

Stock investors shy away from trading amid uncertainty

STAR BUSINESS REPORT

Only 13 shares rose on the Dhaka and Chittagong stock exchanges yesterday as investors worried about the economic uncertainty stayed away from trading, forcing the bourses to fall.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 24 points, or 0.39 per cent, to close at 6,190, its lowest level since August 14. In the last two working days, the index shed 75 points.

On the DSE, 72 securities also dropped while 219 did not see any price movement.

Turnover, an important indicator of the market, fell nearly 17 per cent to Tk 351 crore, the lowest in 17 weeks.

Analysts say investors fear that the share prices could fall further given the current economic scenario, but it is not happening owing to the floor prices.

“So, investors are not making fresh bids to buy shares,” said one analyst.

The floor price is the lowest price at which a stock can be traded. In July, the market regulator set it to halt the free fall of the indices amid the deepening global uncertainty.

The negative sentiments among the investors came from the decline in first quarter corporate earnings alongside the fears of a worsening macroeconomic situation in the coming months, said International Leasing Securities Ltd, a brokerage house, in its daily market analysis.

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Of the 300 companies listed with the DSE and whose financial results for the July to September quarter are available, 110 posted a reduced profit, 38 slipped into losses for the first time while the losses for 30 firms widened.

Investors are also anxious that the same performance may repeat in the ongoing quarter or beyond since the factors responsible for the current global crisis and the strain facing Bangladesh's economy, such as the Russia-Ukraine war, the global energy shortage, higher commodity prices, and runaway inflation, are still there.

In another unpromising development, the Bangladesh Energy Regulatory Commission yesterday increased the electricity price at the wholesale level, the price paid by distributors to power producers, by 19.92 per cent.

If the hike translates into the price adjustment, as usually happens, at the retail level, the inflation, which is already running at a record high, may accelerate further, dealing a fresh blow to consumers, facing one of the worst cost-of-living crises in recent decades. This will also mean lower sales for firms and thus, lower profit.

The DS30, the index that consists of blue-chip companies, declined nearly 3 per cent to 2,177, while the DSES, the shariah-complaint index, fell 5.86 per cent to 1,343.

All the sectors witnessed price correction except tannery, which was up 0.4 per cent, and textile, which inched up 0.1 per cent.

The paper sector saw the sharpest correction, falling 6.8 per cent. The IT sector was down 5.9 per cent and the jute sector gave up 5.2 per cent.

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Jamuna Bank gets nod for exchange house in Spain

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Jamuna Bank Limited has received approval from the Bangladesh Bank to establish an exchange house in Spain.

The 100 per cent owned exchange house would be named Jamuna Money Transfer S.L., Spain with a paid-up capital of 125,000 euros.

The main objective of establishing the exchange house is to bring remittance to Bangladesh through banking channels, said the private commercial bank in a filing on the Dhaka Stock Exchange yesterday.

Ctg port container movement falls in October

DWAIPAYAN BARUA, Ctg

Movement of import and export-laden containers through the Chattogram port in October was lower both year-on-year and compared to that in the previous two months, reflecting a gradual slowdown in foreign trade amidst global economic downtrends.

However, in case of export-laden containers over the last 10 months till October, it is higher while lower for import-laden ones.

According to data prepared by shipping lines, some 59,331 TEUs (twenty feet equivalent units) of export-laden containers were shipped through the port in October.

This was 7 per cent less than that in September. It was 75,697 TEUs in August.

In October last year, it was 70,270 TEUs.

A total of 694,176 TEUs of export-laden containers were shipped through the port in the last 10 months till October.

This is 10.46 per cent higher year-on-year.

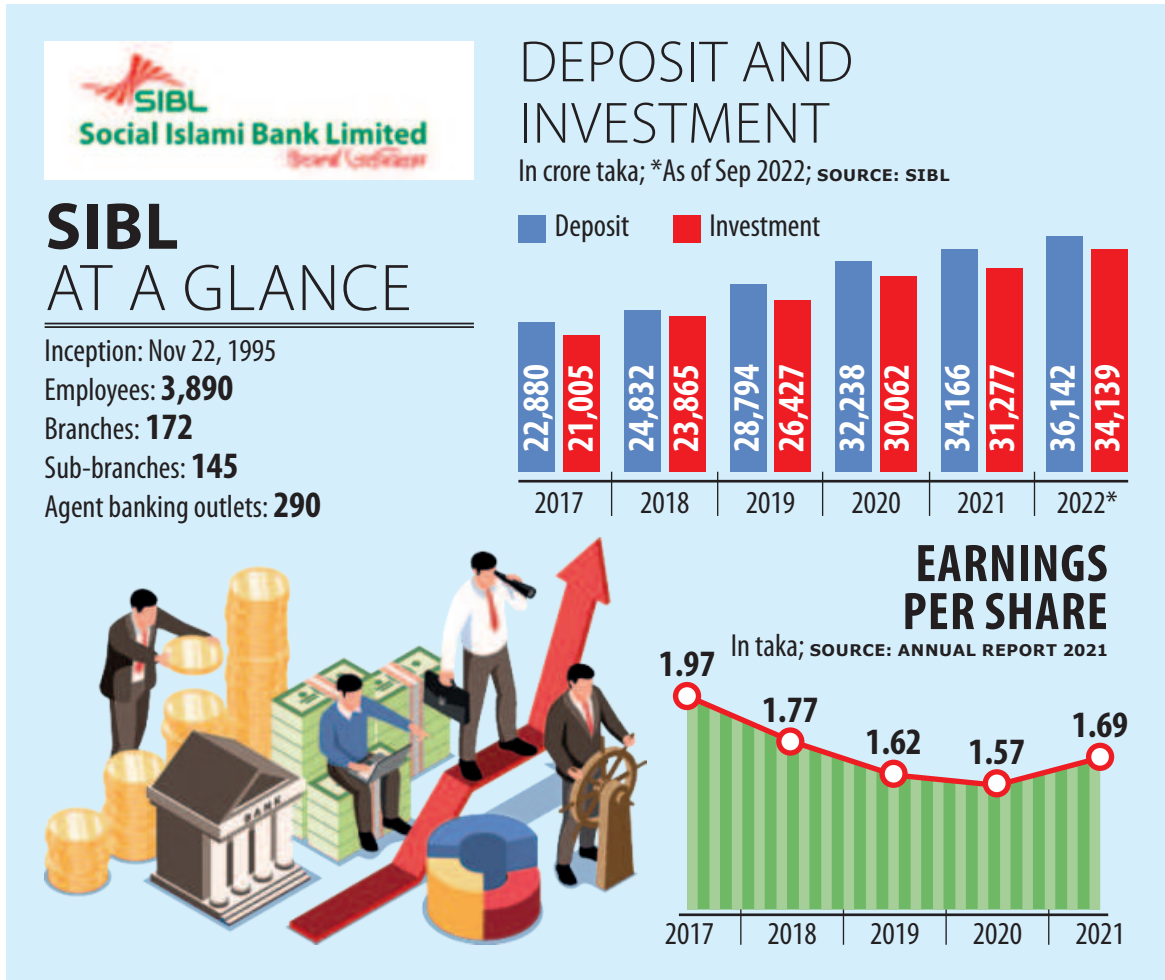
A total of 11,55,868 TEUs of import-laden containers were unloaded at the port in the last 10 months till October.

It is a reduction of 3.81 per cent year-on-year.

The number of import-laden containers unloaded from vessels at the port also came down to 97,538 TEUs in October.

This was around 4 per cent less than that in September. It was 114,920 TEUs in August.

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SIBL focuses on grassroots to build up deposit base

SOHEL PARVEZ

Social Islami Bank Ltd (SIBL) is focusing on small depositors and millions of unbanked people in order to build a strong deposit base.

The private bank has introduced savings schemes for education, marriage and medical care by giving importance to the needs of people, especially the middle class.

The initiative comes as people need a good chunk of money for medical treatment and to get their children admitted to educational institutions at home and abroad. The savings schemes will enable the account holders to meet a portion of their requirements.

“The feature of these savings schemes is that one can get the double the amount they deposit. We have already received a very good response from savers,” said Zafar Alam, managing director and chief executive officer of SIBL. “We always keep peoples’ needs in our mind.”

Apart from this, SIBL plans to introduce deposit schemes for non-resident Bangladeshis (NRBs), retired citizens and street vendors in a bid to attract savers and bring more people under the banking system.

In Bangladesh, the number of unbanked people is very high.

“We have established seven zonal offices throughout the country to reach the doorsteps of the marginalised people. We have taken the initiative to diversify banking services and accelerate

financial inclusion,” said Alam.

He believes: “Small deposits are core deposits. The higher the amount of small deposits, the better it is for a bank.”

The CEO shared these during an interview with The Daily Star on the occasion of SIBL’s 27th anniversary.



Zafar Alam

Established on 22nd November in 1995, SIBL operates through 179 branches and 145 sub-branches. It has 308 agent banking outlets and 196 automated teller machines to serve clients.

The bank registered a steady growth in deposits and investments in the last five years and has retained the momentum this year as well. Deposit collection grew 8.18 per cent year-on-year to Tk 36,142 crore in the nine months to September this year, while investments rose 10.5 per cent to Tk 34,139 crore.

SIBL registered a 74 per cent year-on-year growth in deposit accounts.

“We have recorded an increase in both deposits and investments this year. At the same time, our business through facilitating overseas trade increased,” said Alam, who took the charge of SIBL in December last year.

“We think this year is going to be a good year for us.”

In 2021, the bank recorded Tk 1.69 earnings per share, up 7.6 per cent year-on-year from Tk 1.57 a year earlier, according to its annual reports.

SIBL also brought down its classified investments to 4.89 per cent at the end of September from 5.3 per cent a year ago.

The bank has expanded its agent banking network.

“We have given priority to attracting remittances,” said the CEO, adding that the bank registered a 71 per cent growth in the remittance business in January-September.

SIBL have signed agreements with 35 agencies abroad to enable NRBs and migrant workers to send money home. It has also inked contracts with international money transfer companies such as MoneyGram, Western Union, TML, Zoom Express, Express Money, RIA, and Placid.

It is providing additional services to NRBs and migrant workers who have Tk 500,000 and above balance in their SIBL accounts.

The second-generation bank aims to secure one of the top three spots when it comes to attracting remittances from its present fifth

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Can we dream of becoming a homeowner?

MOHAMMAD KAZI MAMUN

I have been living in a house for more than 20 years. Though it is not mine, I’m happy. I could be happier if I could purchase a flat.

Though I might need to manage a house loan, I could tell everyone that I live in my own house. However, there remains little difference between the two cases of houses depicted above if economic sense is applied. In both cases, we are undergoing some sort of rental agreement, though under different forms of leases.

In the case of a rented house, one can switch to a comparatively low-rated house if his or her income falls. Though many difficulties will appear, liberty is there.

Renting a home might be a better option sometimes because it is free of headaches associated with owning a house. For example, the maintenance cost of a house might outweigh the tax benefit involved with the owning.

Above all, one might get more homes if one rents a house instead of owning one. However, most of us dream of buying or building a grand house like a castle because we want to impress others.

A friend of mine had long cherished a house of his own. The grand house of his grandfather, one of the biggest in the area, was devoured by a river. After serving a private organisation for many years, he could save a little money to build the plinth structure, a precondition for any house loan. Eventually, my friend could become the proud owner of the most beautiful building in his upazila.

However, the primary happiness faded away when my friend ended in a credit card loan. The decorative rural house failed to return a single penny. This is, undoubtedly, the worst financial decision one can take in a lifetime.

If we want to own a flat or house, we need to add 10-20 per cent to our rental expense of 20 per cent

As the rule of finance says, we shouldn’t spend more than 80 per cent of our take-home salary. Besides, rent shouldn’t cut away more than a quarter of our total budget. As such, if we earn an average income, say, Tk 50,000, we will have Tk 10,000 at best for paying rent.

If we want to own a flat or house, we need to add 10-20 per cent to our rental expense of 20 per cent. However, this should not compromise with the rule of finance.

We can spend a maximum of 40 per cent for the monthly payment, like instalment or rent, taxes and insurance. And we need to settle every other expenditure into the next 40 per cent. So, we get to keep ready to sacrifice a bit of our comfort while buying pride in house ownership.

Our dream needs not to be compromised. But our finances, which we earn by shedding sweat, need to be taken care of. If we want to buy a house, we need to save the 20 per cent down payment. The down payment is good for us because it is likely to create a sense of ownership that will bring us some added qualities like seriousness and responsibility.

If we can secure a job early in our life, we can dream of saving a sum of money sufficient for a down payment for a house. If we comply with the rules of personal finance, we shouldn’t spend too much in the early years of our job because that is the period of savings. However, we do the opposite in most cases. Our big houses are often built on the grave of better education and nutrition for our kids.

The author is a banker.



A gradual slowdown in foreign trade amidst the global economic downtrends has brought down the movement of import- and export-laden containers through Chattogram port.

PHOTO: STAR/FILE

Simplify visa, passport processing Mannan tells Indian Ocean Rim nations

STAR BUSINESS REPORT

The process of securing visas and passports should be simplified with the cooperation of various countries to boost Bangladesh’s trade volume, according to Planning Minister MA Mannan.

“We need to discuss how to reduce difficulties in getting visa and passport facilities so that the country’s businesspeople can maintain relationships with their counterparts abroad,” he said.

Mannan made these remarks at a leadership summit, organised by the Indian Ocean Rim Business Forum (IORBF) at InterContinental Dhaka yesterday.

“We have to maintain close relationships with our foreign friends [investors] and expatriates who are currently contributing in

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