Stocks tumble for second day

STAR BUSINESS REPORT

Stocks tumbled yesterday while the turnover of the market also dropped amid fears that the listed companies may perform badly in the days to come because of a gradual rise in raw materials' prices.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell for the second consecutive day.

It plunged 64 points or 0.97 per cent from the previous day to end the day at 6,574.

The turnover, an important indicator of the market, hit Tk 532 crore, which is 4 per cent lower than the previous day's Tk 557 crore.

The South Asian economy is now falling into trouble, as the global prices of raw materials are rising at a time when freight cost has already risen and port congestion is getting worse, said a merchant banker, preferring anonymity.

So the investors are preferring to keep money in hand instead of making new investments as they think the rising prices would hurt the listed companies' performances also, he said.

At the day's end, the DS30, the blue-chip index, and DSES, the shariah-based index, lost 20 points and 11 points respectively.

At the DSE, 18 stocks advanced, 337 declined and 23 remained the same.

JMI Hospital topped the gainers' list with a 9.85 per cent rise. RN Spinning Mills, Heidelberg Cement, Global Heavy Chemicals also saw major gains.

LankaBangla Finance shed the most, dropping 3 per cent. CAPM IBBL Islamic Mutual Fund, eGeneration, Bangladesh Building Systems and Asia Insurance were among the heavy losers.

IPDC Finance became the most traded stock with shares worth Tk 54 crore changing hands followed by Beximco Ltd, LafargeHolcim Bangladesh, Genex Infosys and Bangladesh Lamps.

With Eid drawing nearer as days go by, hundreds of trawlers like these are seen each day at Kalibari Ghat in Khulna's Boro Bazar, where they load or unload various merchandise for shipping across the country. PHOTO: HABIBUR RAHMAN

Ctg bourse, Indian firm sign MoU for commodity exchange

STAR BUSINESS REPORT

The Chittagong Stock Exchange (CSE) yesterday signed a memorandum of understanding with India's Multi Commodity Exchange (MCX) to launch Bangladesh's first-ever commodity exchange.

A commodity exchange is a legal entity that determines and enforces rules and procedures for trading standardised commodity contracts and related investment products.

PS Reddy, managing director and chief executive officer of MCX, and Ghulam Faruqe, acting managing director of CSE, signed the deal at Radisson Blu Dhaka Water Garden.

At the event, Commerce Minister Tipu Munshi said he realised the importance of the commodity exchange as the recent commodity price fluctuations made him unhappy.

"The solution was in the commodity exchange. So, it's a timely decision," he said, adding that it is a big step in the development journey of Bangladesh.

In 2003, MCX became one of the first exchanges to open in India. It provides a platform for price discovery and risk management across varied segments, including industrial metals, energy and agricultural commodities.

Rural farmers will get a fair price with the exchange, which will help the agricultural sector to be developed, CSE Chairman Asif Ibrahim said.

A committee will be formed to ensure fair prices, so the consumers also will be benefited, he said.

A Chattogram-based conglomerate, which is establishing a big warehouse in the port city, has expressed its interest to collaborate with the CSE that will help in developing the commodity exchange, he added.

The exchange will help the economy to go forward as it will ensure good price for farmers and reduce the price volatility, said Bangladesh Securities and Exchange Commission (BSEC) Chairman Prof Shibli Rubayat-Ul Islam.

The farmers will know the price of their product even before harvesting it and the traders will know from whom they can buy, he said.

"Our supply chain system will be improved, cold storage system will be developed so a new horizon of development will be materialised with the journey."

The BSEC helps the CSE in every step to make the exchange working, Islam said.

"Everything will not happen tomorrow but we hope it will be materialised soon."

Modernisation of commodity storage and price discovery are important for the revolution of an economy and the commodity exchange will help in this regard, said Indian High Commissioner Vikram Doraiswami.

It would help in utilising the resources in the best possible way, he said.

"You don't want price volatility. The MCX will help in ensuring fair prices."

Bangladesh has the potential to be a giant like Singapore and the commodity exchange is a step towards that goal, the high commissioner said. "This is a historical moment for Bangladesh."

Efficient management, timely distribution and maintaining quality of commodities are a big challenge in the region and the commodity exchange will work to do it, he added.

Shaikh Shamsuddin Ahmed, a commissioner of the BSEC; Emdadul Islam, a director of the CSE, and Md Ghulam Faruqe, acting managing director of the CSE, also spoke at the event.

Bank Asia gets another additional managing director

STAR BUSINESS DESK

Shafiuzzaman has recently been promoted to the post of additional managing director of Bank Asia Ltd.

Prior to the promotion, he was deputy managing director of the bank, a press release said. Shafiuzzaman, who is a chief credit officer of Bank Asia, oversaw the function of the credit risk management and credit administration divisions.

He is also entrusted to oversee the Sustainable Financing and Corporate Social Responsibility Department of the Bank.

He joined Bank Asia Ltd in 2015 as a senior executive vice-president and was looking after the corporate and large loan division of the bank.

Later, he was promoted to the post of deputy managing director of the bank in 2020.

Shafiuzzaman started his career as an executive in the erstwhile United Leasing Company Ltd (now United Finance Ltd) in 1994.

Prior to joining Bank Asia, he was working for One Bank Ltd and worked there for about 14 years. Shafiuzzaman, to his credit, has around 28 years of experience with local and multinational banks and financial institutions, out of which 13 years as branch manager in various corporate branches of Dhaka City.

During his career, he also worked in different divisions of head office, which include corporate asset marketing, credit and credit administration, in various capacities. Shafiuzzaman did an MBA from the Institute of Business Administration at the University of Dhaka.

PPP Authority gets new CEO

STAR BUSINESS REPORT

Muhammad Ibrahim has been appointed as the new chief executive officer of the Public Private Partnership (PPP) Authority.

Ibrahim replaced Sultana Afroz, who retired recently.

Prior to the appointment, he was serving the government as a secretary, the PPP Authority said in a press release.

Ibrahim has been a member of the Bangladesh Civil Service since April 1993. He previously worked as an additional secretary in the local government division.

In addition to serving various ministries and field administration, he was the first secretary at the Bangladesh embassy in Manama, Bahrain.

As EU eyes stopping Russian gas imports, Israel sees an opening

AFP, *Jerusalem*

As Europe aims to wean itself off Russian fossil fuel because of the Ukraine invasion, Israel hopes to help fill the gap with gas from its offshore reserves.

EU states remain divided on the time scale, but European Commission President Ursula von der Leyen has said the bloc hopes to phase out its dependency on Russian gas, oil and coal by 2027.

Israel could build one or more pipelines, potentially via Greece or Turkey, or increase the quantity of gas piped to Egypt to be liquified and shipped off, say officials and experts.

Israeli Foreign Minister Yair Lapid said after a recent visit to Athens that "the war in Ukraine stands to change the structure of the European and Middle Eastern energy market".

"We are also examining additional economic cooperation, with an emphasis on the energy market."

The Jewish state has worked for years to create gas export routes, with mixed results so far.

Turkey, whose ties with Israel have recently thawed after over a decade of rupture, has expressed new interest in a pipeline, and its energy minister is expected in Israel in the coming weeks.

During the years of diplomatic alienation from Turkey, Israel signed an accord with Greece and Cyprus in 2020 aiming to build the EastMed pipeline through those two countries from Israel to Europe. Turkey opposed the project, and a senior US diplomat said last week it would be too expensive and take too long to build.

Energy Minister Karine Elharrar also hailed the potential for gas sales to Europe, telling the French Association of Defence Journalists that "we have the ability and we will try to do as much as we can".

With both Greece and its regional rival Turkey vying to be the conduit for the gas, Israel would have to tread carefully amid the regional alliances it wishes to uphold and strengthen.

Major gas finds in the eastern Mediterranean -- nearly 1,000 billion cubic meters (bcm) -- have in the past decade turned Israel from a natural gas importer into an exporter.

It now sells small quantities from its two major offshore fields, Leviathan and Tamar, to Egypt and Jordan.

Israel's domestic consumption over the next three decades would leave some 600 bcm available for export, said opposition lawmaker Yuval Steinitz, Israel's energy minister until last year.

"In 2016 the pipeline to Turkey was examined, including with Turkey and commercial companies," said Orit Ganor, director of natural gas international trade at Israel's energy ministry. "The project didn't reach fruition mainly due to economic reasons."

Ganor said "the EastMed pipeline is still an option, and the company advancing it, Poseidon, is in the final stages of geophysical and geotechnical surveys of the pipe's route in our waters and those of Greece and Cyprus".

No financing has been secured for the project, which Steinitz said would cost about $6 billion and take around four years to complete.

He said there was also agreement with Cairo on a seabed pipeline from Leviathan to Egypt's liquification plants that would allow for greater exports to Europe.

Israel's Leviathan field, which would be the source for European exports, is operated by an Israeli-American consortium including NewMed Energy and US major Chevron.

Incepta launches 'Linatab E' for diabetic patients

STAR BUSINESS DESK

Incepta Pharmaceuticals has launched a new medicine under the brand name of "Linatab E" that combines Linagliptin and Empagliflozin, the two most remarkable and safe therapeutic classes of modern times for controlling diabetes.

National Professor AK Azad Khan unveiled the medicine at the Bangladesh Institute of Health Science in Darus Salam of Mirpur in Dhaka yesterday, a press release said.

The medicine has brought a breakthrough in diabetes management globally because it is remarkably safe for diabetic patients with cardiac disorders.

The medicine offers no chance of sudden glucose falls, a regular phenomenon in the case of diabetic patients.

Incepta released the medicine in a more affordable way for all classes of people: Linatab E 5/10 tablet at Tk 30 and Linatab E 5/25 tablet at Tk 40 only.

For the patients it will reduce the pill burden as only one tablet per day can serve the purpose as opposed to two tablets that patients are required to take.

Kutubuddin Ahmed, chairman of Envoy Textiles Ltd, receives an award of National Export Trophy from Tipu Munshi, minister for commerce, at Radisson Blu Dhaka Water Garden in the capital recently. The company won a gold medal for the eighth time for the highest export earnings from the textile fabrics sector for the fiscal year of 2017-18. Bangladesh President Md Abdul Hamid virtually attended the event. Tanvir Ahmed, director of Envoy Textiles, and Tushar Tripathi, chief executive officer, were also present. PHOTO: ENVOY TEXTILES

Global growth optimism at all-time low: survey

REUTERS, *London*

Optimism among fund managers over global economic growth has hit an all-time low while concerns of possible stagflation have risen to the highest since August 2008, a monthly survey by investment bank BofA Securities showed on Tuesday.

The survey, which took the views of firms managing a total of more than $833 billion, is one of the biggest regular tests of fund manager views and comes as inflationary pressures rise even as the risk of recession increases in major economies.

Asked about their expectations for global growth in the coming months, a net 71 per cent of survey respondents were pessimistic about prospects, the most since the survey records began in the early 1990s.

The European edition of the survey found investors continuing to cut their European growth projections, with a net 81 per cent of survey respondents expecting the region's economy to weaken over the coming year compared with 69 per cent in the March edition.

Though fund manager holdings of cash - traditionally an indicator of investor caution - eased to 5.5 per cent in the April edition of the survey from 5.9 per cent in the previous month, prospects of a global recession remain the top "tail risk" for global markets, the survey found.

The Russia-Ukraine conflict has receded to fourth place, after aggressive central bank interest rate actions and inflation.

Allocations to commodities jumped to a record 38 per cent, with investments into oil and commodities zipping up the charts to become the top most "crowded trade".

Other "long" positions were in resources stocks and healthcare, while "short" bets - by investors expecting a decline in prices - were evident in bonds and cyclical stocks whose performance is most linked to economic growth, BofA said.