



# BUSINESS

DHAKA SUNDAY OCTOBER 14, 2018, ASHWIN 29, 1425 BS starbusiness@thecitizenstar.net

## GLOBAL CURRENCY CONUNDRUM

# Local exporters on edge

AKM ZAMIR UDDIN

Bangladesh has been losing its competitiveness in global trade as many of its competing countries' currencies have depreciated more than the taka.

In the last one year, the local currency has lost 3.71 percent of its value against the US dollar, while the currencies of some other competing countries depreciated more than 10 percent.

For instance, in the last one year, the Indian rupee depreciated 13.58 percent against the greenback, followed by the Indonesian rupiah at 12.79 percent, the

Sri Lankan rupee at 11.39 percent and the Chinese yuan at 5.35 percent.

The currency of Vietnam, Bangladesh's closest competitor in global apparel trade, lost 1 percent in value during the period.

"Most of the competing countries have bagged a good outcome by depreciating their respective currencies," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

But the Bangladesh Bank is either injecting dollar into the market or verbally instructing banks not to depreciate the taka, he said. So far this year the central bank has injected \$200 million in the market. Last year, it injected \$2.31 billion, according to data from the BB.

At present, the interbank exchange rate is Tk 83.80 per USD, up 3.71 percent year-on-year.

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Don't hire temporary employees  
Govt asks state banks, NBFIs

STAR BUSINESS REPORT

State-owned banks and financial institutions have been instructed not to recruit any more employees on a temporary basis.

The finance ministry issued a circular recently asking 16 banks and financial institutions to follow the instruction.

The banks are Krishi, Rajshahi Krishi Unnayan, Probashi Kallyan, Sonali, Janata, Agrani, Rupali, BASIC, Bangladesh Development, Ansar VDP Unnayan, Karmasangsthan and Palli Sanchay.

The financial institutions are Jibon Bima Corporation, Sadharan Bima Corporation, Investment Corporation of Bangladesh and Bangladesh House Building Finance.

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# Blue chips sink, junk stocks go wild

AHSAN HABIB

The majority of the high-quality stocks in the Dhaka Stock Exchange sank recently as their usual holders have largely become inactive because of concerns over political uncertainty centring the next national election.

The blue chip shares are mostly held by foreign investors and institutional investors, according to analysts.

On Thursday, only six of the high-quality stocks, also known as blue chips, were found to have closed higher than a year ago; the remaining 24 declined, according to data from the Dhaka Stock Exchange.

Blue chip stocks are mostly stocks from well-managed companies with a large amount of paid-up capital and a long record of paying profits to shareholders during good and bad economic conditions.

In the last one year, 13 stocks plummeted at least 20 percent. Of them, LankaBangla sank the most: by 58.73 percent to Tk 26.

ACI fell 42.03 percent to Tk 364, National Bank 35.71 percent to Tk 9.10, and Brac Bank 33.36 percent to Tk 69.

City Bank shed 33.33 percent to Tk 32 and Eastern Bank

(From Oct 15, 2017 to Oct 11, 2018)

## BLUE CHIP COMPANIES THAT LOST THE MOST

COMPANIES	FALL IN %
LankaBangla	58.73
ACI	42.03
NBL	35.71
BRAC Bank	33.36
City Bank	33.33
EBL	31.25
IDLC	29.54
RAK Ceramics	28.07
BX Pharma	23.36
AI-Arafah	23.29

31.25 percent to Tk 33, DSE data showed.

As a result, the DS 30 index, which comprises high-quality stocks, fell 12.20 percent to 1,925.76 points in the last one year.

The decline comes at a time when junk stocks have been spuriously soaring.

Abdul Mannan, an investor, said market analysts and the regulator always advise them to invest in blue chip stocks.

"But these stocks have hammered investors' portfolios in recent times. Why

should an investor put in money in the blue chip stocks?"

On the other hand, junk stocks have seen a bull run during the same period, he added.

Take the case of Dulamia Cotton, one of the junk stocks, as an example. The stock soared 140 percent in the last one year to Thursday.

Besides, Bangas soared 128.33 percent, Khulna Printing & Packaging 109.09 percent, Jute Spinners 49.35 percent, Meghna Milk 43.75 percent, Savar Refractories 42.5 percent, Eastern Cables 40.84 percent, Meghna Pet Industries 36.36 percent, and Kay & Que 31.82 percent.

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## Idcol offers Tk 69cr for solar power plant

STAR BUSINESS REPORT

State-run Infrastructure Development Company Limited (Idcol) is set to provide a Tk 69 crore loan to a private company to establish a 10-megawatt (MW) solar power plant in the northwestern border town of Tetulia.

Sympa Solar Power Ltd (SSPL), a joint venture between Hong Kong-based Symbior Solar Siam Ltd and local poultry and feed producer Paragon Group, will set up a solar power park investing Tk 95 crore to supply electricity to the national grid. Renewable sources now account for 2.82 percent of the total generation capacity of Bangladesh.

"This is the first grid-connected solar power plant that we are going to finance," said Enamul Karim Pavel, head of renewable energy at Idcol, the market leader in private sector energy and infrastructure financing in Bangladesh.

The state-run non-bank financial institution will provide the fund at an interest rate of 7 percent for 15 years with a two-year grace period, said officials of Idcol, which has provided Tk 5,200 crore in financing for solar electricity generation.

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## DataSoft spreads wings to Nepal

Will provide software solution for microfinance bodies

STAR BUSINESS REPORT

After winning contracts in Japan and Saudi Arabia DataSoft has now gotten a breakthrough in neighbouring Nepal, with the local tech giant set to provide software and cloud services to Nepal Finserv Company, a Kathmandu-based fintech company.

"This is the first large scale software product signing between Bangladeshi and Nepalese companies," said Manjur Mahmud, chief operation officer of DataSoft, after the signing of the deal to implement Finsoft's microfinance core banking solution on Friday.

The contract, which was won through competitive bidding, will yield DataSoft more than \$2 million over the next five years, according to Mahmud.

Finsoft will formally start to take service from November 3; the integration process will start within the next couple of days. DataSoft is developing an artificial intelligence system for Tokyo's 10,000 smart apartments, which will help to solve the accommodation problems during the 2020 Olympics.

The pioneering local firm is also developing Internet of Things (IoT) solutions for Congo for one of its bridges that will give signal about the bridge's condition and weight of the vehicles. It is developing IoT devices that are solving the water supply crisis faced by Mecca.

## Post Office to bring digital financial service

STAR BUSINESS REPORT

A new digital financial service platform will hit the market within the next couple of months with a view to enhancing financial inclusion to the most rural corners of the country.

Called the Nagad, it will be run by the Bangladesh Post Office, which will leverage its vast network across the country, in partnership with Third Wave Technologies, the software developer, under a public-private partnership model, said a press release yesterday.

People will be able to access the service using mobile phones and other user-friendly financial tools, said Mohammad Solaiman, head of corporate and regulatory affairs of Third Wave Technologies.

Shakibul Islam, a postmaster of a post office in the northern town of Sylhet, said the service will be a great help for the rural people. "It will be a great service for the people who don't have access to banking facilities," he said.

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## আমরা শোকাত



বেগম জেরুমেসা  
(১৯২৩-২০১৮)

মিডল্যান্ড ব্যাংক লিমিটেড এর সম্মানিত উদ্যোগী কাজী জাফরউল্লাহ, ডঃ কাজী শহীদুল্লাহ, কাজী একরামতাহ, মিসেস সাবিহা মাহুব-এর মাতা এবং ব্যাংকের মাননীয় চেয়ারম্যান মিসেস নীলকাফর জাফরউল্লাহ, এম.পি. এর শাশুড়ি বেগম জেরুমেসা গত ১২ অক্টোবর ২০১৮ইং ক্ষত্রিয় সকাল ৯:০০ মিটিকাল ইস্টেক্যাল করেন। (ইমালিল্লাহি ওয়া ইমা ইলাইই রাজিউল্লাহ)। মৃত্যুকালে তার বয়স হয়েছিল ৯৫ বছর। তিনি তিনপ্রতি দুই কন্যা ও নাতী-নাতীনীহত অসম্ভব গুণাত্মক রোগে গেছেন।

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