

# DSE rises riding on banking stocks

STAR BUSINESS REPORT

Investors went after the banking stocks yesterday pinning hopes on the higher profits posted by banks in the last quarter, resulting a 33.67-point rise in the benchmark general index of the Dhaka Stock Exchange.

Stock prices of 29 out of the listed 30 banks rose on the day when the DSEX increased 0.69 per cent to 4,905.

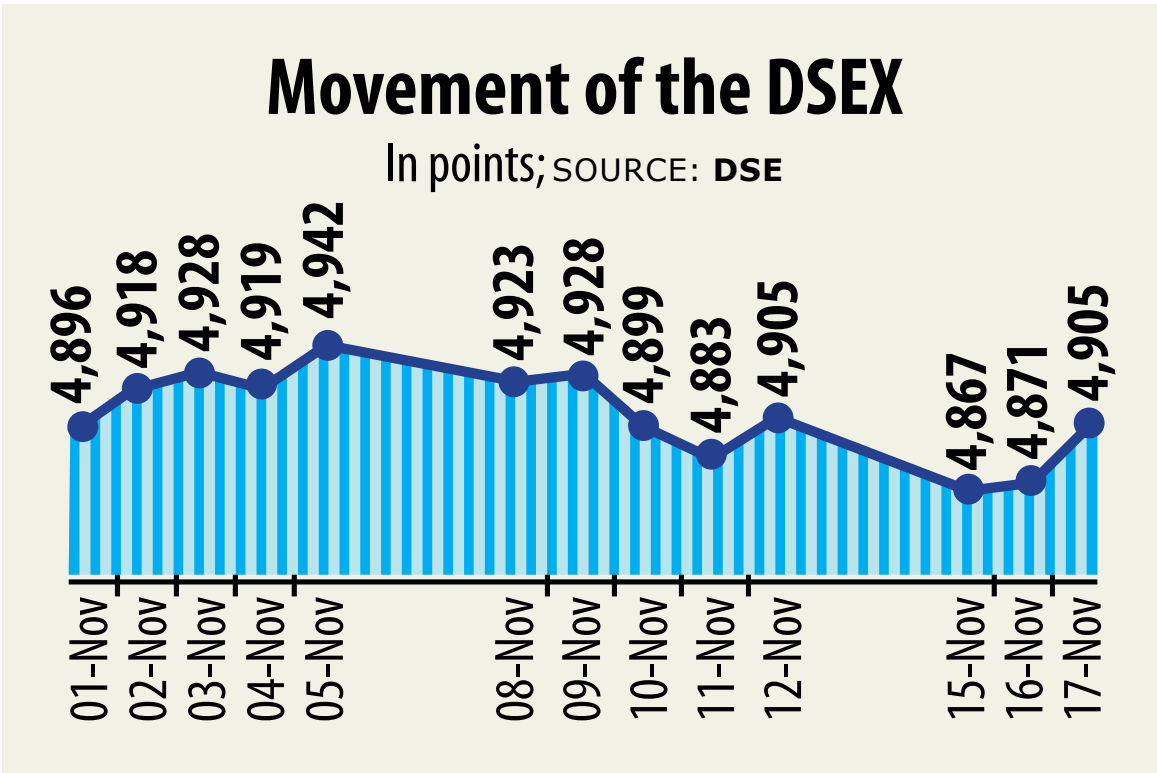
As banks are the biggest sector in the stock market, so its upward trend impacted the index positively, said a stock broker.

Most of the listed banks witnessed higher profits in the July-September quarter of 2020 and the possibility of it to continue in the next quarter also encouraged people to buy banking stocks, he said.

People believe they will be able to make more profits by investing on banking stocks or bonds as the lenders' deposits continued rising during the pandemic, he said.

Deposits at banks rose 10.49 per cent year-on-year to Tk 1,305,453 crore in the last fiscal year on the back of rules around national savings certificates and record flow of remittance.

Banking stocks were on an upward trend as a rumour is now floating in the market that the gamblers will start playing with the stocks soon, said Abdul Halim, a stock investor, who bought banking stocks yesterday.



"I think the banking sector will face a big blow next year when they will have to keep provision against substandard loans."

"Even after that I chose banking stocks, because still the stocks are undervalued and the companies will pay higher dividends for 2020," Halim said.

However, an analyst of a reputed asset management company said

most of the banks are overvalued because their real asset value is very poor.

The banking and non-banking financial sector is now struggling with non-performing loans, which might get worse due to the impact of the pathogen, he said.

So, the investors should be careful, the asset manager added.

Turnover, one of the important

indicators of the stock market, hit Tk 790.9 crore yesterday, up from Tk 790.1 crore on the previous day.

ICB AMCL Second Mutual Fund topped the gainers' list with a 10 per cent rise followed by Miracle Industries, Hakkani Pulp, Associated Oxygen and Appollo Ispat.

Beximco Pharmaceuticals was the most traded stocks that traded worth Tk 63.9 crore followed by Brac Bank, Beximco Ltd, Asia Insurance and Grameen One: Scheme Two.

Of the total 357 traded companies, 149 advanced, 127 declined and 71 remained unchanged.

Renata shaded the most that lost 11.13 per cent yesterday followed by Prime Finance First Mutual Fund, Exim Bank First Mutual Fund, NCC Bank First Mutual Fund and CAPM BDBL Mutual Fund.

The Chattogram Stock Exchange also witnessed an upward trend in its index.

CSEX, the benchmark index of the port city bourse, rose 68 points, or 0.82 per cent, to 8,459.37 yesterday.

Out of the total 256 companies' stocks, 108 rose, 101 fell and 47 remained the same.

# Govt plans big to rehabilitate rural road network

Ecneec okays Tk 5,905cr project

UNB, Dhaka

The Executive Committee of the National Economic Council (Ecneec) yesterday approved a Tk 5,905.59 crore project to maintain the rural road network by rehabilitating the roads, bridges and culverts destroyed by cyclone Amphan, excessive rains and floods.

The approval came from the weekly Ecneec meeting held with its Chairperson and Prime Minister Sheikh Hasina in the chair.

The premier presided over the meeting virtually from her official residence Gono Bhaban. The ministers, state ministers and secretaries concerned joined the event from the NEC conference room.

Planning Division Senior Secretary Md Ashadul Islam briefed reporters virtually after the meeting.

Islam said the Ecneec meeting approved a total of five projects involving an overall estimated cost of Tk 7,505.29 crore.

Planning Commission Member Md Zakir Hossain Akand said the Local Government Engineering Department (LGED) will implement the project by December 2023

titled 'Rehabilitation of affected rural road infrastructures due to cyclone Amphan and Flood' in 355 upazilas under 55 districts.

The project aims at reducing the transportation cost and time through ensuring a sustainable road maintenance system, simplifying the marketing system of various products and produce, generating more rural jobs and thus keeping the rural economy moving.

The project areas cover cyclone Amphan-affected 69 upazilas under 14 districts of Khulna, Barishal, Chattogram and Dhaka divisions, flood-affected 182 upazilas under 28 districts of Rangpur, Rajshahi, Khulna, Dhaka, Mymensingh, Sylhet and Chattogram divisions.

The project areas also cover 139 upazilas under 22 districts of Rajshahi, Khulna, Dhaka, Mymensingh and Chattogram divisions which were affected due to excessive rains.

The prime minister at the meeting asked the authorities concerned to complete the works on Amphan-affected roads in a quicker way in coordination with other ministries and divisions so that there is no overlapping of works.

She also stressed that the main strategy for checking river erosion should be to keep the usual flow of water through conducting capital dredging and maintenance dredging.

She once again underscored the need for identifying the quicksand in rivers and thus removing those through dredging as well as creating buffer zones for preserving water.

She also asked the relevant line ministries to have the focus so that river silts do not block the usual flow of water.

Hasina also directed the ministries concerned, including the Local Government Division, to make sure the quality of works with top quality bitumen and ensuring that water does not remain stagnant on roads for a long time.

Instructions were also given to prepare a master plan for rural roads and infrastructures with the Local Government Division as the lead division.

Ecneec also approved a project for protecting Gobindi and Holdia areas under Saghatap upazila and Katalmari area under Fulchari upazila of Gaibandha district from erosion on the right embankment of the Jamuna River with Tk 798.53 crore.

The two other projects approved at the meeting were waste system development of Khulna City Corporation with Tk 393.40 crore and the first revision of the construction of Sheikh Hasina Sangskritik Palli with an additional cost of Tk 102.77 crore.

## Panel to investigate unusual price hike of mutual funds

STAR BUSINESS REPORT

The stock market regulator yesterday formed a two-member panel to find out the reasons behind the unusual price hike of mutual funds.

Meanwhile, prices of almost all mutual funds dropped on the day with the spread of the news of the committee's formation.

The panel was asked to look into the unusual price hike of CAPM IBBL Islamic Mutual Fund, SEML IBBL Shariah Fund, Vanguard AML Rupali Bank Balanced Fund, NCCBL Mutual Fund-1 and Prime Finance First Mutual Fund.

They were asked to submit the investigation

report within 30 workdays.

BSEC spokesperson Rezaul Karim said Bangladesh Securities and Exchange Commission formed the committee as some mutual funds were rising abnormally.

Units of CAPM IBBL Islami Mutual Fund rose around 150 per cent to Tk 16 during the last two weeks when SEML IBBL Shariah Fund also doubled to Tk 14.50.

In the same time, Vanguard AML Rupali Bank Balanced Fund, NCCBL Mutual Fund-1 and Prime Finance First Mutual Fund rose 90 per cent, 65 per cent and 55 per cent respectively, according to DSE data.

# In Covid-19 vaccine race, Hungarian village firm takes global role

REUTERS, Szirak, Hungary

In an unassuming house in rolling hills east of the Hungarian capital, a small family firm is helping oil the wheels of the world's big pharmaceutical companies on the path to a coronavirus vaccine.

Biologist Noemi Lukacs, 71, retired to Szirak, her birth village, to establish English & Scientific Consulting (SciCons) and manufacture a genetic sensor so sensitive that a few grams can supply the entire global industry for a year.

"We produce monoclonal antibodies," Lukacs told Reuters in the single-storey house where she was born, now partly converted into a world-class laboratory. The white powder ships worldwide from here, micrograms at a time.

"These antibodies recognise double-stranded RNA (dsRNA)," she explained. DsRNA is a byproduct of viruses replicating, so its presence signals the presence of a live virus, long useful in virus-related research.

More importantly, dsRNA is also a byproduct of the process used by US giant Pfizer and Germany's BioNTech to create their experimental COVID-19 vaccine which is more than 90% effective according to initial trial results last week.

And because dsRNA can be harmful to human cells, it has to be filtered out from any vaccine to be used in humans. Several filtering methods exist, but the most widely used way to do quality control is to expose the vaccine to Lukacs' antibodies.

Not only will the antibodies show if there is any dsRNA in the vaccine, they will also tell researchers how much of it is present. Only once completely freed from dsRNA can the vaccine be administered.

The result: a line of big pharma representatives outside her door.

The small company is growing rapidly, yet its revenue was only 124 million forints (just over \$400,000) last year, with profits at 52 million forints. That feeds five employees and even leaves some for local charity

projects in Szirak.

To Lukacs, that is just fine. The success of the RNA field, long frowned upon, is vindication enough.

The former university professor followed the race to the vaccine closely and rooted especially for the contestants who look set to come first: those using modified RNA to train cells of the human body to recognise and kill the coronavirus. The RNA was her dog in the race.

The messenger RNA, or mRNA, methodology is a whole new group of drugs, with the COVID vaccine the first product likely to get regulatory approval and go into mass production. But more applications are expected, which has Lukacs overjoyed.

"Once you get into the RNA field, it is an extremely exciting area," she said, recalling decades of struggles when the rest of the scientific community did not share her excitement.

Or most of the rest, that is. Another Hungarian woman, Katalin Kariko, working across the Atlantic, patented

the method that enables the use of RNA and promises to free the world not only of the coronavirus but scores of other diseases.

In the process, Kariko - now the Vice President of Germany's BioNTech, which was first alongside US giant Pfizer to break through with a vaccine earlier this month - became an early SciCons customer.

The COVID breakthrough and other RNA uses may necessitate more use of Lukacs' antibodies as well, but they do not anticipate much of a boon.

"We would be happy to sell more of it," said Johanna Symmons, her daughter and the small company's chief executive. "We probably will too. But it's not like we'll get silly rich."

Being part of the solution reaps its own rewards.

"We have cooperated with most vaccine manufacturers, and certainly almost all of the ones using the mRNA method," she said with a hint of pride. "We have been a small screw in this large machine."



REUTERS

**Hungarian biologist Alexandra Torok and Noemi Lukacs check the purity of an antibody, a genetic sensor of sorts, manufactured by a small family company and sold to the largest pharmaceutical companies in the race for a coronavirus vaccine, in Szirak, Hungary on November 13.**

# Asia stocks edge higher after vaccine hopes push Wall Street to record highs

REUTERS, Hong Kong/New York

Asian stocks held gains and moved tentatively further into record territory on Tuesday, after US benchmarks were pepped up by news of another promising coronavirus vaccine, though futures indicated the rally could stall in European hours.

Investor sentiment was given a boost when Moderna Inc said its experimental COVID-19 vaccine was 94.5 per cent effective in preventing infection based on interim late-stage data.

The Cambridge, Massachusetts-based firm became the second drugmaker, after Pfizer Inc, to announce promising trial data in the development of a vaccine. Its shares gained 9.6 per cent on the day.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.17 per cent on Tuesday, a day after hitting its highest level since launching in 1987.

The MSCI World Index of global shares which also hit a record high on Monday, ticked higher still in the Asian session.

"The market is assuming that we can see the end of the tunnel, that in 2022 a large part of the world's population will start to receive access to vaccines," said Herald van der Linde, HSBC's head of equity strategy for Asia Pacific.

There were initial indications that this was sparking a change in investors' attitudes, he added.

"The vaccine might mark a normalisation in markets whereby people start to rotate and move out of stocks and markets that have rallied, and move into ones that have not done as well," van der Linde said, citing some markets in Southeast Asia.

Asia gains on Tuesday were led by benchmarks in Singapore and Indonesia which both rose around 1 per cent, while Hong Kong rose 0.1



REUTERS/FILE

**A man wearing a protective face mask, following an outbreak of the coronavirus, talks on his mobile phone in front of a screen showing the Nikkei index outside a brokerage in Tokyo, Japan.**

per cent and Australia's S&P/ASX 200 was up 0.23 per cent.

Japan's Nikkei 225 rose 0.24 per cent after hitting a 29-year high the day before, but Chinese blue chips dropped as recent bond defaults hit sentiment.

However, despite a steady if muted performance in Asian trading, futures predicted a turnaround later in the day.

S&P 500 futures dropped 0.44 per cent, European EuroSTOXX 50 futures fell 0.55 per cent and FTSE futures fell 0.4 per cent late in the Asia session.

The positive vaccine news helped oil prices hold onto Monday's gains. US crude on Tuesday firmed 0.56 per cent to \$41.57 per barrel after rising 3.02 per cent on Monday, and Brent gained 0.7 per cent after a 2.43

per cent jump the day before.

In currency markets, China's central bank on Tuesday lifted its official yuan midpoint to the highest in nearly 29 months, underpinned by solid gains in spot prices a day earlier on the back of strong economic data.

The vaccine news helped the risk-friendly Australian dollar, which climbed to a one-week high against its US counterpart. Rising virus case numbers in the United States clouded views on the dollar, which dropped against a basket of major currencies.

US Treasury yields rose on Monday and into Tuesday and the yield curve steepened in the wake of the vaccine developments. The yield on Benchmark 10-year notes was last at 0.9127 per cent, from 0.893 per cent late on Friday.