

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.83%	▲ 0.82%	\$1,811.81	\$71.47	▲ 1.65%	▼ 0.50%	▼ 0.38%	▼ 0.47%	BUY TK 83.95	98.62	115.73	12.75
6,535.87	11,411.96	(per ounce)	(per barrel)	53,823.36	27,641.83	3,149.25	3,447.99	SELL TK 84.95	102.42	119.53	13.41

Star BUSINESS

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Exports slip 11 pc in July

SOHEL PARVEZ

Exports declined in July as reduced working days for Eid-ul-Azha and coronavirus containment measures affected the production and shipment of most of the items, including clothing, the main foreign currency earner.

Export-oriented factories were shut for 13 days because of the Eid festival and the strict nationwide lockdown in the first month of the fiscal year.

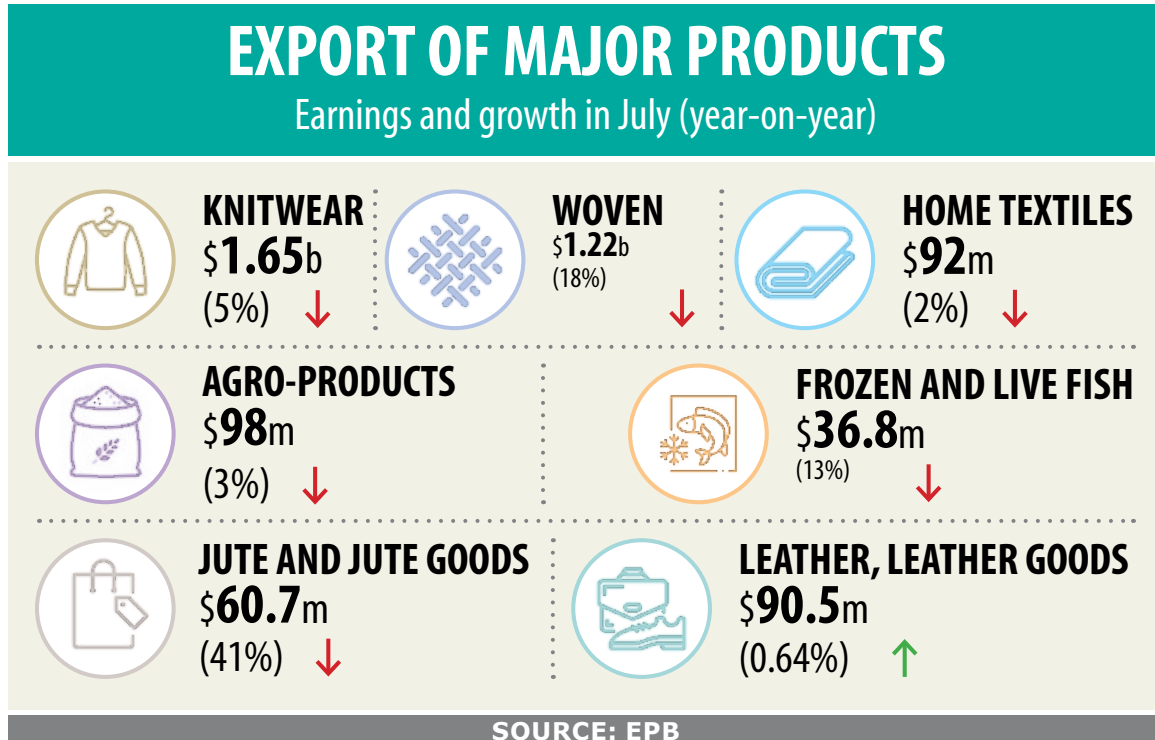
After the three-day festival, the government enforced the curb on movement since July 23 to rein in the soaring cases of infections from the deadly disease.

Export-oriented industries, however, were allowed to reopen from August 1.

July brought \$3.47 billion in export receipts, down 11 per cent year-on-year, data from the Export Promotion Bureau showed.

Shipment of apparel, which accounted for 83 per cent of the total earnings in the month, dropped. Knitwear and woven items declined 11 per cent year-on-year to \$2.88 billion combined from \$3.24 billion a year ago.

Exporters say the dip is temporary, and the shipment would pick up from August as they have enough orders from



retailers in the European and American markets, the leading destination of Bangladesh's readymade garments.

"We expect a growth from August onward unless there is a lockdown," said Md Shahidullah Azim, vice-president of the Bangladesh

Garment Manufacturers and Exporters Association.

"We have a good flow of orders. And our total exports have already crossed Vietnam's in the first five months of 2021."

Vietnam raced past Bangladesh to be the second-largest apparel exporter globally in 2020 as the Southeast Asian country managed to keep the coronavirus pandemic in control and allowed factories to operate.

In July, woven exports from Bangladesh declined 18 per cent year-on-year. Knitwear shipment decreased 5 per cent.

"There is nothing to worry about," said Md Fazlul Hoque, managing director of Plummy

Fashions Ltd, a green knitwear manufacturer.

He said Bangladesh shipped clothing items worth \$100 million daily, and the exports were affected because of the lockdown.

Hoque, also a former president of the Bangladesh Knitwear Manufacturers and Exporters Association, said demand for woven garments fell as people mostly stayed indoors in the export markets because of the pandemic.

July was also a gloomy month for jute and jute goods makers and exporters, who fetched \$1.16 billion in the last fiscal year, the highest on record.

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Mop up excess liquidity to curb asset bubble: CPD

Says stimulus packages create avenues for malpractices

STAR BUSINESS REPORT

The Bangladesh Bank should raise the cash reserve ratio to mop up excess liquidity from the banking system, said the Centre for Policy Dialogue yesterday as it put forward a set of proposals for the effective implementation of the monetary policy.

Some portions of the excess liquidity, which reached an all-time high of Tk 231,462 crore in June, are being channelled to the unproductive sector due to a lack of room to make investments in the productive sector.

"The central bank should strengthen its monitoring on the surplus fund as it has already created a bubble to some extent in the capital market," the CPD said.

"The central bank should follow a cautious expansionary monetary policy to check the flow of funds to the unproductive sector."

The think-tank came up with the suggestions at a virtual press conference on "MPS FY2021-22: To what extent does the monetary policy meet the needs of the economy?"

In April last year, the BB cut the CRR, which determines the portion of customer deposits that commercial banks must keep as a reserve with the central bank, by 100 basis points to 4 per cent to offset the business slowdown caused by the coronavirus pandemic.

While unveiling the monetary policy for the current fiscal year on Thursday, it kept the rate unchanged.

A higher CRR means banks must hold higher reserves and thus tighten the flow of cash.

CPD OBSERVATIONS

- CRR should be increased
- Special bond should be offered for remitters
- Stimulus packages create new avenues for malpractices
- Excess liquidity gives a boost to capital market
- Economy faces an uneven recovery

"The central bank should also reduce the injection of the reserve money while implementing the stimulus packages," said Fahmida Khatun, executive director of the CPD, while presenting the keynote paper. The think-tank particularly expressed its concern about the implementation of the stimulus packages.

Khatun said the stimulus packages provided through banks had created a new avenue for corruption and malpractices.

"The repayment of loans may become a cause for concern in the coming days."

Mustafizur Rahman, a distinguished fellow of the CPD, echoed Khatun, saying there had been allegations that some portions of stimulus packages had been misused.

"A section of borrowers has misused the loans, ignoring their commitment to investing in the productive sector."

The government and the central bank are implementing 28 stimulus packages involving Tk 131,000 crore, most of which is being channelled by the BB.

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Another privately built jetty comes to Ctg port's aid

DWAIPAYAN BARUA, Ctg

Another privately built jetty has come to the aid of the Chattogram port as it allowed the country's largest seaport to use the facility to berth bulk vessels carrying heavy items.

Karnaphuli Ship Builders Ltd completed the construction of the jetty for the ship repairing works of its sister concern, Karnaphuli Dry Dock, in Anwara upazila last month.

A bulk vessel, Giulia-1, carrying 23,000 tonnes of scrap, imported by steel manufacturer BSRM Group, berthed at the jetty on July 28 and started unloading goods.

This was the second jetty of the private dry dock after it built the first one in March this year. The CPA has been using it since March 30.

CPA Chairman M Shahjahan said it gave the permission to Karnaphuli Dry Dock to build the jetties on condition that the port would use them when they were vacant.

"We are now using both jetties. As a result, we have been able to accommodate two additional vessels."

Ships, particularly bulk vessels arriving with scraps for steel industries, have to wait for days at the outer anchorage due to a lack of jetties.

In most cases, ships laden with scraps have to unload all of their cargoes at the outer anchorage with the help of lighter vessels. As a result, importers have to bear additional costs to hire the smaller vessels. The unloading also takes time.

"The two jetties have come as a relief since they are helping us accommodate two bulk vessels with scraps simultaneously," said CPA Director (Traffic) Enamul Karim.

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DSE index hits 6,500 points

STAR BUSINESS REPORT

Stocks ended higher yesterday riding on increased demand for banking stocks, with the benchmark index DSEX of the Dhaka Stock Exchange hitting the 6,500-point mark for the first time.

The DSEX edged up 54 points, or 0.83 per cent, to 6,535 points. This is the highest point since the introduction of the index in 2013.

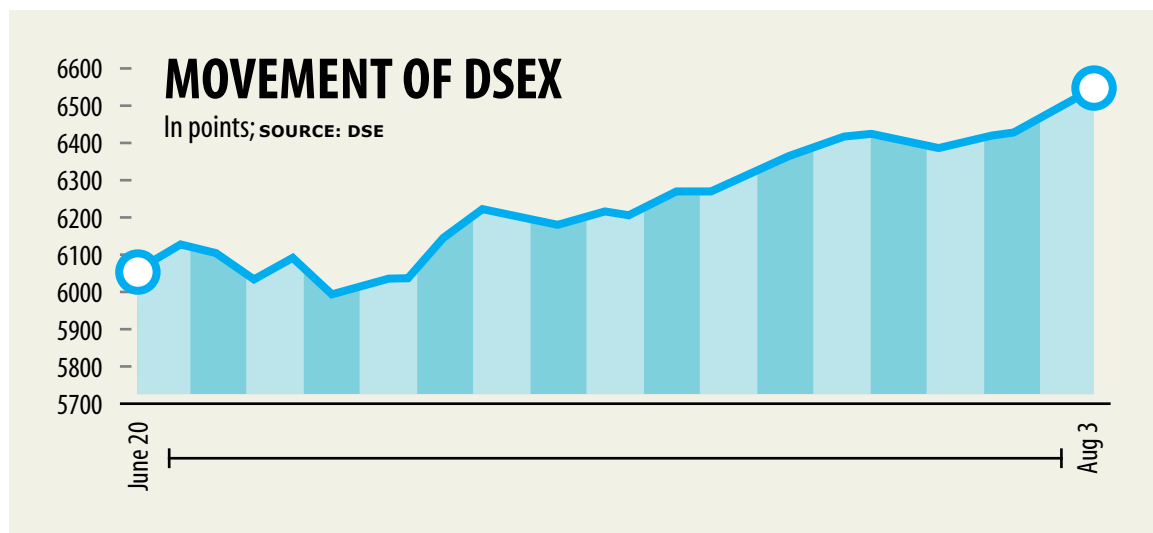
Despite a recent rally of the market, prices of banking stocks are still lucrative, said a stock broker preferring anonymity.

Banks follow better governance practices than many listed companies and they are under the regulation of the central bank too.

So, investors believe their prices are still quite lucrative, he said, adding that price earnings ratio of the sector was also the lowest among all the sectors which indicates that they were at a lower price. Price earnings ratio of the banking sector stood at 7.83 on Monday, according to LankaBangla Securities data.

Paid up capital of the banking sector is the highest among all the sectors so its impact on the index was also high, added the broker.

Of the listed 31 banks, all except one surged yesterday, shows the



DSE data. Apart from the DSEX, the DS-30 and market capitalisation of the DSE was also at a historical high yesterday.

The DS-30, the blue-chip stock index, surged 22 points to 2,366 points. Meanwhile, market capitalisation rose 0.68 per cent to Tk 541,562 crore.

Turnover, another important indicator of the market, went up 5.8 per cent to Tk 2,314 crore.

At the DSE, 178 stocks advanced, 170 declined and 27 remained

unchanged.

Despite repeated announcements of there being no undisclosed information, which could be one reason for the rise of stock prices, the Paper Processing & Packaging topped the gainers' list, rising 9.94 per cent yesterday.

Stocks of Beximco were traded the most, worth Tk 109 crore, followed by IFIC Bank, Saif Powertec, Orion Pharmaceuticals and Genex Infosys.

Peoples Insurance Company

shed the most, falling 8.50 per cent, followed by Prime Insurance Company, Central Insurance Company, Pioneer Insurance Company and Global Heavy Chemicals.

The port city bourse also rose yesterday. The CASPI, the general index of Chittagong Stock Exchange, advanced 155 points, or 0.82 per cent, to 19,014 points.

Among 326 stocks to undergo trade, 165 advanced, 141 dropped, and 20 remained unchanged.

Beacon share price on unusual rise



AHSAN HABIB

A recent unusual price hike of the Beacon Pharmaceuticals stock prompted the company to inform investors on July 28 that it had no undisclosed information that could have instigated the rise.

Despite the message, its stock price rose more than 7 per cent to Tk 198 from Tk 184 that day. The next day it advanced to Tk 203.

In the same way, last Monday it rose 7 per cent to Tk 217. It continued to climb, the latest by 6 per cent yesterday to Tk 230.

Such jumps raised eyebrows of stock market analysts as they believe it was not normal and that behind the scenes there were some people engaged in foul play.

So the regulator should investigate whether there is any malpractice or manipulation.

The company's profits rose in the last two years, so investors purchased its shares. But the price is now overvalued, said a top official of an asset management company.

The drug maker's stocks have risen some 900 per cent in total up until yesterday, considering the fact that it was Tk 23 two years back on August 4 of 2019.

Its profits rose 489 per cent year-on-year to Tk 75 crore in the July 2020 to March 2021 period.

Thanks to the higher sale of medicine during the pandemic, its profit rose in the period. But its stock price rose higher than that of the profit surge, which may create risks for investors, said the asset manager.

Earnings per share (EPS) of peer companies also indicate that the Beacon's price is overvalued, he added.

Bangladesh's leading drug maker Square Pharmaceuticals' EPS was Tk 13.20 in the

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MIRZA SHAKIL

Pineapples are presently aplenty at Jaichhatra, the largest market for the tropical fruit in Tangail's Madhupur upazila. Growers are all too happy with the huge quantities being purchased by buyers from all over. Moreover prices are double that prevailing for the past couple of years. Over 2 lakh tonnes were produced in the country in fiscal 2019-20, according to Bangladesh Bureau of Statistics. The photo was taken recently.

Tech investment summit held in US

A weeklong roadshow styled "The rise of Bengal tiger: potential of trade and investment in Bangladesh" was organised in the USA in a bid to promote Bangladesh's economy and the capital market.

Bangladesh Securities and Exchange Commission organised the roadshow, according to a press release.

On the event's final day in California on August 2, local and international delegates joined "US-Bangladesh Tech Investment Summit" to discuss investment opportunities in start-ups and the technology sector of Bangladesh.

Salman F Rahman, private industry and investment affairs adviser to the prime minister, urged non-resident Bangladeshis to invest in the country and take the opportunities presented by the government.

NEWS in brief

Govt to launch mobile app for agri-products

Sadai, a mobile application that will enable online sale and purchase of agricultural products, will be launched today.

The Department of Agriculture Marketing (DAM) has developed the app for both farmers and consumers. Agriculture Minister Muhammad Abdur Razzaque is likely to inaugurate the launching ceremony.

Mohammad Yusuf, director general of DAM, said they have developed the app as there was no official online platform of the government for selling and purchasing agricultural products.

"Here both the buyers and sellers can put up advertisements for the purchase or sale of products," he said, adding that this app will be very effective during the pandemic.