

Investors hold back stocks for fourth day

STAR BUSINESS REPORT

Stocks declined for the fourth day yesterday as investors stuck to a wait-and-see approach.

The bearish trend at the Dhaka Stock Exchange began after the new trading system was introduced on Thursday.

DSEX, the benchmark index of DSE, dropped 14.30 points, or 0.29 percent, to finish the day at 4,878.65 points. DSES, the shariah index of the prime bourse, also declined almost 3.05 points, or 0.27 percent, to close at 1,147.34.

"DSE continued to taper for four consecutive sessions, owing to ongoing correction on the large cap stocks," commented LankaBangla Securities.

Investors showed an interest in small cap stocks of different sectors like engineering, food and allied, and tannery, leading them to gain 0.5 percent, 0.22 percent and 0.88 percent respectively, the stockbroker said.

However, banks, cement, textiles, and pharma lost 0.18 percent, 0.42 percent, 1.11 percent and 0.16 percent.

The market remained nonchalant throughout the session amid weak investor participation, said IDLC Investments.

Turnover, the most important indicator of the market, advanced 18.9 percent to Tk 238 crore, compared to the previous day.

A total of 0.81 lakh trades were executed with 6.55 crore shares and mutual fund units changing hands on the Dhaka bourse.

Losers beat gainers 146 to 119, while 39 remained unchanged of the 304 issues traded on the DSE.

Fuwang Food was the turnover topper with 48.11 lakh shares worth Tk 12 crore changing hands, followed by Western Marine Shipyard, Agni System, Square Pharma and Olympic Industries.

Fuwang was also the highest gainer of the day, posting a 7.05 percent rise, while EBL NRM Mutual Fund was the worst loser, plunging 10.20 percent.

Germany signs loan deal to fund power sector

STAR BUSINESS DESK

Germany yesterday signed a deal to provide €60 million funds to Bangladesh to modernise the power transmission system.

The funds comprise €15 million grants and a promotional loan of €45 million, the German embassy in Dhaka said in a statement.

The funds are part of €320 million earlier sanctioned to support renewable energy and energy efficiency in Bangladesh.

KfW, the German Development Bank, signed the deal with the Economic Relations Division in Dhaka to give the funds. The loans carry a 2.5 percent interest rate and a 15-year repayment period, with five years as a grace period. The initiative will cut transmission losses equivalent to savings of more than 100,000 tonnes of CO₂ emission annually, according to the statement.

"This will be the first soft loan in our bilateral partnership. Thanks to the reduction of transmission losses many people in the western parts of Bangladesh will now have electricity," said Ferdinand von Weyhe, chargé d'affaires of the German embassy in Dhaka said.

"Business can develop. The CO2 footprint will be reduced. This will help us in our struggle to mitigate climate change," Weyhe said.

The efficiency gains from this project alone will be big enough to provide electricity to nearly 200,000 additional households.



STANCHART

Bitopi Das Chowdhury, head of corporate affairs at Standard Chartered Bangladesh, presents blankets to SK Sur Chowdhury, deputy governor of Bangladesh Bank, and AFM Asaduzzaman, general manager from Governor's Secretariat of Bangladesh Bank, for distribution among the underprivileged through the central bank, at a programme recently.

Nigerian oil workers go on strike

BBC NEWS

Nigeria's two main oil workers' unions have begun a nationwide strike, threatening to hurt the output of Africa's largest oil producer.

BBC reporters say long queues have formed at many petrol stations.

The unions, Pengassan and Nupeng, said the strike would continue until the government addressed its concerns.

These include the adoption of the delayed Petroleum Industry Bill, aimed at overhauling the sector and maintenance work on oil refineries.

The unions frequently go on strike or threaten to strike.

This time, the two unions were initially demanding the reinstatement of representatives who had been dismissed by oil companies, but now their list of complaints has grown.

They are now protesting that the government has allowed Nigeria's oil refineries to fall into disrepair and that the poor state of the country's roads is hindering the transport of oil.

They are also asking for the price of petrol to be reduced and oil theft to be stopped.

"We've commenced the strike. It will affect oil production, since all operations

are on strike," Pengassan chief Babatunde Oke told Reuters.

However, an oil executive said the strike was not expected to affect output, because it would require the co-operation of large numbers of workers at production sites who would be unwilling to go that far.

"It's very difficult to shut them down, and once they do, it would take them a week to get them back up. They never do it. That's the last thing anyone wants," an oil executive told Reuters.

The BBC's Will Ross in Lagos said most of the unions' demands seemed "unrealistic, especially with an election looming".

"The refineries are not suddenly going to be fixed because of this strike. Some oil industry watchers suggest the unions are simply trying to force the government to pay them off and get a hefty Christmas present," he added.

A strike in September had little impact on oil production.

Many Nigerians, whether Christian or Muslim, travel home over the Christmas and New Year holidays and so they are stocking up on fuel now, in case of shortages in the next couple of weeks, analysts say.



NCC BANK

Md Nurun Newaz Salim, chairman of NCC Bank, poses with the participants at the closing ceremony of a month-long foundation training organised by the bank in Dhaka recently. Golam Hafiz Ahmed, managing director, was also present.

India's inflation rate flat, raising rate cut hopes

AFP, Mumbai

India's wholesale inflation fell to a five-and-a-half-year low driven by ongoing falls in fuel and food prices, data showed Monday, boosting expectations of an interest rate cut early next year.

The Wholesale Price Index, India's inflation measure with the biggest basket of goods, slipped to a lower-than-expected zero percent in November from a year earlier, the lowest rate since July 2009, official data showed.

The latest WPI compares with a five-year-low of 1.77 percent recorded in October, and was below analysts' estimates of about 1.1 percent.

Analysts said Reserve Bank of India governor Raghuram Rajan's aggressive policies to curb price rises appeared to be paying off.

The sharp fall in global crude oil prices also helped keep inflation in check in India, which imports most of its fuel.

"This means the Reserve Bank of India (RBI) will be under pressure to cut rates," said Arun Singh, senior economist at credit data firm Dun & Bradstreet

Figures released on Friday showed consumer inflation slowed to 4.38 percent, a three-year low, while industrial output contracted, also putting pressure on the central bank to cut rates.

That inflation figure was below the

RBI's six-percent goal for January 2016, and down sharply from double-digit inflation last year.

Finance Minister Arun Jaitley is hoping for a cut in borrowing costs to boost investment and stimulate the faltering economy, which is mired in the longest slowdown in a quarter of a century.

But even with inflation falling, the RBI has resisted appeals to loosen monetary policy.

Rises in prices of food especially have caused huge hardship for India's 1.2 billion population, of which nearly a quarter live in severe poverty, according to the World Bank.

Rajan, a former chief economist of the IMF, said earlier this month a cut in its benchmark repo rate was "premature", but indicated a reduction was very likely in early 2015 if inflation continued to fall.

"The world has not changed between now and the last RBI policy meeting. The fall in inflation was expected," said Ashutosh Datar, economist at IIFL Holdings Ltd, who predicted the RBI will wait for two more months of inflation data before acting.

India's economy grew by 4.7 percent last year and the RBI expects it to expand by 5.5 percent this year -- far below the near double-digit growth needed to generate employment for tens of millions of new entrants to the job market.

AirAsia confirms order of 55 long-haul Airbus aircraft

AFP, Paris

Malaysian low-cost carrier AirAsia X confirmed Monday its order of 55 long-haul A330Neo passenger planes from Airbus at a list price of \$15 billion, in what is the biggest single order for the line of aircraft.

Since signing an agreement to purchase 50 of the new-generation A330s in July, AirAsia X has added five more planes to its order, the group said in a statement.

Airbus will begin delivering the fleet in 2018, AirAsia X said.

The Malaysian carrier is now Airbus's biggest customer for the A330 family of aircraft, having already ordered 91 of them to date.

"This latest deal with Airbus will enable AirAsia X to consolidate its growth rate in 2015-2017 before ramping up deliveries from 2018 onwards," said Tony Fernandes, co-founder and director of the company.

"The A330 has proven itself to be exactly the right aircraft for our business model, combining low operating costs, long-range flying capability and high levels of comfort."

The A330Neo is an updated version of Airbus's wide-body medium-haul jet with fuel-saving engines.

AirAsia X is the long-haul and low-cost affiliate of AirAsia, which was a failing carrier in 2001 when Fernandes acquired it.

The former record industry executive quickly turned the airline around with his no-frills, low-fare formula.

Since then, it has recorded spectacular success and aggressive growth at the expense of national flag carrier Malaysia Airlines.

Strikes across Belgium cause transport chaos

BBC NEWS

A nationwide strike in Belgium has brought air, rail and road transport to a standstill and forced many businesses to close.

Hundreds of flights to and from Belgium have been cancelled, as well as Eurostar services to Brussels.

The widespread industrial action is the latest in a series of strikes protesting against the new centre-right coalition's austerity policies.

The government plans to save €11bn (£8.7bn) in the next five years.

The 24-hour strike is the largest to have taken place in Belgium for many years. It has forced government offices and schools to close, and the country's ports have been blockaded.

Unions are opposing a decision by Charles Michel - Belgium's new leader - to scrap a cost-of-living wage rise next year. Belgian law currently mandates that wages rise at the same pace as inflation.

Singapore Airlines India joint venture gets flying permit

REUTERS, Mumbai

Singapore Airlines Ltd's Indian joint venture won a flying permit, paving way for it to start operations.

The joint venture with India's Tata conglomerate, which will operate under Vistara brand, plans to announce the sales, routes and schedules soon, it said in a statement.

Vistara will fly Airbus A320-200 planes.

Singapore's GIC forms joint venture with Vatika Group

REUTERS, Singapore

GIC Pte Ltd, Singapore's sovereign wealth fund, formed a joint venture with property developer Vatika Group for two residential projects near New Delhi, the two firms said in a statement on Monday.

The projects in Gurgaon, to be developed by Vatika Group, are expected to be completed by financial year 2018-19 and are forecast to generate revenue in excess of 20 billion rupees (\$319 million), they said.

Other details of the joint venture were not disclosed. GIC has been on a property-buying spree. Its recent investments include an office building in Rio de Janeiro, an office tower in Tokyo, shopping centre in Rome and logistic properties in the United States.



PRIME BANK

Marina Yasmin Chowdhury, director of Prime Bank, attends the launch of a free eye camp by Prime Bank Eye Hospital at Nabin Chandra Model High School in Kulaura, Moulvibazar yesterday. Md Kamrul Hasan, deputy commissioner of Moulvibazar, was also present.



COEL

Derek Mueller, director of cooperation at Swiss Agency for Development and Cooperation, attends the closing ceremony of an industry-led apprenticeship programme organised by the Centre of Excellence for Leather Skill Bangladesh Ltd (Coel) on its Gazipur premises on Sunday. Syed Nasim Manzur, chairman of Coel, was also present.