

Storm clouds gather over DSE

Investors left high and dry as index falls for 12th session

AHSAN HABIB

DSEX, the benchmark index of the Dhaka Stock Exchange, continued to plummet for the twelfth day, its longest losing streak yet, with investors losing more than Tk 17,204 crore thus far.

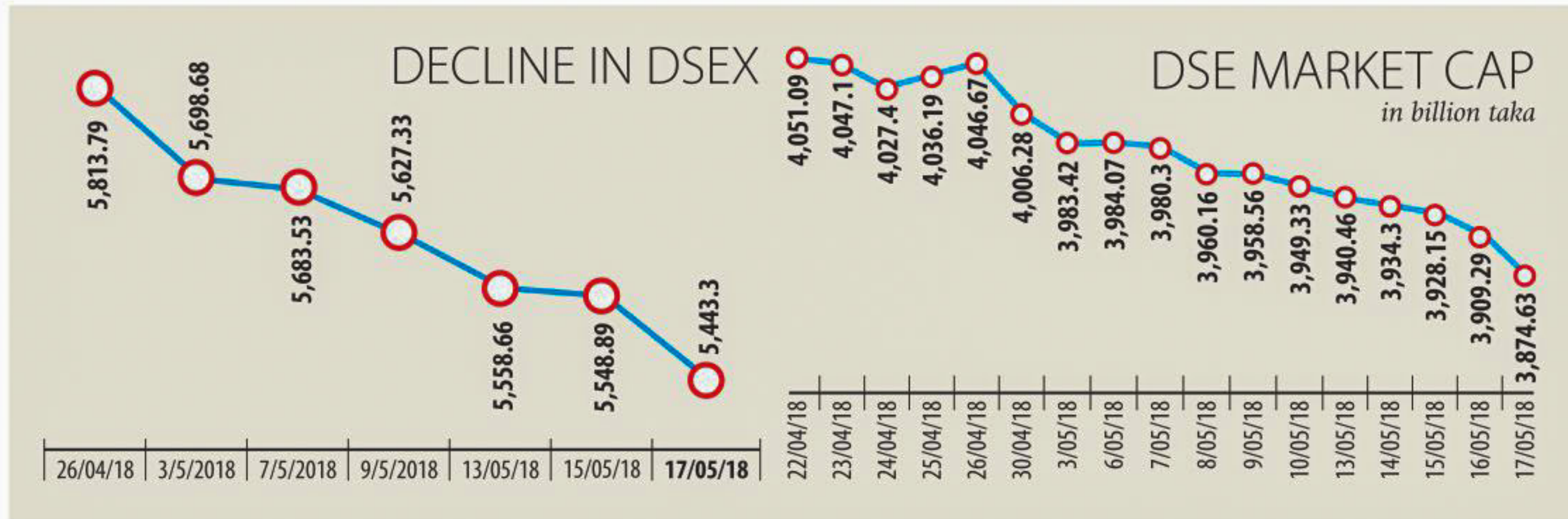
In the past 12 days, the index saw 370.49 points knocked off; yesterday, it shed 68 points to end the week at 5,443 points -- the lowest since June 4 last year.

Launched in January 2013, DSEX's longest losing streak before this was in June 2014, when it declined for nine days straight.

The bear run comes at a time when the DSE seems fortified by the official entry of the Shanghai Stock Exchange and Shenzhen Stock Exchange as its strategic partner.

The two Chinese bourses have offered to usher in radical technological upgrades and a host of new products and services, so, in theory, Dhaka stocks should be on a bull run.

Market insiders blamed the sharp fall on the massive sell-off by foreign investors upon fears that the local currency may depreciate further due to the growing current account deficit.



In the first nine months of the fiscal year, the current account deficit hit an all-time high of \$7.08 billion. At this point a year earlier, the deficit was \$1.37 billion, according to data from the Bangladesh Bank.

Since Bangladesh's current account deficit is widening, the taka is bound to depreciate further. "So, foreign investors are taking their profits now," said the head of portfolio management of a merchant bank requesting anonymity.

Weak declaration from the large-cap companies is another reason behind the DSE's current bear run, said Mostaque Ahmed Sadeque, president of the DSE Brokers Association.

The capital market witnessed a sharp fall with no sign of reversal, said EBL Securities. Given the upcoming national budget announcement, risk-averse investors adopted a wait-and-watch policy, it added.

Turnover, another important indicator of the market, soared 24.8 percent to Tk 492.79 crore, with 11.92 crore shares and mutual fund units changing hands on the DSE.

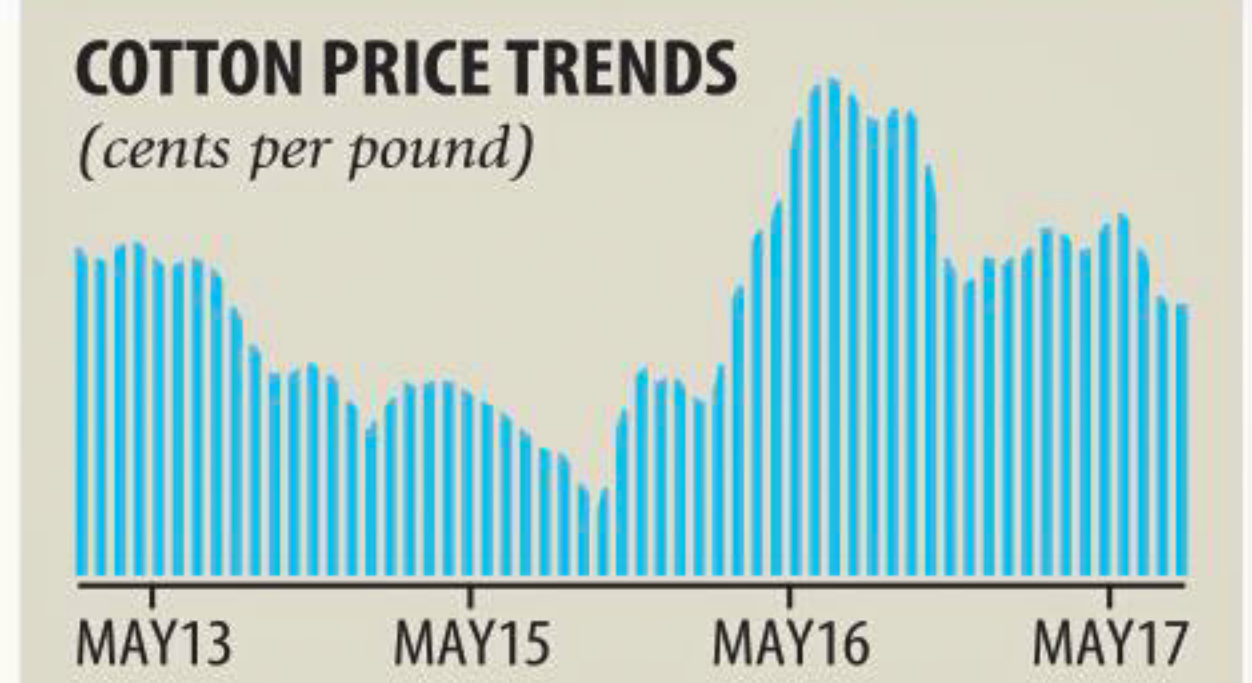
Of the traded issues, 44 advanced, 254 declined and 38 closed unchanged on the premier bourse.

Intraco Refueling Station, which made its debut on the premier bourse yesterday, dominated the turnover chart with its transaction of 96.60 lakh shares worth Tk 44.30 crore. It was followed by BSRM, Western Marine Shipyard, United Power Generation and Beximco.

Queen South Textiles was the day's best performer, posting a gain of 9.80 percent, followed by SEML Lecture Equity Management Fund, SEML IBBL Shariah Fund and MBL 1st Mutual Fund.

READ MORE ON B3

Cotton price rises to 4yr high



REFAYET ULLAH MIRDHA

Cotton price rose to 85.5 cents per pound, the highest in four years, mainly because of a looming trade war between the US and China, much to the chagrin of Bangladesh's apparel makers.

Even a month ago, cotton was traded between 83 cents and 84 cents a pound in the international markets. Cotton was traded between 70 cents and 71 cents a pound in November.

"Yes, this is the highest price in the last three to four years," said Mehdi Ali, president of Bangladesh Cotton Association (BCA).

Since the Chinese government in April announced potential 25 percent retaliatory tariffs on US goods, many in the cotton industry have wondered about the consequences, according to a report by the California Apparel News.

If implemented, the tariffs would affect about \$50 billion in goods, \$16.5 billion of which includes crops and food items the US sends to China, it said.

READ MORE ON B3

Ctg commodity prices lower than last Ramadan

Import surged in last four months

IMPORT OF COMMODITIES			
COMMODITY	IMPORTED IN JAN-APR OF 2018 In tonnes	IMPORTED IN JAN-APR OF 2017 In tonnes	CONSUMPTION DURING RAMADAN In tonnes
Chick pea	149,612	139,319	80,000
Lentil	97,938	196,339	40,000
Dun pea	53,290	177,139	40,000
Date	42,931	16,956	15,000
Raw sugar	1023,936	656,638	300,000
Edible oil	927,040	705,908	250,000

DWAIPAYAN BARUA, Ctg

The wholesale prices of essential items for Ramadan have remained lower than last year at Khatunganj in the run-up to the Muslim holy month thanks to a surge in imports in the last four months.

Take, for instance, chickpeas, an iftar staple. About 80,000 tonnes of chickpea is consumed during Ramadan, according to the Bangladesh Tariff Commission.

At Khatunganj, the port city's wholesale hub, yesterday, chickpeas were selling for Tk 55 to Tk 62 a kilogram. Last year, the wholesale price for a kg of chickpeas was more than Tk 70.

It was the same for lentils, another popular commodity during Ramadan. The Indian lentil went for Tk 53 a kg at the

wholesale hub in contrast to Tk 70 ahead of Ramadan last year.

The wholesale price of dun peas ranged from Tk 30 to Tk 34 per kg in the last one week against Tk 38 last year.

The prices of edible oil have dropped by Tk 50 to Tk 100 per maund (37.32 kg) at the wholesale hub in a span of one month.

Wholesalers were found selling palm oil yesterday at Tk 2,400 per maund against Tk 2,500 a month back; soya bean oil was selling for Tk 3,080 per maund, down from Tk 3,130 the previous month.

The prices are lower than last year due to ample supply in the market, said Ratan Ghosh, proprietor of wholesale firm JS Traders at Khatunganj.

READ MORE ON B3

GP staff protest enters 2nd month

STAR BUSINESS REPORT

Grameenphone employees yesterday passed the 31st day of their movement over a seven-point demand, including ones for salary hike and other benefits, an end to increment inequalities and an immediate stop to "illegal" job terminations.

The Grameenphone Employees Union (GPEU) held demonstrations in the mobile operator's headquarter and countrywide offices between 1:30pm to 2:00pm, said Mia Md Shafiqur Rahman Masud, general secretary of the body.

"We wore red coloured t-shirts protesting the authority's injustices," said Masud. Earlier black coloured t-shirts were used.

The GPEU said to have decided to limit working hours to eight so that overtime pay was ensured.

They demanded rational increments, the one for 2016 to be at least 10 percent and that sequential increment gaps not exceed 4 percent.

GP declared a 7.85 percent increment on an average in April but the GPEU rejected it.

"In the last five years the operator earned Tk 54,733 crore as revenue and secured a huge amount of profit but spent little on employees' betterment," said Masud.

He said the GPEU proposed a salary structure in line with that of civil servants which witnessed a 100 percent increase in 2015, but the operator turned it down.

"We are urging the authority to accept our proposal...considering everyday expenses," he added.

The union also demanded reinstatement of ABM Zahidur Rahman, general secretary of Grameenphone Peoples Council, another organisation of employees, with proper compensation as per a court order.



COLLECTED

Members of Grameenphone Employees Union hold a demonstration wearing red coloured t-shirts in front of the mobile operator's Bashundhara headquarters in Dhaka yesterday over a seven-point demand, including ones for salary hike.

Rahman was terminated from his job on April 16 over a sexual harassment allegation of 2016. Terming it a conspiracy, the union said the issue was resolved two years back.

Masud also called for job security, better working environment and respect for employees and a stop to job outsourcing, threats and misbehaviour.

READ MORE ON B3

Telecom tower business garners huge response

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator has so far found 15 parties interested in running Bangladesh's telecom tower business, which is more than triple the number of licences up for grabs.

The Bangladesh Telecommunication Regulatory Commission will award four licenses to run the business with the aim of separating the network business from telecom services -- a move that is expected to rationalise the number of towers in the country and the use of land for erecting towers.

Some big local players as well as global tower companies have collected applications from the BTRC.

The deadline for handing in the application was originally May 13 but it has now been pushed back to June 11 following requests from some companies, said Md Jahurul Haque, acting chairman of the BTRC.

The process though has elicited whispers that some players have collected multiple applications under different brand names to ensure they get a licence, said a top official of the telecom regulator.

One such company is edotco Bangladesh, which has already purchased all towers of Robi and is also managing some other mobile operators' towers. It has collected two applications in two different names, reads the document.

edotco, a sister concern of edotco Group, a partner of Robi's parent company Axiata, has declared a partnership with a local company Getco Group for running the tower business.

READ MORE ON B3

Banking scams threat to growth potential: MCCI

STAR BUSINESS REPORT

Bangladesh's graft-ridden banking sector is probably posing the biggest challenge to the country's growth potential, a leading chamber said yesterday.

"The corruption-ridden banking sector is perhaps the biggest downside risk now, which will call for strict vigilance by the central bank to bring discipline to the sector," the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) said.

The oldest chamber in the country blamed the existing banking system for creating inequality in the country and called for reforms. The MCCI made the observations in its January-March review of the economic situation.

The banking sector is currently going through choppy waters because of rising loan irregularities and deteriorating corporate governance, it said.

In April, the finance ministry, under pressure from directors of private banks, undid the tight monetary stance announced in January for the second half of 2017-18, undermining the central bank's independence and credibility.

The banks' cash reserve requirement, which is a specified minimum fraction of the total deposits that banks must hold as reserves either in cash or as deposits with the central bank, was cut by one percentage point and set at 5.5 percent.

At the time, the Centre for Policy Dialogue said the decision to slash the CRR is likely to encourage the poorly performing private banks to continue with their business-as-usual practices and lend more aggressively and indiscriminately, which would also raise the risk of an increase in classified loans.

At the end of December last year, the overall non-performing loan ratio in the banking sector stood at 10.70 percent, up from 10.10 percent

six months earlier.

The MCCI review said Bangladesh's economy is progressing well, but below its true potential.

Inadequate infrastructure and lack of investor confidence in the economy discourage making fresh investment and shortage of power and energy are now major impediments to the growth of the economy.

The review said there is no alternative to raising the level of investment if Bangladesh is to attain the status of a middle income country by 2021.

The seventh five-year plan targeted to achieve 7.40 percent GDP growth per annum.

In order to achieve the targeted GDP growth, the review said the private investment should be 24.4 percent and public investment should be 7.4 percent of GDP in 2017-18.

"All-out effort will be needed to mobilise investment, including foreign direct investment."

READ MORE ON B3

Ctg port buys new container handling equipment

STAFF CORRESPONDENT, Ctg

The Chittagong port yesterday added 10 pieces of container handling equipment to its fleet, as part of efforts to give pace to loading and unloading activities.

The equipment comprises a rail mounted gantry crane, six rubber tyred gantry cranes, a log handler and two mobile cranes having 20-tonne capacity.

These were purchased from China, the United Arab Emirates, Germany and Italy for Tk 118.50 crore.

Shipping Minister Shajahan Khan introduced the new equipment at the New Mooring Container Terminal with Chittagong Port Authority Chairman Commodore Zulfiqar Aziz in the chair.

READ MORE ON B3

RANGS

TOSHIBA

ULTRA HD 4K

Apps, games and more now on your TV

Visit your nearest showroom or Call 16607 for details

Available in 55" & 65"

Google Play

Snow

Listen

Search

Play