdown was particularly noticed in the Chittagong port. On a normal day, between 1,628 to 2,000 TEUs (twenty-foot equivalent units) are delivered, but in the 24 hours since the shutdown started, it slumped to only 212 TEUs, according to data from the traffic department of Chittagong Port Authority.

No goods were unloaded at Benapole, the country's biggest land port, due to hartal over the last two days. Subsequently, the port authorities stand to lose around Tk 10.43 crore in revenue per day, according to port officials.

A four-kilometre line has been created on the Indian Petrapole, the counterpart of Benapole, as imports have been halted due to hartal at the port.

A similar situation was also noticed in other land ports of the country.

"We usually forward the imported goods to the rest of the country within a day of their arrival, but now we are having to deposit them at our warehouses," said Harun Ur Rashid, convener of Hili Land Importer and Exporter Association.

Some 120 goods-laden trucks from India and Bhutan and 89 Bangladeshi trucks loaded of different export items were stranded on the road, a custom official at Burimari Land Port said.

Shamim Ahmed, a heavy user of the Burimari Land Port, said he has been facing heavy losses due to the hartal. "We do not dare to conduct trade due to fear of hartal pickets," he said.

Hundreds of loaded trucks, too, were stranded on both sides of the Sonamasjid land port since Sunday morning due to hartal.

Jagannath Kumar Saha, manager (operation) of Sonamasjid-Panama Port Link, a private port operator, said over 500 imported goods-laden trucks, including onion and fruits, got stranded on Mohodipur land port of Malda in West Bengal, the opposite of Sonamasjid land port.

Indian central bank hints at rates rise

AFP, Mumbai

India's central bank hinted in a report Monday that it would further raise interest rates this week as inflation remains high.

The Reserve Bank of India (RBI), which holds its monetary policy meeting in Mumbai on Tuesday, said in its macroeconomic report on the eve of the decision that inflation remains "above comfort levels".

Annual inflation in September jumped to a seven-month-high of 6.46 percent, led by surging food and fuel prices.

"Various surveys, including those by the RBI, show that business confidence remains weak, while inflation expectations have risen again," the central bank report said.

"The monetary policy will need to aim at anchoring inflation expectations, while appropriately addressing growth risks," it added.

The report supports the widely held expectations of economists that the RBI will raise interest rates on Tuesday, in what would be its second rise in two months.

The RBI said it expects "a modest

improvement in growth" in the second half of the fiscal year to March 2013 "on the back of a good monsoon and some improvements in industrial growth".

The economy grew by 4.4 percent year-on-year in the April to June quarter, the slowest quarterly expansion in four years.

Last month new central bank governor Raghuram Rajan -- who had warned he was prepared to take unpopular steps to bring the economy back on track -- surprised markets by increasing interest rates to help control inflation.

BTRC hits a snag in appointing foreign auditors for telcos

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Meanwhile, the regulator has already short-listed six international firms from the 11 that responded to its two-page request for expressions of interest, posted on the BTRC website earlier in the year.

The firms are: Kingston Smith LLP, SM Saini and Associates, Gianender and Associates, Pricewaterhouse Coopers Pvt Ltd, Nayak and Kishnadwala, and Ernst and Young LLP.

The telecom regulator started the process of appointing an international audit firm after its first attempt to sniff out creative bookkeeping by the mobile companies to hold back revenues from the government, was met with disputes.

In 2011, BTRC appointed local accountancy firms, and the exercise kicked off with the country's top two operators, Grameenphone and Banglalink. MA Fazal & Co and Aziz Halim Khair Chowdhury were the respective auditors.

Aziz Halim Khair Chowdhury backed out within a week of appointment by the BTRC; so another firm, Ahmed Zaker and Co, took over, but they, too, were unable to start the proceedings.

Grameenphone's audit, however, was completed, but the operator called into question MA Fazal and Co's report, taking the issue to High Court, where the case is still pending.

Meanwhile, the telecom regulator's process of appointing auditors was challenged by an aggrieved accountancy firm, K Alam and Co, which filed a writ petition with the HC in June. The decision was given in K Alam and Co's favour, but BTRC took the issue to the Appellate Division, where the case is still pending.

"We, therefore, want an international firm to carry out the auditing to prevent anyone from questioning the quality and integrity of the findings," Bose had earlier told The Daily Star.

DSE worst global performer

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Investors do not want to take any risk before a change of political power, the stockbroker said. "When there is a positive outlook on the political transition, the market will get back to a more comfortable zone."

In addition to the political situation, the ongoing problem in the country's garment sector has had a negative effect on the overall economy, it added.

There was ample liquidity in the money market in September; the call money rate hovered around 7 percent, according to Bangladesh Bank. All the indices posted significant negative returns in the month.

All major sectors were in the red last month: cement fell 9.6 percent, non-bank financial institutions 7.20 percent and power 7.10 percent. However, foods gained 3.9 percent and textiles 0.6 percent.

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SIBL

AMM Farhad, managing director (current charge) of Social Islami Bank Ltd, attends a foundation training on banking, for the bank's probationary officers at the training institute of the bank in Dhaka recently. Md Yunus Ali, deputy managing director, was also present.



IFIC

Abdullah Abu Sayeed, chief executive of Biswashahitya Kendra, a non-profit organisation promoting reading habits, receives a cheque for Tk 10 lakh from Shah A Sarwar, managing director of IFIC Bank, at a programme in Dhaka recently.



GRAND SULTAN TEA RESORT AND GOLF

Tony Khan, general manager of Grand Sultan Tea Resort and Golf, and Arman Khan, head of sales, attend a press meet to announce the initial launch of the five-star resort on 13.6 acres in Srimangal on Friday.