

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.42%	▲ 0.07%	\$1,750.00	\$71.96	▼ 0.21%	▲ 0.58%	▲ 0.22%	▲ 0.19%	BUY TK 84.30	98.44	115.62	12.82
7,228.31	12,682.58	(per ounce)	(per barrel)	59,015.89	30,500.05	3,071.23	3,613.97	SELL TK 85.30	102.24	119.42	13.47

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BB-BSEC row reins in stocks' growth spurts

AHSAN HABIB

The stock market's recent growth spurt slowed last week as the tension between the central bank and the stock market regulator over some policy issues has rattled investors.

When the DSEX, the benchmark index of the Dhaka Stock Exchange, surged past 7,000 points for the first time, investors and analysts were already talking about whether the index was set to climb further as earnings of the companies improved and the concerns about the impacts of the coronavirus pandemic waned.

The DSEX, however, closed at 7,228 points on Thursday, down from 7,258 on the first day of the week. Daily average turnover also dropped by 20 per cent to Tk 2,224 crore in the week.

SOME POLICY DECISIONS

BB

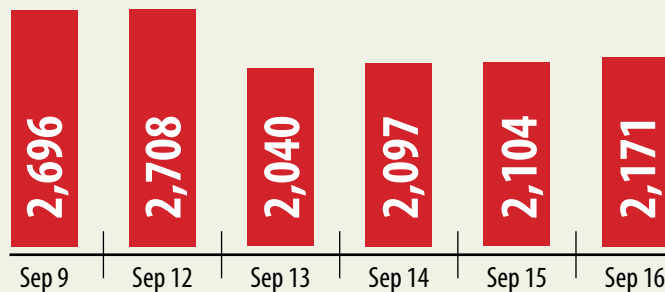
- Mopping up funds from the banking sector
- Denying lenders' contribution to market stabilisation fund
- Not allowing lenders to offer cash dividend if they have accumulated loss

BSEC

- Extending loan facility for stock investors
- Asking Walton, ICB and Berger to keep 10% share in market

DSE TURNOVER

In crore taka; SOURCE: DSE



"All the regulators should take decisions unitedly. Otherwise, it hurts people's confidence," said AB Mirza Azizul Islam, a former chairman of the Bangladesh Securities and Exchange Commission (BSEC).

"Recently, media reports were published that two regulators are in a row over policy decisions, but this is not a good sign."

Last week, the central bank said listed banks and non-bank financial institutions couldn't comply with the stock regulator's orders on the capital market stabilisation fund and

cash dividend payment as they are inconsistent with the Bank Company Act.

The BSEC passed a rule in June that the stabilisation fund would be formed using the undistributed and unclaimed dividends of the listed companies. The aim is to use the fund, involving around Tk 21,000 crore, to safeguard the interest of the market and investors.

Islam, also a former caretaker government adviser, sees no problems if the stock regulator wants to use the unclaimed dividend of the listed companies in a good way and utilise the

profits for social benefits.

The central bank also said listed banks would also not be able to follow the commission order on the cash dividend.

It came after the commission allowed the listed firms to declare cash dividends from the profits made in the just-concluded financial year despite having accumulated losses.

Islam backed the BB move, saying that companies should first adjust the accumulated loss before announcing dividends.

Recently, the BSEC asked the Investment Corporation of Bangladesh, Berger Paints Bangladesh, and Walton Hi-tech Industries to offload at least 10 per cent of their shares.

Walton issued 0.97 per cent of shares, ICB 3.19 per cent, and Berger 5 per cent, DSE data showed.

"Though some people are saying that the decision has impacted the market, investors will benefit in the long run. So, this is a welcoming move," said Islam.

Sharif Anwar Hossain, president of the DSE Brokers Association of Bangladesh, said the stalemate between the BB and the BSEC prompted investors to book profit.

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Poultry farmers in a double bind

Soaring feed prices amid low prices of chicken cause losses

BROILER CHICKEN PRICE

- Broiler chicken prices at farms Tk 95-100 per kg
- Chicken production cost rose 9%
- 8cr chickens produced per month
- 4.5cr eggs produced per day

FEED PRICE

- Feed price went up 13.6%
- Feed production cost rose 25-30%
- 7-8 lakh tonnes of feed needed per month



AKANDA MUHAMMAD JAHID

Poultry farmers, who have already been hit hard by the pandemic, are struggling to survive due to low prices of chicken currently prevailing in the market coupled with a sharp rise in feed prices.

Farmers running small and medium operations are in the most critical condition as they have no way to recoup losses incurred ever since the coronavirus outbreak began in March 2020.

Shahid Hossain Mithu, a poultry farmer who raised 5,000 chickens in Jashore, said he spent Tk 165 on an average to feed each broiler chicken that gained weight to reach two kilogrammes (kg) within 36 days of hatching.



AMRAN HOSSAIN

Around 7-8 lakh tonnes of feed is required by poultry farmers across the country each month.

"It costs Tk 35 to Tk 40 to buy chicks from breeders but since full grown chicken currently sell for between Tk 95 and Tk 100 per kg, I have had to count a loss of about Tk 5 to Tk 10 per bird," he added.

Multiple farmers said the high price of feed and low price of chicken were the main reasons behind their losses. This is especially true for farmers with small-scale operations who cannot breed their own chicks or produce their own feed.

In the past three months, the price of each 50-kg sack of feed increased twice by 13.6 per cent to hit Tk 2,500 from Tk 2,200, according to various farmers and feed sellers.

Around seven to eight lakh tonnes of feed is required by poultry farmers across the country each month and thanks to the prevailing situation, many farmers having small and medium-sized operations are closing up shop.

During the pre-pandemic era, about six or seven million people were involved in poultry farming, said Md Anwarul Haque Beg, a professor of the department of poultry science at Sher-e-Bangla Agricultural University.

Although there are no exact figures on how many farmers have shut their businesses till date, the number is definitely considerable.

On the other hand, big farms have been able to stay afloat and even earn extra profits to an extent as they are involved in all facets of the industry, namely breeding, feed processing, and selling whole or processed chicken.

Besides, since most raw materials and additives used in poultry feed are imported, the pandemic-induced disruptions to the supply chain have caused prices to skyrocket.

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Private firms to get undersea cable licences

SHAHID BAPPY

The government has initiated a move to award licences for submarine cable to the private sector with a view to attracting private investment to the telecommunication industry to support the growth in bandwidth consumption.

"We will initially issue two licences for submarine cable in the private sector," said Mustafa Jabbar, posts and telecommunications minister, recently.

The Bangladesh Telecommunication Regulatory Commission (BTRC) has already updated the Submarine Cable Licensing Guideline to this effect.

The winning firms will build, operate and maintain submarine cable systems and services.

With the roll-out of 3G and 4G services in Bangladesh, bandwidth consumption has significantly increased in the last few years. The trend is expected to continue as more people embraced digital technologies during the coronavirus pandemic to work, communicate, study, and get entertained as they stay most

of the time indoors.

Internet users rose 20 per cent year-on-year to 12.37 crore in July, from 10.35 crore last year, data from the BTRC showed.

Of them, one crore customers use broadband internet, up 17.25 per cent from 85.71 lakh in the same month a year ago.

Bangladesh now consumes 2,600 Gbps (Gigabits per second) bandwidth.

Of the volume, 1,800 Gbps comes through the first and second submarine cables, and the rest is imported from India via the International Terrestrial Cable.

The licence acquisition fee will be Tk 10 crore, and the annual licence fee Tk 3 crore. Companies will have to share 3 per cent of their gross revenue with the government.

The performance bank guarantee has been fixed at Tk 5 crore, and the security deposit Tk 1 crore, according to the guideline.

Meanwhile, state-owned Bangladesh Submarine Cable Company Ltd (BSCCL) will sign an agreement with the SE-ME-WE-6 (South East Asia-Middle East-

TAKEAWAYS

- 2 licences to be awarded to private sector initially
- Licensing guideline updated
- 1cr customers use broadband internet
- Bangladesh consumes 2,600 Gbps bandwidth
- BSCCL to launch 3rd cable by 2024
- Tk 693cr project undertaken
- Broadband penetration now 6pc, target 15pc by 2021



Western Europe-6) consortium this month to connect the country with its third subsea cable.

BSCCL plans to launch the third cable by June 2024.

BSCCL Managing Director Mashiur Rahman said the third submarine cable would have an initial capacity of 6,000 Gbps.

The board of the state-run company has approved to draft a construction and maintenance contract with the SMW-6 Consortium for the third submarine cable.

Of the estimated cost of the project of Tk 693 crore, the government will invest Tk 392 crore and BSCCL Tk 300 crore, according to a regulatory filing on the Dhaka Stock Exchange recently.

The landing station of the cable will be set up in Cox's Bazar.

Bangladesh was connected with its first undersea cable, SEA-ME-WE 4, in 2006 and with the second one, SEA-ME-WE 5, in 2017.

The country imports bandwidth from India as it needs network redundancy in case the submarine cables get disconnected.

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Ctg port sees better turnaround times

DWAIPAYAN BARIUA, Ctg

In a rare development, Chattogram port has been able to allow container ships to berth faster upon arrival over the past 40 days, enabling brisk delivery of imports.

Vessels usually have to wait five to six days at the outer anchorage to get the scope to dock.

This period of stay had gone up to as much as seven to eight days since the third week of July for an acute container congestion at the port amid the Eid-ul-Azha holidays and countrywide lockdown.

But for the past 40 days till yesterday, a major portion of vessels had to wait only one or two days to get berth.

Between August 8 and September 16, only one vessel had to wait for four days while nine for three days, according to a former official of Pacific International Lines who keeps track of these times.

This also decreased the daily average of vessels having to standby to anywhere from five to six whereas it was 10 to 12 in July.

The situation gradually improved since August 8, which the port users and officials deem a remarkable performance of the port.

Chittagong Port Authority (CPA) Director (Traffic) Enamul Karim cited several reasons for the development.

One is the National Board of Revenue's (NBR) decision to temporarily send import-laden containers to private inland container depots (ICDs) to have the goods delivered from there until August 31, he said.

This cleared up the port's yards within two weeks, enabling faster handling of vessels' cargo, he said, adding that the export-laden containers from the ICDs also reached the port on time for loading.

This also helped vessels to leave within two days whereas previously they had to stay at the jetties for at least three days, said Karim.

The New Mooring Container Terminal alone, with its five jetties, catered to 25 more vessels than they what they usually do within such a period, he cited while explaining the pace of activity.

Of the port's 18 jetties, 10 to 12 dedicatedly accommodated container vessels since July, said Mohammed Abdullah Jahir, chief operating officer of Saif Maritime Limited.

Another factor is that importers have been taking deliveries on time for the last couple of weeks, keeping the yards' occupancy at a comfortable level, said Karim.

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RAJIB RAIHAN

The number of containers in the Chattogram port's yards has reached a comfortable level, freeing up space and enabling faster handling of cargo, helping vessels to leave within two days whereas previously they had to stay at the jetties for at least three days. The photo was taken recently.