

# Stocks back to the black

STAR BUSINESS REPORT

Stocks returned to the black yesterday, as the investors took fresh position in shares and mutual fund units anticipating a short-term rally in the market.

Turnover, the most important indicator for the market, advanced 44.55 percent to Tk 456 crore, the highest in the last two weeks, compared to the previous day. DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,330.63 points, after gaining 34.28 points or 0.79 percent.

However, turnout of investors at different brokerage houses and merchant banks were thin due to the ongoing blockade along with countrywide strike enforced by the BNP-led 18-party alliance. Many investors took part in the trading over phone.

Meanwhile, the market started the day on a flying tone in the morning and the upward trend continued till the end of the day at 2:30pm.

"Investors reacted positively to the market trigger amid gloomier economic outlook and macroeconomic indicators in red following current political unrest," LankaBangla Securities said in its analysis.

Investors might have reacted positively to the news of possible cut in lending rate in coming month, the stockbroker said. "After a single day's break, the market reverted to the black though the national

political outlook remained uncertain. Investors might have been expecting a slow down in clashes for the time being which would provide a short breathing space," said IDLC Investments in its regular market analysis.

An aggregate of 1.11 lakh trades were executed with 10 crore shares and mutual fund units changing hands on the Dhaka bourse.

Gainers took a strong lead over the losers, as out of the 286 issues traded on the DSE floor, 212 advanced, 46 declined and 28 remained unchanged.

All the major sectors ended in the black: pharma gained 1.02 percent, power 1.18 percent, telecoms 0.54 percent, non-bank financial institutions 0.25 percent and banks 0.10 percent.

Summit Purbanchol Power Company featured in the most traded stocks' chart with 33.78 lakh shares worth Tk 25.93 crore changing hands followed by Golden Son, LankaBangla Finance, Summit Power and Generation Next Fashion. National Tubes was the day's highest gainer, posting a rise of 9.76 percent, while Bay Leasing and Investment was the worst loser, slumping by 4.52 percent.

The Chittagong Stock Exchange also ended higher with its selective categories index, CSCX, advancing 71.36 points, to close at 8,508.06 points. Gainers beat losers 133 to 53 with 25 issues remaining unchanged at the port city bourse that traded 1.12 crore shares and mutual fund

## Robi, EBL bring co-branded Visa cards

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Mobile operator Robi and Eastern Bank Ltd (EBL) have jointly introduced a co-branded Visa credit card, the operator said in a statement yesterday.

Users of the card, which will be available in two variants—platinum and gold—will receive a 5 percent discount on their monthly post-paid bills along with a free international roaming subscription.

There is no issuance fee for the card, and the annual fee will be waived if 18 transactions are made in a year, according to the

statement.

The platinum cardholders will have free access to the Balaka Lounge and the soon-to-be-opened EBL Sky Lounge at the Hazrat Shahjalal International Airport and free enrolment in the EBL Sky Miles programme.

New card subscribers will receive a free Robi-Udoy post-paid connection, discounts in over 100 leading outlets and over 200 golf clubs in the country and 3,500 hotels worldwide.

Robi-EBL card users can also enjoy online booking facilities and discounts on Agoda, the largest online hotel booking site.

## China to allow fully private banks this year

AFP, Shanghai

China will allow three to five fully private banks to be set up this year as part of efforts to further open up the sector, the banking regulator said.

At a work conference on Monday, the China Banking Regulatory Commission (CBRC) said it will allow private capital either to take part in restructuring existing banks or set up new ones at their own risk, according to a statement.

"The first batch of three to five private banks will be set up on a trial basis," the CBRC said, adding they will be approved when conditions are "mature".

Communist authorities retain a strong grip on the economy. At present almost all banks are state-owned, either at the national or local level, although some have floated minority stakes.

Senior bank officers must be approved by the CBRC.

The latest move is in line with a document released in November after a key Communist Party meeting at which Beijing pledged to open up its financial sector to both foreign and private capital.

But in a sign that controls would only be loosened so far, the regulator said the new entities would be subject to strict procedures and enhanced supervision.



GDIC

Farzana Chowdhury, managing director of Green Delta Insurance, receives the second prize in the insurance category from Finance Minister AMA Muhith at the 13th ICAB National Award for best presented annual report of 2012, in Dhaka recently.

## More than 1b Android devices to ship in 2014

REUTERS, London

The number of smartphones and tablet computers shipped with Google's Android operating system will break the 1 billion barrier this year, research group Gartner said on Tuesday. Android, which is installed on products made by Samsung, HTC, Sony and many other manufacturers, is forecast to reach 1.1 billion users in 2014, up 26 percent on last year, with the strongest demand in emerging markets.

Apple's iOS and Mac OS operating systems are expected to be in 344 million new iPhones, iPads and Macs this year, Gartner added, representing a 28 percent jump on the number of devices shipped in 2013.

"There is no doubt that there is a volume-versus-value equation, with Android users purchasing lower-cost devices compared to Apple users," Gartner analyst Annette Zimmerman said in a statement on Tuesday.

Microsoft's Windows operating system, which dominates the PC and notebook segments, is forecast to be in 360 million new devices, up from 328 million in 2013.

Growth in the PC and notebook segment has been hit by the popularity of tablet computers, sales of which are forecast to increase by 47 percent this year to 263 million, according to Gartner.

"Users continue to move away from the traditional PC as it becomes more of a shared-content creation tool, while the greater flexibility of tablets, hybrids and lighter notebooks address users' increasingly different usage demands," Gartner research director Ranjit Atwal said.

Sales of mobile phones are expected to continue to increase, but at a slower pace, with the focus moving away from top-end premium devices to mid-level products, he added. Gartner said it expects combined

## Denim exhibition in March

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Country heads, sourcing heads, merchandising managers and fashion analysts of 66 international retailers such as Charles Voegelé, G-Star, Jack and Jones, s.Oliver, River Island, H&M, C&A, PVH and GAP will participate in the exhibition.

"Such exhibitions take place in Paris, Sweden, Shanghai and Hong Kong annually. And this is for the first time Bangladesh is organising the exhibition."

Denim Expert, which started its operation in 2008, sends 2.25 lakh pieces of denim products worth \$1.92 million a month.

In recent years, the demand for Bangladeshi denim is on the rise for competitive prices and for relaxed rules of origin (RoO) by the European Union under its Generalised System of Preferences (GSP), industry insiders said.

Many local and foreign companies have invested in the denim sector after the relaxation of the RoO by the EU to avail the duty-benefits from Bangladesh.

At present, around 25 domestic denim makers supply 40 percent of the demand, while the remaining 60 percent is imported. On an average, every factory has a production capacity of

## Motorola eyes aggressive moves in smartphones: CEO

AFP, Las Vegas

Motorola is pushing all the buttons to regain prominence in the smartphone market, including aggressive pricing, chief executive Dennis Woodside says.

Woodside, in an interview Monday with AFP on the sidelines of the Consumer Electronics Show in Las Vegas, said the Google-owned unit is seeking to gain ground against rivals including Apple and Google.

"Consumer tastes change, and we actually think that there's a huge undercurrent of consumers who are saying, 'I don't want to pay as much for my phone ... that's actually a great opportunity,'" he said.

Motorola is far behind the market leaders now but is "tapping into the next five billion consumers who can't afford a \$600 dollar phone," he added.

Since being acquired by Google, Motorola has introduced the Moto X, the flagship device aimed at the US market, and the Moto G, a less expensive phone geared to cost-conscious consumers worldwide.

"There will be different phones at different price points but we're going to be very aggressive there," Woodside said.

"When we priced Moto X at \$399 in the US as a promotion, we sold tens of thousands of units in a matter of eight minutes."

The Moto X was originally introduced at \$599 unlocked, without a con-

tract, while the Moto G was priced at \$179 in the US.

Motorola, once among the leaders in the mobile phone market, has been struggling in recent years as makers like Apple and Samsung grab most of the market share and profits. Surveys indicate it is not among the global leaders in smartphones and has only around seven percent of the US market.

While some analyst see Motorola cutting prices due to weak sales, Woodside said the company makes a profit

"Costs are really important in the business and we'll always be focused on costs, but right now the priority is growing the top line," he said.

"This is a business where scale matters and what's been really important for us to start putting products out there that we're excited about and get consumers excited about.

That's what we've done with Moto X and Moto G," he added.

"We've got more on the way and we're focusing on growing that base, the bottom line will take care of itself, once we get to the scale that we need to be."

He said that younger consumers appear to like to use Moto Maker, which allows for a custom design and color of the smartphone: 80 percent of those customers are under 35, he said.

Woodside declined to provide specific sales figures but maintained that since launching the Moto X and Moto G "we are seeing our best days ever for smartphones."

## Chris Tobit, new chairman of Amtob

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Chris Tobit, managing director and chief executive officer of Airtel Bangladesh Ltd, has recently been appointed as the chairman of the Association of Mobile Telecom Operators of Bangladesh (Amtob).

Tobit replaced Michael Kuehner, chief executive of Robi Axiata, the association said in a statement yesterday.

Amtob is the national trade body representing the country's all six mobile operators: Airtel, Banglalink, Citycell, Grameenphone, Robi, and Teletalk.

"It gives me great pleasure to represent a telecom body that has strategically placed itself in the core of the telecom industry in Bangladesh," Tobit said. "Amtob has played a vital role in the growth of the country's mobile telecom sector and has been the voice of the industry."

"This will be a great opportunity for the organisation to continue to provide a platform for dialogue on important industry issues amongst all stakeholders and take initiatives to bring positive expansion in the telecom operations of the country."

## Hussain gets 1yr extension as NBR chief

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Md Ghulam Hussain will serve for another year as the secretary of the Internal Resources Division and the chairman of the National Board of Revenue, as the government has recently appointed him on contractual basis.

The appointment will come into effect from tomorrow or from the day the outgoing IRD and NBR chief chooses to join the government, the public administration ministry said in a statement yesterday.

The ministry also said it has appointed Hussain after cancelling his leave preparatory to retirement.

## Higher food prices push up inflation

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The BB economist said, "Higher food prices affect the urban poor the most and therefore programmes such as the Open Market Sales (OMS) of subsidised rice should be scaled up."

However, about the reason behind the fall in non-food inflation, Zaman said it is likely due to lower aggregate demand because of dampened economic activities and consumers spending over the past month.

Zahid Hussain, lead economist at World Bank's Dhaka office, said the continuous blockades and shutdowns caused more decline in the incomes of the poor.

Hussain said when the poor people's incomes fall the first option they go for is cutting back on non-food consumption.

BBS Director Abul Kalam Azad also said the fall in non-food inflation is an effect of political disruption. People's expenditure on fuel, recreation and other purposes has decreased due to unrest.

Due to blockades and strikes people are also unable to spend on transportation, Azad said.

According to the BBS, the rise in food inflation in December was much higher in rural areas than that in urban areas.

It increased by 0.60 percentage point in rural areas, but in urban areas it rose by 0.22 percentage point.

WB's Hussain said the supply chain disruptions hit the rural areas hard this time.

Food items imported through land ports could be supplied to the urban areas under protection of the law enforcing agencies, but those could not be carried to the rural areas so easily. As a result, the prices of food items increased more in the rural areas, Hussain said.

## Cash flow slowing

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"Goods are being produced at our factories, but we cannot make deliveries and collect cash from the retailers," said Lutful Bari, director (operations) of Meghna Innove Rubber that makes tyres, tubes and parts for bicycles, motorcycles and CNG-run three-wheelers.

Helal Ahmed Chowdhury, managing director of Pubali Bank, said there is no study on how the cash movement has dropped exactly, but it is certain that the cash flow has been hampered by the political impasse.

"Now, cash management has become a big challenge, as some branches have huge surplus funds and some are running short of cash," Chowdhury said.

Political unrest has also slowed implementation of the government-sponsored development programmes by 5 percentage points in the first five months of the current fiscal year compared to the same time in the previous year. Of Tk 65,872 crore earmarked for the annual development programme this fiscal year, only Tk 13,156 crore or 20 percent was spent in July-November.

Foreign investments, which are an important source of money inflow in an economy, also declined in recent months as foreign entrepreneurs are shying away from making any fresh investment in Bangladesh, according to a Board of Investment official.

BoI received only 7 proposals in October 2013, against 15 in September, data shows. Foreign companies proposed to invest only \$20 million in October against a commitment of \$1.91 billion a month ago. The number of local investment proposals also declined to 75 in October from 81 in September.

## DSE election on Feb 12

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A law on demutualisation was passed in parliament on April 29 last year with a promise to bring transparency to the stockmarket.

Demutualisation is a way of separating management of the bourses from ownership. It transforms a stock exchange into a profit-oriented company owned by shareholders and ensures alternative business models and operational efficiency.

Bangladesh's stock exchanges were non-profit cooperative organisations owned by the exchange members who are usually stockbrokers.



Chris Tobit



UCB

Javed Iqbal, head of corporate affairs at United Commercial Bank, presents blankets for distribution among the poor to AFM Asaduzzaman, general manager of Bangladesh Bank, at a programme on Monday.



NRB BANK

Shafquat Hossain, head of retail at NRB Bank, inaugurates a branch of the bank in Joypara, Dohar recently.