

Cash crunch keeps stocks depressed

STAR BUSINESS REPORT

A liquidity crisis in the capital market continued to rattle stocks with the price indices slumping for the fifth day, prompting the Dhaka Stock Exchange to sit with stockbrokers today to discuss the situation.

DSEX, the benchmark index of the premier bourse, dropped 53.6 points or 1.22 percent yesterday, finishing the day at 4,302.57 points, the lowest since May 10 last year when the index stood at 4,277 points.

"There is a severe liquidity crisis in the capital market right now," said Wali Ul Islam, chief executive of Unicap Securities.

Though there is enough liquidity in the money market, the institutional investors, especially the banks, are not injecting fresh funds into the capital market due to their stockmarket exposure issue, he said.

"The banks have a limited opportunity to further invest in the market," he said referring to the capital market investment exposure limit.

According to existing rules, the

banks have until July this year to lower their exposure to 25 percent of their total equity, which is a bank's paid-up capital plus reserve.

On the other hand, he said, retail investors are withdrawing money from the secondary market to participate in the forthcoming initial public offerings, including Acme Laboratories and STS Holdings.

The recent days' turnover also showed the liquidity crisis in the market. The turnover, an important indicator of the market, came down to a three-and-a-half-month low at Tk 278.11 crore on Sunday.

However, it rose 7.1 percent to Tk 297.91 crore yesterday, with 9.37 crore shares and mutual fund units changing hands on the DSE.

The downturn continued in the market with the benchmark index going down to an 11-month low, depressed largely by investors' attempt to safeguard their position, said LankaBangla Securities.

IDLC Investments, a merchant bank, said an increasing selling pressure over small and large caps fuelled

the steep fall of the index.

Of the traded issues, 70 advanced, 210 declined and 41 closed unchanged on the premier bourse.

Emerald Oil Industries dominated the turnover chart with 37.62 lakh shares worth Tk 22.1 crore changing hands, followed by Dragon Sweater and Spinning, Keya Cosmetics, AFC Agro Biotech and BSRM.

All major sectors declined, with engineering stocks suffered the most, shedding 1.98 percent in market capitalisation.

Libra Infusion was the day's best performer, with 7.49 percent in gains, while Emerald Oil Industries was the worst loser, shedding 9.72 percent.

Chittagong stocks slumped with the bourse's benchmark index, CSCX, declining 80.98 points or 0.99 percent to finish the day at 8,057.77 points.

Losers beat gainers as 159 declined, 41 advanced and 34 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 76.13 lakh shares and mutual fund units worth Tk 19.6 crore in turnover.



Abdul Fateh Fattah, president of the Institute of Development Affairs; and Farhanul G Choudhury, chief financial officer of HSBC Bangladesh, pose at a discussion on a joint project styled "Ensuring education for disadvantaged children", supported under HSBC's flagship global education programme Future First, in Sylhet. HSBC Bangladesh has supported 3,500 children under the project, which aims to support development of school dropout and disadvantaged children in Dhaka, Sylhet, Khulna and Chittagong since its launch in September 2015.

Deal on Payra power plant today

BSS, Dhaka

The government plans to sign an engineering, procurement and construction contract today for the installation of the Payra coal-fired power plant in Patuakhali.

The plant would generate 1,320 MW of electricity from 2019, Mohammad Hossain, director general of Power Cell, told the news agency yesterday.

He said Bangladesh-China Power Company Ltd, a joint venture firm of

Chinese Power Company (CMC), and state-owned North-West Power Generation Company Ltd (NWPGL) would sign the contract.

Hossain said the government plans to set up series of coal-fired power plants countrywide to increase the power generation capacity to 34,000 MW by 2030 under the Power System Master Plan (2010-2030).

Currently, 76 percent of the population enjoy electricity, as the power generation capacity has reached

14,500 MW, he said.

According to the officials, the thermal power plant would be established under a joint venture initiative with funds from Chinese Exim Bank.

Towfiq-e-Elahi Chowdhury, power, energy and mineral resources affairs adviser to the prime minister, and Nasrul Hamid, state minister for the ministry, are scheduled to attend the deal signing ceremony. Earlier, the NWPGL and the CMC signed a deal on March 19 last year to set up the plant at a cost of \$2 billion.



Bitopi Das Chowdhury, country head of corporate affairs of Standard Chartered Bangladesh, and Md Habibullah Bahar, director of Manab Mukti Sangstha, exchange signed documents of a deal to launch an education and health programme at Sirajganj Char Area. The project will focus on quality education, primary health services and improving water and sanitation status of char dwellers.



Analysts attend a dialogue on challenges of SDGs, the Paris Agreement and gender equity, jointly organised by Bangladesh Centre for Advanced Studies and the Christian Aid UK, at The Daily Star Centre in Dhaka yesterday. Story on B1

Green Delta CEO becomes chartered insurer

STAR BUSINESS DESK

Farzana Chowdhury, managing director and chief executive of Green Delta Insurance, has been awarded with the chartered insurer status by the Chartered Insurance Institute (CII) of UK, Green Delta said in a statement yesterday.

The CII is the gold standard for insurance professionals, according to the statement.



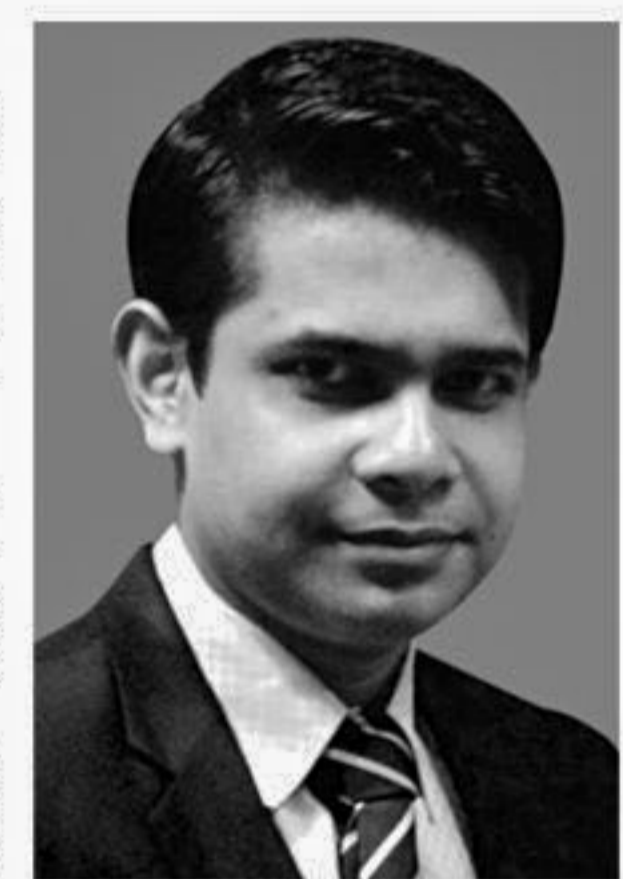
Union Capital re-elects chairman

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Chowdhury Tanzim Karim has been re-elected as the chairman of Union Capital for the third time in a row, the company said in a statement yesterday.

Karim is a practicing barrister and specialises in company, commercial, banking and securities law, according to the statement.

He is also the head of chamber at CT Karim and Partners, a Dhaka based law firm primarily engaged in dealing with civil matters, the company said.



Fazlur Rahman, chairman of City Group and founder of Asgar Ali Hospital, cuts a ribbon to launch operations of the hospital in Gendaria, Dhaka yesterday.

Dell nears sale of IT services unit to Japan's NTT Data

REUTERS

Dell Inc is set to announce an agreement on Monday to sell its non-core information technology consulting division to Japan's NTT Data Corp for \$3.5 billion, people familiar with the matter said on Sunday.

The move will allow U.S. computer maker Dell to trim some of the \$43 billion in debt it is taking on to fund its pending cash-and-stock acquisition of data storage provider EMC Corp, a deal worth close to \$60 billion.

The sale will also offer NTT Data, one of

the world's largest technology services companies, a bigger foothold in the United States, where it is looking to expand in healthcare IT, insurance and financial services consulting.

Announcement of any agreement is subject to NTT Data's board approving the deal when it meets in Tokyo, the people said, asking not to be identified because the transaction is not yet official.

Dell has also made progress in syndicating \$10 billion of its financing package for the EMC acquisition dubbed 'term loan A', the people said.

Civil society should join SDG efforts: analysts

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He also said about 35 percent of food is wasted in both developed and developing countries, and the production of the food has a cost on the climate.

Palash Kanti Das, assistant country director of UNDP Bangladesh, called upon the society as a whole to embrace the SDGs as one alone cannot implement the goals.

He said the government's highest committee on SDG implementation and monitoring has to work with the civil society to set the latter's role.

"Besides, we will have to take on board the private sector. Otherwise, the SDGs will not be implemented. So, civil societies will have to learn how to work with the private sector." Das also said the achievement of SDGs implementation cannot be measured if the communities are not involved in the process.

Dwijendra Mallick, a climate change and adaptation specialist, talked about delays that normally take place in reaching an international agreement. "There had been 20 climate change meetings over a period of 20 years before last year's agreement. We cannot afford such delays."

A number of international agreements such as the deals on SDGs and climate

change were signed last year, but implementation of those will depend on the national government, said Farah Kabir, country director of ActionAid Bangladesh.

Hamidul Huq, director of the Centre for Sustainable Development at the University of Liberal Arts Bangladesh, said non-development organisations cannot play the role of the civil society as many of them have come under the government regulations because of their microcredit operations.

Md Monirul Islam, associate professor of fisheries at Dhaka University, said women, who account for half the population, have to be involved in the country's efforts aimed at climate change adaptation.

In his presentation on SDG implementation, Abu Sayed, a fellow of BCAS, said civil society organisations are working in social audits of projects in many developed countries and even developing countries such as India.

Sayed said adequate focus has to be given on issues such as nutrition, skills development and education because if children grow into healthy adults they would contribute more to the country.

Khandaker Mainuddin, a BCAS director, also spoke.

Govt lifts ban on raw jute export

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"However, the good thing is that we were at the risk of losing our markets abroad, which can now be retained," Quayyum said.

He said nearly seven lakh bales of raw jute have been exported so far, and 2-3

lakh bales may be exported in the remaining months of the current fiscal year. Some 10 lakh bales of raw jute were exported last fiscal year.

Bangladesh produces around 58 lakh bales of jute a year, while the country's internal consumption is 38 lakh bales.



Syed Ehsan Quadir, managing director of United Finance; Fouzia Nasreen, general manager of Making Markets Work for the Jamuna, Padma and Teesta Chars (M4C) Project; and Mat Pritchard, team leader of Chars Livelihoods Programme, pose at the memorandum signing event. The agreement provides support to United Finance in promoting and distributing seasonal loans in the northern chars.



Md Shafiqur Rahman, managing director of Social Islami Bank, and Muhammad Munir Chowdhury, secretary of Dhaka Power Distribution Company (DPDC), pose at the signing of an agreement for collection of utility bills in Dhaka. Md Nazrul Hasan, managing director of DPDC, was also present.

Bangladesh vessel leaves India on direct voyage

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This will also help reduce the paper work required at the customs checkpoints.

The vessel and cargo will also enjoy complete protection and indemnity (P&I) coverage insuring cargo from the point of loading to the final destination and till the time the parcel reaches the final consignee.

Earlier, shipments from Indian ports being transported to Bangladesh were routed either via Colombo or Singapore.

"We are certain that this will not only build the relationship but also reflect positively on exporters and importers of both the countries, ultimately benefiting the end consumers," said Anil Yendluri, director and CEO of KPCL.

The opening of the route will also enable the movement of cargo to the northeastern states of India through coastal shipping up to Chittagong and thereafter by road or inland waterways.