

Gold firms on hopes for Fed rate cut

REUTERS

Gold prices edged higher on Monday as renewed bets that the US Federal Reserve would begin cutting interest rates in June and a softer dollar lifted bullion's appeal.

Spot gold was up 0.1 percent at \$2,166.39 per ounce, as of 0648 GMT. US gold futures climbed 0.4 percent to \$2,167.70 per ounce.

The dollar was down 0.1 percent against its rivals, making gold less expensive for other currency holders.

"The environment is still looking quite healthy for the precious metal markets," said Tim Waterer, chief market analyst at KCM Trade.

"Markets are still looking forward to impending rate cuts from the Fed. Looks like June is being the most probable time when they are sort of expected to pull the trigger on that first rate cut."

Gold prices rose to an all-time high on Thursday after Fed policymakers indicated they still expected to reduce interest rates by three-quarters of a percentage point by the end of 2024 despite recent high inflation readings.

Lower interest rates reduce the opportunity cost of holding bullion.

Traders are now pricing in a 74 percent probability that the Fed will begin cutting rates in June, according to the CME Group's FedWatch Tool.

Investors are now awaiting US core personal consumption expenditure (PCE) price index data due on Friday to see if that could alter the Fed's projections of three rate cuts for this year.

The index was seen rising 0.3 percent in February, which would keep the annual pace at 2.8 percent.

Many markets are closed on Friday for Good Friday when the PCE data is due for release, so the full reaction is expected to be seen next week.



A welder is working at a shipyard in Kalurghat area of Chattogram city. Bangladesh makes vessels for local and foreign buyers thanks to the presence of nearly 200 small and large shipbuilding yards. Local annual sales amount to around \$1 billion whereas the global market for shipbuilding stood at \$192 billion in 2019 with South Korea, China and Japan holding most of the market share, according to reports. The photo was taken recently.

PHOTO: RAJIB RAIHAN

Some Teletalk customers to get access to Banglalink network from today

MAHMUDUL HASAN

Some customers of Teletalk will be able to use Banglalink's network from today as part of a 'pre-commercial launch' of national roaming services, bringing relief to subscribers of the state-run operator whose network is hamstrung by weak power backup.

This comes after the successful trial of national roaming services by Teletalk and Banglalink.

However, this pre-commercial launch will only be offered to select Teletalk customers, who can avail roaming service from Banglalink's network. Banglalink's customers will not get access to use Teletalk's network during this period.

Interconnection costs and network-related expenses will be covered by respective operators.

After the successful trial of national roaming services by Teletalk and Banglalink, both operators are finalising commercial agreements for a nationwide commercial launch, according to Banglalink officials.

The commercial launch of the national

roaming service with agreed-upon terms will take a few months, according to sources.

During the pre-commercial launch, Banglalink will not generate revenue from designated Teletalk subscribers that use its network.

Teletalk will provide the subscriber list for national roaming services, with select subscribers getting access to voice, SMS, and internet services.

Teletalk customers will be charged by Teletalk as per their charging mechanism and they will be able to use roaming services as long as they have available balance on their account.

Erik Aas, Banglalink's CEO, earlier said Banglalink was proud to partner with Teletalk in pioneering the initiative to share telecommunication infrastructure.

"This initiative, a first of its kind in Bangladesh, reflects our commitment to the realisation of the government's vision for a Smart Bangladesh."

"When launched commercially, this will offer customers of both operators a seamless, high-quality network experience nationwide.

The successful implementation of this field trial will not only enhance our services but also pave the way for future cross-industry partnerships and opportunities."

There are 5,661 base transceiver stations that facilitate access to Teletalk's network. However, of the 3,856 towers run on batteries supplied by Teletalk, 21.52 percent cannot provide more than one minute of backup.

This means customers who are under the coverage of these 830 towers cannot access the network if there is a power outage.

Similarly, about 40 percent of Teletalk's towers can no longer provide network access if electricity outages persist for more than an hour.

Recently, Banglalink doubled its network coverage, increasing its total number of towers to over 16,000.

Meanwhile, Robi Axiata has already received approval from the BTRC to run a trial for the roaming service.

An official of Robi said they had already completed preparations for the trial and were awaiting Teletalk's response before starting the trial.

China vows to treat foreign firms equally

REUTERS, Beijing

China pledged on Monday to treat foreign companies the same way as domestic peers in a bid to attract more foreign investment, cooperation and expertise, as Asia's largest economy moves to upgrade and strengthen its industrial chains.

"China will fully guarantee national treatment for foreign companies, so that more foreign companies can invest in China with confidence and peace of mind," Vice Commerce Minister Guo Tingting said at the China Development Forum in Beijing.

Guo did not give details about how China would guarantee "national treatment", or the equal treatment of locals and foreigners as per World Trade Organization (WTO) principles.

For years, Western firms have complained of unequal access in China, a vast consumer market and also global supplier of raw materials and components. Western governments have expressed concern about "economic coercion", and companies have considered "de-risking" supply chains and operations away from China.

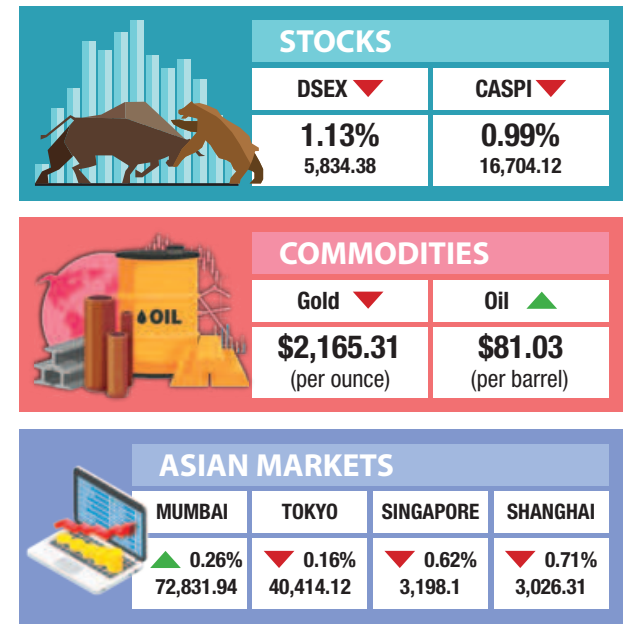
China's introduction of a broader anti-espionage law, exit bans and raids on consultancies and due diligence firms have further chilled foreign fund inflows. Inbound foreign direct investment contracted 8 percent last year.

Geopolitical tension, most prominently with the United States on a range of issues including US concern that US chips and AI technology could be used to boost Chinese military capabilities, has also weighed on investor sentiment.

In response, China has stepped up efforts to address concerns of foreign investors, pledging to protect the rights of foreign companies and promising to further enlarge entry into its markets.

China will continue to open up high-level areas of industry and finance and create more market opportunities, and will firmly safeguard a multilateral trading system with the WTO at its core, Guo said.

Premier Li Qiang on Sunday said China will continue efforts to build a first-class business environment and to welcome enterprises from all over the world to invest in the country.



Sonali Bank holds meeting on RFCD, offshore banking

STAR BUSINESS DESK

Sonali Bank has arranged a meeting on enhancing facilities of Resident Foreign Currency Deposit (RFCD) accounts and offshore banking policy.

Md Afzal Karim, managing director and CEO of the bank, attended the meeting as chief guest at the bank's head office in Dhaka yesterday, the bank said in a press release.

Subhash Chandra Das, deputy managing director of the bank, presided over the meeting.

Deputy managing directors of the bank, general managers and other executives were also present.



PHOTO: SONALI BANK

Md Afzal Karim, managing director and CEO of Sonali Bank, attends a meeting on enhancing facilities of Resident Foreign Currency Deposit Account and offshore banking policy at the bank's head office in Dhaka yesterday.

Oil price rises

REUTERS, Tokyo

Oil prices rose in Asian trading on Monday on concerns over tighter global supply brought about by escalating conflicts in the Middle East and between Russia and Ukraine, while a shrinking US rig count added to upward price pressure.

Brent crude futures climbed 39 cents, or 0.5 percent, to \$85.82 a barrel at 0759 GMT. US crude futures gained 40 cents, or 0.5 percent, to \$81.03 per barrel.

Both benchmarks fell less than 1 percent last week versus the previous week. A stronger US dollar, which rose about 1 percent over the last week, has kept a lid on prices.

"Escalating geopolitical tension, coupled with a rise in attacks on energy facilities in Russia and Ukraine, alongside receding ceasefire hopes in the Middle East, raised concern over global oil supply," said Hiroyuki Kikukawa, president of NS Trading, a unit of Nissan Securities.

Meanwhile, the US oil rig count fell by one to 509 last week, showed data from energy services firm Baker Hughes, indicating lower future supply.

Ageing in Bangladesh: Are we ready for more social spending?

FROM PAGE B1

Qazi Kholiuzzaman Ahmad, chairman of the Dhaka School of Economics, said the proportion of young population aged 15-29 will decline and the ratio of the aged population will increase in the coming years.

"So, the ratio of the working population will fall overtime. For this, preparation should be taken from now."

He said health complications rise as people grow older and they also suffer from loneliness as other family members remain busy with work and other activities.

"We have many parents whose children work abroad or live in urban areas. These elderly parents remain lonely. The number of lonely elderlies is increasing in rural areas too," said Prof Ahmad.

In 2013, the government framed the national policy on older persons and enacted a law making it mandatory for children to provide upkeep for their parents.

"To the best of my knowledge, there

is no progress in the implementation of none of the two," he said.

The economist said there are initiatives by the private sector and NGOs to set up homes and other facilities for older people.

"The provision of such facilities should be increased. At the same time, the oversight of the government needs to be enhanced to ensure quality service delivery."

Prof Ahmad said the present government has promised universal healthcare in its election manifesto and should pay heed to implement it.

Binayak Sen, director-general of the Bangladesh Institute of Development Studies, said the BBS figure implies that Bangladesh is in the middle of enjoying the demographic dividend.

"When the demographic dividend declines, the ratio of dependency will increase. This calls for paying attention to social protection," he said, urging the authorities to bring the elderly population under the universal old age protection scheme.

As expenditures are involved, Sen suggested the government include

the elderlies aged more than 70 years under the universal social protection scheme initially before including those above 60 years.

Conventional banks can avail

FROM PAGE B1

(MTDR) rate of the respective bank.

If there is no one-month MTDR rate, then the profit rate of the next higher-term deposit or MTDR declared by the respective bank will be considered as the provisional profit rate of the IBLF, it said.

Previously, the profit rate for a three-month term was considered as per the MTDR rate.

The central bank introduced the IBLF for the first time in December 2022 when most of the Shariah-based banks were facing a liquidity crisis.

There are 10 full-fledged Islamic banks in the country and the number of Islamic banking branches, including those of conventional commercial banks, stood at 1,700 at the end of last year.

Pharmaceutical sector

FROM PAGE B1

"We opened LCs at Tk 118.50 per dollar last week while it was Tk 125 per dollar in February," he noted.

However, he said the local currency needed to strengthen further against the greenback for the economy to rebound strongly. He also believed the pharmaceuticals sector recovering rapidly would contribute to the country's economy.

Alam said the volume of sales in the domestic market increased slightly in the last fiscal year, but the margin declined due to increased costs of production.

Last year, drug sales grew two percent to Tk 30,059 crore, far lower than the four-year average growth of 8.5 percent in 2022, according to a report by IQVIA, a global provider of advanced analytics, technology solutions, and clinical research services.

"We are on the way to recovering fully from the crisis and maintaining the raw materials supply chain," said Shah Imran, head of procurement of Beximco Pharmaceuticals Ltd.

During the crisis, small manufacturers suffered a lot and failed to ensure smooth production, he said.

Fortunately, his company did not suffer severely due to their skilled management team, which helped facilitate the continuing supply of raw materials and production of lifesaving medicine, he noted.

He added that banks and the government also cooperated in opening LCs during the crisis, but added that banks charged a higher rate and 100 percent margin.

The situation has now improved and there is no possibility of a crisis regarding medicine supply in the future as the sector has already overcome the difficulties, he said.

"We have given serious effort to tackle the difficulties because of which we are enjoying a comfortable situation at this moment," said Imran. Zahangir Alam, chief financial officer of Square Pharmaceuticals, said the dollar crisis did not impact his company as it had enough in-house income of dollars.

Although the dollar situation was tight, the supply of products to the drug market was not impacted, he said. As LC openings for medicine are rising, it will help the sector, he added.

Stocks suffer

FROM PAGE B1

City General Insurance topped the gainers' list with a rise of 5 percent. Rupali Life Insurance was up 4.93 percent while Aramit and Meghna Pet Industries gained more than 4 percent.

Express Insurance, Bangladesh Industrial Financial Company, and Takaful Islami Insurance were also on the gainers' chart.

Turnover slumped 23.23 percent to Tk 445 crore. Of the securities that traded on the premier bourse of Bangladesh, 41 gained, 318 declined, and 34 did not see any price movement.

Md Mustafizur Rahman, an investor, said he invested in some well-performing stocks a few months earlier. However, all of the stocks are on a falling trend. So, his capital has eroded by around 25 percent.

However, junk stocks or low-

performing stocks are rising, leaving him wondering whether his investment decision was right.

"Should I invest in junk stocks?" Rahman asked.

Yesterday, the top gainers included two junk stocks and two low-performing "B" category companies.

Almost all the sectors ended in negative territory, with cement, non-bank financial institutions and paper and printing shares falling the most, according to the daily market update by UCB Stock Brokerage.

The pharmaceuticals sector dominated the turnover chart, accounting for 20.92 percent of the total turnover.

The Chattogram Stock Exchange also witnessed a similar trend as the Caspi, the main index of the bourse in the port city, plunged 168 points, or 0.99 percent, to close at 16,704.