

# DSE turnover hits two-month high

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange hit a two-month high yesterday with stocks ending in the black for the fourth consecutive session.

Turnover, the most important indicator of the market, advanced 14.4 percent to Tk 928.27 crore, compared to the previous day, also crossing the Tk 900-crore level for the first time in the last two months.

The premier bourse's turnover was Tk 1,002.33 crore on June 1.

DSEX, the benchmark index of the DSE, rose 9.26 points or 0.19 percent, before closing the day at 4,871.81 points.

The market showed significant movement at the start of trade as the positive momentum was continued from the previous day,

LankaBangla Securities said in an analysis.

However, the stockbroker said the market came under pressure in the last hour of trade, leading the index to close almost flat in the positive territory. "Investors came to book profits on stocks that moved significantly in previous sessions," it said.

The market played actively on both sides of the fence, which kept the stocks rally alive and pushed the market turnover value above Tk 900 crore, LankaBangla added.

Of the traded issues, 156 advanced and 128 declined with 39 securities closing unchanged on the premier bourse.

United Air dominated the turnover chart with 3.77 crore shares worth Tk 43.36 crore changing hands, followed by Islami Bank, Lafarge Surma Cement, Beximco and BSRM Steel.

Among the major sectors, food and

allied gained 1.12 percent in market capitalisation, followed by textiles that increased 0.86 percent, cement 0.66 percent and bank 0.42 percent.

Conversely, tannery and telecommunication lost 0.65 percent and 0.35 percent respectively.

Premier Cement was the day's best performer gaining 9.97 percent, while Exim Bank 1st Mutual Fund was the worst loser with a 7.93 percent fall.

Chittagong stocks also rose yesterday with the bourse's benchmark index, CSCX, increasing 16.25 points to 9,092.44.

Gainers beat losers as 124 advanced and 96 declined, while 41 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 2.38 crore shares and mutual fund units, generating a turnover of Tk 70.11 crore.

## BTCL gets new managing director



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Golam Fakhruddin Ahmed Chowdhury has recently been appointed as the managing director of Bangladesh Telecommunications Company Ltd (BTCL), the company said in a statement yesterday.

He was the additional secretary of the information and communication technology ministry, according to the statement.

He received his MBA degree from the Dhaka University and also achieved a master degree in IT from

## Emirates sweetens deals for passengers to US

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Emirates has come up with a new offer for its passengers to explore beyond the airline's network of American destinations with the Americas Pass. With one combined ticket, travellers flying to any of Emirates' 10 US destinations can connect to over 90 cities across the USA, Canada and Latin America, the airliner said in a statement yesterday.

Five partner airlines of Emirates—Jet Blue, Alaska Airlines, Virgin America, WestJet Airlines and Porter Airlines—will help the Dubai-based carrier in the effort.

The Americas Pass will allow customers to enjoy competitive fares starting from \$99 per flight sector within America.

The pass will also come with a generous baggage allowance on all internal flights, adopting Emirates' two-piece policy for flights in Canada, North or South America as well as no minimum stay requirement.

"Emirates' Americas Pass gives our passengers something we've never offered before: freedom to explore two continents with a single ticket in conjunction with a longhaul Emirates trip," said Thierry Antinori, executive vice president and chief commercial officer of Emirates.

"From Vancouver, Canada to San Juan, Puerto Rico to San Diego, USA and hundreds of destinations in between, Emirates passengers can experience a range of cities, sights and events with ease and flexibility, as well as visiting friends and relatives."

Emirates has been serving the US since the launch of its services to New York in 2004 and has carried over nine million passengers in the past decade.

## Australia keeps interest rate at 2pc

AFP, Sydney

Australia's central bank Tuesday held interest rates at a record-low of 2.0 percent as it kept the possibility of further easing on the table and dropped calls for a weaker exchange rate.

The Reserve Bank of Australia said it would continue to monitor data over the next few months, adding that leaving the cash rate unchanged "was appropriate" for this month.

The central bank has slashed rates by 250 basis points since November 2011, with the latest 25 basis points cuts coming in February and May, as the economy adjusts to a shift away from an unprecedented boom in mining investment.



APOLLO HOSPITALS

Officials of Apollo Hospitals Dhaka pose at the launch of the hospital's Hip Centre on its premises in the capital on Saturday. The centre will run under the supervision of renowned orthopaedic surgeon Prashant Agrawal.

## EU, Vietnam seal free trade deal

AFP, Brussels

The EU and Vietnam on Tuesday announced a free trade deal removing nearly all tariffs, with Brussels calling it a "milestone" on the way to a region-wide agreement with Southeast Asia.

The EU said the agreement in principle followed two and a half years of "intense" negotiations between the 28-nation European Union and Vietnam, whose two-way trade has grown to 28 billion euros (more than \$30 billion) in the last 10 years.

"We have a deal. This finely balanced agreement will boost trade with one of Asia's most dynamic economies," EU Trade commissioner Cecilia Malmstroem announced in Brussels following a phone call with her Vietnamese counterpart Vu Huy Hoang. In Hanoi, Hoang said the deal would

help "integrate Vietnam into the global economy," allow Vietnamese firms to meet international standards and provide benefits for businesses and people on both sides.

Malmstroem told a press conference in Brussels that the two had agreed on "all the political issues", but more legal work was needed to finalise the text and she hoped the deal could take effect in late 2017 or early 2018.

She called the agreement, which follows a similar one with Singapore last year, an "important milestone" in EU ties with the 10-member Association of Southeast Asian Nations (ASEAN), which includes Vietnam and Singapore. "Our ultimate goal is to have a region-to-region agreement," the former Swedish politician said.

EU foreign policy chief Federica Mogherini announced meanwhile that

she will visit Kuala Lumpur on August 5-6 as part of the EU's drive to "step up its engagement" with ASEAN, which will also include talks on security.

Malmstroem said "there is a large focus on human rights" in the deal and in the broader relationship, warning that the agreement could be suspended if Vietnam fails to respect its obligations. Malmstroem said the agreement, the first that the EU has concluded with a developing country, will remove more than 99 percent of tariffs on goods traded between the two economies over a period of up to seven years.

"The agreement will also create new market access opportunities in services and investment," a statement said.

"Vietnam has agreed to liberalise trade in financial services, telecommunications, transport and postal and courier services," it added.

## Toyota books record first-quarter earnings

REUTERS, Tokyo

Toyota Motor Corp said it "can't be optimistic" about profitability in China, the world's biggest auto market, where slowing growth is forcing the Japanese manufacturer to cut prices and offer buying incentives to keep up with rivals.

Toyota, which on Tuesday reported record first-quarter net profit for the third consecutive year, enjoyed rising China sales but price wars were sapping profit, company officials said at an earnings briefing.

China auto sales fell each month in the

quarter as economic growth crawls at its slowest pace in 25 years, draining consumer sentiment. Analysts expect a stock market crash from mid-June to have a knock-on effect and further drag on vehicle sales.

Japanese automakers are widely expected to fare better than rivals due in part to sales of new sports utility vehicles (SUVs). But at Toyota, price competition has particularly hit its RAV4 as car makers seek to capitalize on a vogue for SUVs.

"In April-June, vehicle sales have progressed firmly but, as for profitability, we can't be optimistic," said Managing Officer Tetsuya Otake.

## Sovereign wealth fund in the offing to fix infrastructure

FROM PAGE B1

Many central banks in recent years have accumulated reserves in excess of needs for liquidity or exchange rate management, and most of them have diversified into assets other than highly short term liquid assets, said Zahid Hussain, lead economist at the World Bank's Dhaka office.

"It is about time that Bangladesh Bank joins the ranks of these banks. Its SWF initiative is certainly a timely step in the right direction," he added.

The government has already formed a seven-member committee headed by BB Deputy Governor SK Sur Chowdhury to explore the SWF prospect.

The committee, which comprises economists and representatives from the finance ministry, has already held a meeting in connection to raising the amount for the SWF, according to Chowdhury.

It will examine the similar funds from other countries in the next few meetings, after which it will submit its recommendations to the government, he added.

Hussain said the central bank will need to do a lot of homework and learn from experiences in managing SWFs in countries such as Norway, Singapore, Abu Dhabi and Kuwait.

BB will have to set an optimal legal and economic structure of the SWF and specify the spending rule.

It will then have to select one or more agents to manage the money and specify performance benchmarks, and it must deploy technically sound professionals to do all these work, the WB economist said.

The central challenge will be to ensure good financial return while diversifying risks.

It may be wise to start relatively small and then gradually build the fund up as experience is gained and institutional oversight capacity in BB is strengthened, Hussain added.

As of March 2015, sovereign wealth funds around the world stood at \$7.1 trillion in assets under management, according to the Sovereign Wealth Fund Institute, up from \$3.4 trillion at the start of 2008.

China ranks number one in terms of the size of SWF

## Telecom networks sign up more users

FROM PAGE B1

Operators stepped up sales efforts by introducing new packages for voice and data, along with bundle offers that include attractive rates, industry insiders said.

Mobile operators also want to achieve maximum sales before the government imposes 'strict regulations' on SIM sales.

Grameenphone, the market leader, has 5.31 crore active mobile connections, while Banglalink comes in second with 3.22 crore subscribers, according to data from the BTRC.

Third in the market is Robi with some 2.74 crore users, followed by Airtel with 87.43 lakh, Teletalk 42.16 lakh, and Citycell 11.87 lakh.

The overwhelming majority of internet connections in Bangladesh, some 4.69 crore out of 4.84 crore, are through mobile networks.

## Multi-currency exchange rate can lessen exporters' earnings losses

FROM PAGE B1

Multi-currency exchange rate is a system that allows importers and exporters of any country to use any suitable currency in international trade. Generally, the US dollar is the most widely used currency for payment settlement in international trade.

Conceptualised in 2008, the multi-currency exchange rate is still at discussion levels. Until now, no country has adopted the regime. "We are creating awareness among stakeholders," Toft said.

In Bangladesh, GCU is in negotiations with the central bank and the BGMEA to introduce the system.

BGMEA President Atiqul Islam said the taka appreciated 1.45 percent against the greenback last year, due to which the export earnings was lower than it should have been.

At the same time, the currencies of some competing countries like the Indian rupee devalued 4.73 percent against the dollar, the Pakistani rupee by 3.12 percent and

Vietnamese dong by 1.3 percent, according to the BGMEA president.

"So, we are losing our competitiveness - the profit level in the garment business has gone down so much that we negotiate in cents."

Subsequently, Islam urged Bangladesh Bank to form a taskforce to address the issues over the currency exchange rates so that the country does not suffer.

M Abul Kashem, deputy governor of BB, said the concept of a multi-currency exchange rate is the concern of the importers and exporters.

"If they agree, we can introduce it in the country. But we always work for stability in the currency market," he said, adding that research will be conducted in this regard soon.

Alamgir Morshed, head of financial markets of Standard Chartered Bangladesh, said hedging in international trade can effectively address the currency exchange risks. BGMEA Adviser Mamun Rashid moderated the function.

## Komen costs Ctg port Tk 1.61cr

FROM PAGE B1

In the outer anchorage, some 22,198 tonnes of goods were unloaded on Wednesday, but work was completely suspended the next day, and some 3,300 tonnes were offloaded on Friday.

Komen also affected the delivery of goods from the port as just 327 TEUs were

carried out from the port on Friday compared to 3,192 TEUs delivered two days ago.

The situation improved after Saturday, and port activities are now going on in full swing.

"The assessment will help us understand the port's efficiency against natural disasters



STANDARD BANK

Sharif Zahirul Islam, head of card division at Standard Bank, and Shib Pada Dey, assistant general manager for finance and accounts at Transcom Electronics, pose during an agreement signing ceremony recently. The bank's Visa cardholders and employees can now avail 3 to 12 monthly instalments at zero percent interest for their purchases at Transcom Electronics.



**Advanced Chemical Industries Limited**  
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### Price Sensitive Information

This is for information of all concerned that the Board of Directors of the Company has taken decision on 04 August 2015 after 2:45 pm that, the Company under its Electronics Business of Consumer Brands will launch a range of Smart and Feature Mobile handsets and accessories in the name of STYLUS with a view to demonstrate ACI's business excellence in the information technology sector having an initial sales target of Taka 720 million in 2016.

By Order of the Board  
**Sheema Abed Rahman**  
Company Secretary

5 August 2015