

Stocks drop for third day as confidence erodes

STAR BUSINESS REPORT

Stocks continued to decline for a third day, as investor confidence in the market was slumping.

DSEX, the benchmark index of the Dhaka bourse, dropped 68.59 points or 1.46 percent, finishing the first day of the week at 4,608.03 points.

The weekend could not pacify investor sentiment; rather, fears escalated on the market making an unconstrained fall for a third session, said IDLC Investments.

"Doubt in the prospect of selective large-caps turned into an epidemic in the entire market. Investors' conviction on their holdings was shaken and they resorted to dumping to protect their capital," the merchant bank said.

LankaBangla Securities said it was a poor start to the week as the equity benchmark lost around one and a half percent, weighed down by banks, real estate and pharma stocks.

Turnover, an important indicator of the market, went down 23.16 percent to Tk 310.89 crore, with 8.52 crore shares and mutual fund units changing hands on the DSE.

Of the issues that traded on the premier bourse, only 44 advanced and 250 declined, with 23 securities unchanged.

Lafarge Surma Cement dominated the turnover chart with 55.91 lakh shares worth Tk 46.65 crore changing hands, followed by BSRM Steel, Saif Powertec, KDS Accessories and Beximco Pharma.

Of the major sectors, cement took the biggest hit, slumping 4.99 percent, followed by fuel and power that declined 2.2 percent, mutual funds 1.94 percent, textiles 1.79 percent and banks 1.02 percent.

Conversely, food and allied and miscellaneous sectors rose 2 percent and 0.95 percent respectively.

IPDC was the day's best performer, advancing 7.98 percent, while Saif Powertec was the worst loser, slumping 22.64 percent.

Chittagong stocks also suffered a jolt with the bourse's benchmark index, CSCX, declining 143.78 points or 1.65 percent to stand at 8,567.93. Losers beat gainers as 192 retreated and 33 advanced, while 18 closed unchanged.

The port city bourse traded 84.30 lakh shares and mutual fund units, generating a turnover of Tk 29.93 crore.

Barapukuria coal power plant adds another unit

OUR CORRESPONDENT, Dinajpur

Work on constructing the third unit of Barapukuria coal-based power plant in Dinajpur is underway to add 275 megawatts to the national grid by 2018.

The new unit, which is being constructed by a joint venture of Harbin Electric International Company Ltd and CCC Engineering China, will take the total production of the country's lone coal-fired power plant to 525MW, said Sarath Chandra Bhaduri, chief engineer of Barapukuria Power Plant.

The plant will consume 600,000 tonnes of coal a year, with 75 percent of the fuel coming from Barapukuria Coal Mining Company Ltd.

The project cost is estimated at Tk 2,040 crore, said Mahubur Rahman, executive engineer of the plant.

The existing plant has two units -- each having a capacity of 125MW.

The unit is part of the government's efforts to boost electricity production and cut reliance on gas-based power generation, as domestic reserves of the natural resource are dwindling.

Natural gas accounts for about 70 percent of electricity generation in Bangladesh, with about 2 percent power coming from coal.

New COO for Radio ABC



STAR BUSINESS DESK

Daniel Afzalur Rahman has recently been appointed as the chief operating officer of Radio ABC.

Rahman will be in charge of managing all operations of the radio station, ABC said in a statement.

He has also worked with Radio Foorti and G&R, according to the statement. Radio ABC 89.2 FM is owned by Media Star Ltd, a concern of Transcom Group.

Amazon targets 1,114 'fake reviewers' in Seattle lawsuit

BBC NEWS

Amazon is taking legal action against more than 1,000 people it says have posted fake reviews on its website.

The US online retail giant has filed a lawsuit in Seattle, Washington.

It says its brand reputation is being damaged by "false, misleading and inauthentic" reviews paid for by sellers seeking to improve the appeal of their products.

It comes after Amazon sued a number of websites in April for selling fake reviews.

Amazon says the 1,114 defendants, termed "John Does" as the company does not yet know their real names, offer a false review service for as little as \$5 (£3.24) on the website Fiverr.com, with most promising five-star reviews for a seller's products.

"While small in number, these reviews can significantly undermine the trust that consumers and the vast majority of sellers and manufacturers place in Amazon, which in turn tarnishes Amazon's brand," the technology giant said in its complaint, which was filed on Friday.

Amazon said it had conducted an investigation, which included purchasing fake customer reviews on Fiverr from people who promised five-star ratings and offered to allow purchasers to write reviews. It said it had observed fake review sellers attempting to avoid detection by using multiple accounts from unique IP addresses.

Amazon said the lawsuit was not targeting Fiverr, which is not a defendant in the complaint. Fiverr said it was working with Amazon to resolve the issue.



SM Abu Mohsin, chairman of NCC Bank, opens the relocated premises of the bank's Anderkilla branch on KB Aman Ali Road in Laldighi East, Chittagong on Sunday. Golam Hafiz Ahmed, managing director, was also present.

NCC BANK

Top ILO team to review factory safety progress

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The other members of the team are: Coen Kompier, Al-Wreidat Amin and Siska Dubbert.

"The delegation wanted to know in detail about the government's safety policy and implementation of the amended labour law," Mikail Shipar, labour and employment secretary, said after a meeting with the delegation at the secretary's office in Dhaka.

The team also wanted to know about the progress of recruitment of new labour inspectors to fortify the vigilance of factories to avert industrial disasters, Shipar said by phone.

The government has already recruited

nearly 250 factory inspectors to fulfill one of the major conditions set by the Obama administration to regain the generalised system of preferences to the US market.

The delegation will also meet with the trade union leaders, leaders of Bangladesh Garment Manufacturers and Exporters Association and members of the standing committee on the labour and employment ministry, he said.

The ILO team will give a set of recommendations that Bangladesh needs to follow, he said.

The four are the members of the ILO's supervisory body, said Srinivas B Reddy, country director of ILO.

Padma bridge will get the proceeds of taka bond

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The ERD secretary said the funds raised from the taka bond will also be used by the private sector. Earlier in April, the IFC, the private sector arm of the World Bank Group, floated the idea of issuing the "taka bond" in the international market in a bid to raise funds for local use.

Muhsith also presented a detailed description of the meetings he attended in the sidelines of the UN General Assembly meeting in New York and the WB-IMF annual conference in Peru. The president and a senior vice-president of the WB will visit Bangladesh soon to see first-hand the progress the country has made in various sectors.

Bangladesh's economic and social progresses were lauded in the various events held on the sidelines of the annual meeting in Peru, he said.

The government has sought \$500 million in budget support from the WB and detailed discussions were held on it.

However, the WB said they have plans to start the credit line with \$250 million, and it will be continued from year to year.

To avail the budget support, Bangladesh will have to set a timeframe for implementing the reform programmes including energy pricing issues.

He also spoke of his meeting with Indian Finance Minister Arun Jaitley, in which they discussed the connectivity issue between Bangladesh, India, Bhutan and Nepal.

Muhsith said he told the Indian finance minister to construct a short road between Bangladesh and Bhutan so that trade between the two countries can be increased.

About the issue of transit fees, he said Bangladesh will fix it in line with international practices. The WB and IMF used to make very low growth forecasts for the Bangladesh economy, but in recent times they have upped the forecasts, Muhsith said.

"I think growth will absolutely reach 7 percent this year. This is a good year for the economy, as there is no political unrest in the country." The economic forces have come to the fore, so the political disturbances will automatically be rejected by the people, he said.

"This is a big lesson for those who do naughty politics."

Replying to a query about the pay commission, Muhsith said the grades of the staff will automatically change in the new pay scale, which, he thinks, is better than the existing one.

The order for the new pay scale will be issued by the end of this month or the first week of next month, the finance secretary said.

Weak inflation puts ECB in tight spot at Malta meeting

AFP, Frankfurt

Falling prices in the eurozone are turning up the heat on the European Central Bank to prevent the single currency area from slipping into a dangerous downward spiral of deflation.

But many ECB watchers say they do not expect the guardian of the euro to take any action just yet when its decision-making governing council convenes in Malta this coming week.

Consumer prices in the eurozone slipped by 0.1 percent in September, according to data published by Eurostat.

That "heaps pressure on the ECB to step up its stimulative action at its meeting" on Thursday, said IHS Global Insight analyst Howard Archer.

With area-wide interest rates currently at what ECB chief Mario Draghi perceives to be their lower end, any additional easing action would likely take the form of an extension of the central bank's bond purchase programme, known as quantitative easing or QE, the expert said.

"But it looks most likely that the ECB will hold fire on more QE, as a number of governing council members appear to be in 'wait and see' mood," Archer said.

A number of top ECB policymakers, including Draghi himself, have recently insisted it is too early to judge whether further action is needed.

Also by December the ECB will

have compiled its own new staff forecasts, which could well bolster the case for more stimulus.

"Recent comments from governing council members suggest that the ECB may not be ready to increase its policy support when it meets" in Malta, said Jennifer McKeown of Capital Economics.

But Draghi would likely reiterate concerns about the inflation outlook and risks from emerging markets, stressing again that the ECB was ready to do more if needed.

"We still see it announcing a pick-up in the pace of its asset purchases before long, if not at this meeting then perhaps following the December meeting," McKeown said.

QE is an ambitious scheme, launched in March, to buy more than one trillion euros (\$1.1 trillion) worth of public sector bonds to pump liquidity into the system at a rate of 60 billion euros per month until September 2016.

While falling prices might appear to be good for consumers, they can be poisonous to the economy, because they may persuade consumers to delay purchases in the hope of lower prices, in turn prompting companies to hold off investment and hiring.

The ECB calculates that inflation rates of close to but just under 2.0 percent are conducive to healthy economic growth.

Draghi has repeatedly said that the ECB would be ready to take fur-

ther stimulative action if necessary.

And analysts believe that such action could take the form of an extension of the QE programme beyond September 2016 or an acceleration or increase in the total amount of bonds purchased.

But executive board member Benoist Coeure recently said it was too early to speculate about such a move, pointing out that only a third of the current QE programme had been executed so far.

And with the beneficial effects of a range of other policy measures -- unprecedented amounts of liquidity and historically low interest rates -- still only gradually making themselves felt, it was "premature to discuss" a new QE programme, Coeure said.

Nevertheless, "it is certainly our duty to be prepared to cope with all kinds of contingencies," he added. The head of the Austrian central bank, Ewald Nowotny, said the ECB was "clearly" missing its inflation target.

While acknowledging that sharp falls in commodity and oil prices -- factors outside the central bank's control -- were the main cause, "core inflation rates are clearly below our target," Nowotny said.

Commerzbank economist Michael Schubert said he did not expect Draghi to announce any new measures on Thursday. But he was "likely to stress the central bank's readiness to adjust the duration, volume and structure of the QE purchase programme if need be."

Firms must issue notice to declare interim dividends

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The bourses won back this authority after three years, as the practice was suspended by the regulator following a conflict between BSEC and Dhaka Stock Exchange in 2012 over the listing of a new company.

Before submitting the final recommendations, the bourses can seek additional information, documents and clarification from a firm that intends to go public.

The regulator would take its decision on an IPO approval after receiving and evaluating the observations and recommendations from the bourses.

The stock exchanges can also inspect the offices or factories of a company with prior permission from the regulator, and can also seek additional information, explanation or documents from a firm anytime.

As per the revised regulations, equity companies, mutual funds and issuer of debt securities will have to comply with three separate sets of required information and documents for their listing on the stock exchanges. Previously, there was only a set of requirements.

The initial listing fees will be a minimum of Tk 50,000 and a maximum of Tk 1 crore, depending on the size of a company's paid-up capital. Previously, the listing fees ranged between Tk 10,000 and Tk 1 lakh.

In the revised regulations, the minimum annual listing fee has been set at Tk 50,000 to Tk 6 lakh. The previous regulations had stated that companies will have to pay the annual fees set by the commission from time to time.

An issuer company must have an official website, which must remain functional even after its listing on the stock exchanges. The website must contain all price sensitive information, annual reports, quarterly financial statements, and business and company profile.

Govt counts losses as IGW cartel rigs call prices

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Mobile and other operators are also incurring losses. Telecom Secretary Md Faizur Rahman Chowdhury said the government needs to get to the bottom of the matter. "We will look into it and try to find out the reason," Chowdhury said yesterday.

After the hike in the call termination rate, the incoming call volume has dropped to 93 million minutes a day from 105 million minutes, the BTRC said in a letter to the telecom ministry. An official of the BTRC's engineering and operation division said illegal calls have increased after the hike in the rate, which explains the drop in call volume.

On Sunday, the incoming call volume stood at only 81 million minutes, the official said, asking not to be named.

A surveillance team of the BTRC also found a big chunk of equipment that is used to terminate illegal calls, at Azimpur in Dhaka yesterday. Khandakar Muzharul Haque, deputy chief executive officer of the IOF, declined to comment on the matter.



Monzur Hossain, chairman of Rupali Bank, attends a meeting on recovery of classified loans, at Purbani hotel in Motijheel, Dhaka yesterday.

RUPALI BANK

Savings instruments to get automated services

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From now, no subscriber will need to stand in queue to cash his/her savings certificates, Atiur Rahman, governor of the central bank, said at the launch of the Automated Sanchaypatra Payout software at the BB.

Rahman said the move will save people's time and money.

Retired people and small savers in Bangladesh buy the savings instruments as those are safe and give relatively better returns than any other instruments available in the country.

The government sold savings certificates worth Tk 28,732 in fiscal 2014-15 that ended on June 30 this year, according to BB data.

During July-August period of the current fiscal year, net sale of saving certificates stood at over Tk 4,627 crore.

The BB has been automating its services for the past few years and has so far introduced core banking software, launched the online credit information bureau, automated cheque clearing system, the national payment switch, dash board and mobile financial services.