**ASIAN MARKETS** 

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DHAKA MONDAY JULY 9, 2018, ASHAR 25, 1425 BS starbusiness@thedailystar.net

As of Friday

# Jute's share price

Analysts point the finger at market anomalies for abnormal price hike

COMMODITIES

Gold 🚄

AHSAN HABIB

**STOCKS** 

DSEX

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Monno Jute Stafflers yesterday became the most valued stock on the Dhaka Stock Exchange, overtaking British American Tobacco Bangladesh Company in what can be viewed as a curious development for the premier bourse.

Earnings per share (EPS), often touted as one of the most important metrics in assessing a company's profitability, of BATBC stood at Tk 45.82 in the first quarter of 2018. In contrast, Monno Jute's EPS was Tk 1.43.

BATBC declared 600 percent dividend in 2017, whereas Monno Jute Stafflers announced a 15 percent dividend for its shareholders.

The price-earnings ratio, which gives an idea of the value of a company, also does not explain Monno Jute stock's turn of fortune.

A low P/E indicates either a company may currently be undervalued or that the company is doing exceptionally well relative to its past trends.

If the P/E is high, it warns of an overpriced stock. It means the stock's price is much higher than its actual growth potential, so the stock is more liable to crash drastically unless the company logs higher growth in profit. BATBC's P/E is 25.83 and

#### TWO COMPANIES AT A GLANCE Data as of yesterday

	Monno Jute Stafflers	BATBC
EPS (Jan-Mar)	Tk 1.43	Tk 45.82
PE ratio	6,832.2	25.83
NAV	Tk 48.39	Tk 431.03
Dividend	15% (2017)	600% (2017)
Share price	Tk 3,474.9	Tk 3,337.1
	SOURCE: DSE	

Monno's 6,832.2.

In short, the fundamentals of Monno Jute's are far behind BATBC's and yet the former has dethroned the cigarette manufcaturer as the top valued stock of the premier bourse.

In the past five months, Monno Jute's share price soared five times to reach Tk 3,474.90 yesterday. Yesterday, BATBC's share price stood at Tk 3,337.1.

"Such a price hike of a low cap company within 5-6 months is nothing but a speculative hike as there is no news about its business expansion," said Md Moniruzzaman, managing director of IDLC Investments.

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## Baffling rise of Monno Invest more in female garment workers

Experts urge govt and factory owners

**CURRENCIES** 

SHANGHAI

STAR BUSINESS REPORT

The government and factory owners should spend more to upgrade workers' skills, stop workplace sexual harassment and provide more healthcare facilities to female workers for the garment sector to well and truly thrive, speakers said

With the automation of the production system, the female workers are losing their jobs more than their male counterparts as they are less capable in operating modern machinery, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

He suggested putting education up to the eighth grade as minimum qualification for jobs in garment factories for females along with training.

Moazzem's comments came at a discussion on the situation of the women workers in the garment industry in Bangladesh.

Manusher Jonno Foundation and The Daily Star jointly organ-



Md Mujibul Haque, state minister for labour and employment, attends a roundtable on the situation of women workers in the garment sector at The Daily Star Centre in Dhaka yesterday.

ised the event at the newspaper's office in Dhaka.

State Minister for Labour and Employment Md Mujibul Haque, union leaders, experts, businessmen and researchers attended the programme.

Female workers cannot work Sramik Federation. after 40 to 45 years of age as they do not have the capacity to run the

"We should create an environment where female workers can machines because of getting lesser continue in their jobs until 60 years amounts of nutrition in their growof age as they are the real asset of the ing years, said Nazma Akter, presisector," she added. dent of the Sommilito Garments

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#### BANGABANDHU-1 SATELLITE

## Commercial service from September

STAR BUSINESS REPORT

Bangabandhu-1 satellite's first commercial service is scheduled to begin in September when it will be connecting vessels navigating in the Bay of Bengal and around the country to each other and to inland ports.

The service will not only prevent accidents and ensure availability of assistance in times of need but also provide access to internet and television broadcasts.

Bangladesh Communication Satellite Company Limited (BCSCL) signed a memorandum of understanding with the shipping ministry yesterday on the first business promise of Bangladesh's first satellite.

"BCSCL will earn a huge amount of money by providing this service," said Md Saiful Islam, managing director of the state-owned company.

Islam, also an additional secretary at the telecom division, said, "The value will be declared when the final deal is signed."

Islam signed the agreement with Md Abdus Samad, secretary to the ministry, in presence of Shipping Minister Shajahan Khan and Telecom and ICT Minister Mustafa Jabbar.

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## AC sales up amid rising mercury



A sales person briefs a potential customer on various brands of ACs at an outlet in Dhaka yesterday.

JAGARAN CHAKMA ......

Sales of air-conditioners are growing steadily in Bangladesh riding on the demand from the expanding middle class and modern offices and factories as consumers are seeking to escape hotter summers, market players said.

Data from the International Energy Agency, an inter-governmental organisation based in Paris, showed sales of airconditioners rose about 50 percent in Bangladesh during 2014-2016.

Six lakh units of ACs were sold in 2017, way higher than half a lakh pieces retailed a decade ago. The market size stood at Tk

uct thanks to the rising purchasing capacity of people," said Nahid Hassan, marketing

manager of Transcom Digital.

He said the people who were accustomed to using ACs at their workplaces alone in the past are now installing them at homes. So, the demand is growing, he said.

Uday Hakim, operative director of

Walton, a local manufacturer, said the annual demand for ACs rose 20 percent to 25 percent each year in the last five years. Kamruzzaman Kamal, director for mar-

keting at Pran-RFL, a local group of companies, said the market is expanding as local manufacturers are offering ACs at the prices the middle class can afford.

Consumers now can buy ACs with 3,500 crore last year, according to market capacity from 1.5-ton to 2-ton at Tk 42,000 to Tk 70,000 and the quality is "AC is gradually becoming a mass prod- almost like that of the renowned brands, he said.

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## ADB to give \$2b for development projects

STAR BUSINESS REPORT

The Asian Development Bank will give \$2 billion in loans to Bangladesh this fiscal year - 66.66 percent higher than it did last year - to help the country implement the ongoing development projects, said Finance Minister AMA Muhith yesterday.

Muhith disclosed it to reporters after a meeting with ADB Country Director Manmohan Parkash at his secretariat office.

On Friday, the ADB approved \$100 million as grants for the displaced Rohingyas as part of a \$200million package.

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