

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY		
0.12%	0.07%	\$1,813.58	\$75.41	0.13%	1.80%	0.43%	0.42%	83.95	98.43	116.00	12.73		
6,425.25	11,190.25	(per ounce)	(per barrel)	52,586.84	27,283.59	3,166.94	3,397.36	BUY TK	SELL TK	84.95	102.23	119.80	13.38

# Star BUSINESS

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## Strong stocks behind DSE rally

Risky shares leave little impact on index

### TOP CONTRIBUTORS TO DSEX

(From June 1, 2020 to July 29, 2021)

COMPANIES	POINTS
GP	374
BATBC	291
Walton	177
Beximco Pharma	104
Beximco Ltd	88
Square Pharma	83
ICB	80
United Power	69
Beacon Pharma	66
Renata	66

SOURCE: AMARSTOCK.COM

AHSAN HABIB

The shares of many low-performing companies might have risen to surprising levels at the Dhaka Stock Exchange in the last one year, but it is the firms with strong earnings and dividend records that contributed most to the premier bourse.

The DSEX, the benchmark index, surged more than 60 per cent in the last year, adding 2,425 points.

Twenty-five "A" category companies, which usually provide the highest amount

of dividend to shareholders, accounted for 78 per cent, or 1,897 points, of the increase, according to data compiled by amarstock.com, which tracks the market.

Companies that pay more than 10 per cent in dividends fall in the "A" category.

The highest contribution came from Grameenphone, the largest listed company in Bangladesh in terms of market capitalisation, which added 374 points since the first day of June last year.

GP stocks climbed 48 per cent to Tk 379 on July 29 this year from Tk 243 on June 30, 2020.

"We have seen that many stocks with poor dividend payment records and insurance stocks advanced four to five times. But, their contribution to the index was low," said Ali Xahangir, chief executive officer of amarstock.com.

Provati Insurance topped the gainers' list in the previous one year as it went up by 889 per cent between June 10 this year and June 10 last year.

Bangladesh National Insurance advanced 658 per cent, Pioneer Insurance jumped 572 per cent, Asia Insurance rose 507 per cent, and Global Insurance gained 440 per cent, DSE data showed.

When a company's paid-up capital is higher, its impact on the key index is also higher if it goes up or down, Xahangir said, adding that the paid-up capital of most weak firms and insurance companies was low. For example, the paid-up capital of most of the insurers is below Tk 50 crore. Junk stocks and some other companies are not considered while computing the key index.

Banks and some institutional investors poured money in the last one year. They preferred the stocks with sound fundamentals, which ultimately sent the index to the higher level, said a merchant banker.

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AMRAN HOSSAIN

Some bedding stores in the capital's Nilkhet remain partially open amidst the ongoing lockdown in hopes of making some sales. The shopkeepers, however, keep an eye out for law enforcers so as to avoid being penalised, hence their shutters are not all the way up. The photo was taken yesterday.

## Small traders may go bankrupt

Seek cash support and nod to reopen from Aug 6

SUKANTA HALDER and MD ABU TALHA SARKER

Repeated lockdowns in Bangladesh have pushed shops, particularly small and medium ones, to the verge of closure for good as their income crashed and debt mounted.

Small traders said they had to take loans to pay salaries to employees, clear rents, electricity and security bills, and meet other expenses as shops have been closed for most of the last four months because of the strict countrywide restriction.

The bleak situation, worsened by a lack of financial assistance from the authorities, forced the Bangladesh Shops Owners Association to place a four-point demand to the government yesterday, seeking permission to reopen from

Aug 6 to survive.

It also called for a stimulus package for small businesses.

The association held a press conference in Dhaka's New Market, demanding the lifting of the curb like the government has done for export-oriented industries.

The leaders of the platform said some of the traders had been forced to sell vegetables and cigarettes, and some have turned into rickshaw-pullers to make a living.

"Small traders are in dire straits," Helal Uddin, president of the association, told The Daily Star.

"Stores are closed. Their income has hit rock-bottom. Life has come to a standstill. If shops continue to remain closed day after day like

this, we will go completely broke soon."

The plight of the small businesses stemming from the economic fallout caused by the pandemic has been unaddressed mostly, although they are one of the driving forces behind the economy of Bangladesh.

There are about 56 lakh wholesale and retail establishments, accounting for 13.87 per cent of the total trade in goods, according to the Bangladesh Economic Review.

They employ two crore people, the association said.

Most of the shops did not receive support from the government, although they have been hit hard by the pandemic-induced economic slowdown and lockdowns.

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## BB plans company to watch over e-commerce

AKM ZAMIR UDDIN

Bangladesh Bank plans to form a company for the supervision of e-commerce platforms such that clients can feel secure in purchasing products and services from the digital outlets.

The company will set up IT infrastructure called Universal Escrow Service (UES) to facilitate electronic transactions and monitor the country's e-commerce platforms, said Bangladesh Bank officials.

The central bank formed a committee led by its executive director, Mohd Humayun Kabir, to form the entity.

However because of the lockdown, the panel is yet to sit to discuss details about the formation of the entity, said an official of the central bank who is a member of the committee.

Banks, payment service providers and e-commerce platforms may be allowed to invest their funds in the company. The central bank may also invest to form the entity that will act as a payment system operator (PSO).



The PSO refers to an entity licensed by the BB for operating a settlement system for payment activities between/among participants of which the principal participant must be a bank or financial institution maintaining accounts with Bangladesh Bank for meeting cash reserve requirements.

The company will have to keep Tk 100 crore as paid-up capital to start its operations.

Under the IT infrastructure of the company, payments will be cleared to e-commerce platforms after customers receive their purchased products or services.

At present, some e-commerce platforms deliver products or services to clients even 3 to 4 months after the payments have been made by clients.

The e-commerce platforms have grossly misused the scope, putting an adverse impact on the country's entire e-commerce system.

Many clients alleged that they had failed to receive their products or services on time as per the commitment of e-commerce platforms.

The development comes after a recent Bangladesh Bank inspection report on the e-commerce juggernaut Evaly that sounded off alarm bells.

The central bank official, however, said there was no correlation between setting up the company and the Evaly issue as the banking regulator took the initiative in April.

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### EXPORT BACKLOG

## Priority for Colombo-bound ships delaying others

DWAIPAYAN BARUA, Ctg

A temporary decision to give priority berthing to Colombo-bound vessels at Chattogram port amid a pileup of export containers at private off docks last month is now causing berthing delays for other vessels destined for the two other transshipment ports.

Container vessels bound for Singapore and Malaysia's Port Klang are currently being forced to wait for 5 to 7 days at the outer anchorage for berthing.

Through these two transshipment ports, the country receives over 75 per cent of import containers and sends out about 55 to 60 per cent of exports.

Prioritising is severely having adverse effects on berthing schedules of ships connecting to Singaporean and Malaysian transshipment ports, said shipping agents.

They fear it may create a major backlog at those transshipment ports for the country's imports.

Bangladesh Shipping Agents Association (BSAA) in a letter to the Chittagong Port Authority (CPA) chairman on Saturday urged withdrawing priority berthing and maintaining usual equal treatment for all container vessels when allocating berths.

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## Potato prices drop on falling demand

STAR BUSINESS REPORT

The ongoing lockdown to contain the coronavirus disease has affected demand for potato, leading to a fall in prices of the tuber, one of the most widely consumed vegetables in the country.

Prices of potato were Tk 20-Tk 25 each kilogramme yesterday in Dhaka, down 8 per cent from Tk 24-Tk 25 a month ago.

The current price is 31 per cent less than the Tk 30-Tk 35 per kilogramme a year ago, shows data compiled by the Trading Corporation of Bangladesh.

Because of the price fall for the lockdown and other factors, potato is not being released from cold storages, said Bangladesh Cold Storage Association (BCSA).

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Garment workers walk to work in the morning at Hemayetpur of Savar yesterday. A sudden government decision to open export-oriented factories from the morning amidst the countrywide lockdown in effect since July 23 prompted thousands to scramble back to the capital from their village homes where they went to spend the Eid holidays. Of the 3,070 woven, knitwear and textile factories, 86 per cent or 2,650 resumed operations yesterday, according to industrial police.

PRABIR DAS

## Govt seeks US investments in oil, gas exploration

DIPLOMATIC CORRESPONDENT

Bangladesh has sought US investments in oil and gas exploration, particularly at offshore sites.

Tawfiq-E-Elahi Chowdhury, the Bangladesh prime minister's adviser for power, energy and mineral resources, shared his views during a meeting with senior officials of American multinational oil and gas corporation ExxonMobil at the Bangladesh embassy in Washington DC on Saturday.

Having a balanced mix of energy sources is critical for Bangladesh and its development, he said, highlighting the crucial role of US companies in the energy sector in Bangladesh and welcoming further contributions, the Bangladesh embassy said in a statement yesterday.

Tawfiq-E-Elahi highlighted the need for investment in building storage facilities for renewable energy.

He acknowledged that companies like ExxonMobil, who are looking for LNG businesses in Bangladesh, require guarantying hedges against price volatilities.

The energy adviser asked ExxonMobil to expedite deep-sea exploration and to invest in upgrading transmission networks and land-based facilities.

ExxonMobil expressed keen interest in working with Bangladesh to support the country's current pace of development and ensure access to energy.

Bangladesh Ambassador to the US M Shahidul Islam and senior officials from the Bangladesh embassy and ExxonMobil were present.

Later, an MoU was signed between Summit Oil and Shipping Co and Commonwealth LNG at the embassy.

The adviser said the MoU was an important step towards further expanding the existing energy cooperation between Bangladesh and the US.