



Traders must sit with their bowls of fish fry on the flatbeds of trucks during transportation to constantly churn the water with their hands to ensure aeration. Fry of rohu, katla and other fish varieties are spawned in nurseries in Barakpur village at Khulna's Digholia upazila. Here they are being taken away for sale around 50 kilometres away in Bagerhat at Tk 220 to Tk 350 per kilogramme. The photo was taken at Aronghata union of Digholia recently.

PHOTO: HABIBUR RAHMAN

# Dhaka stocks snap five-day gaining streak

## STAR BUSINESS REPORT

The benchmark index of Dhaka Stock Exchange (DSE), the premier bourse of Bangladesh, fell yesterday after a five-day gaining streak.

The DSEX, the key index of the bourse, slipped 26.95 points, or 0.51 percent from that on the preceding day, to close at 5,220.18.

Likewise, the DSES, the index that represents Shariah-compliant firms, dipped 3.80 points, or 0.33 percent, to 1,142.85.

The DS30, the index that comprises the best blue-chip companies, dropped 9.51 points, or 0.51 percent, to 1,867.99.

Turnover, meaning the total value of shares changing hands on a day, giving an indication of the amount of trading activity, decreased by 1.41 percent to reach Tk 479 crore, according to the daily market update by UCB Stock Brokerage.

Of the total turnover, food and allied

sector accounted for the biggest share of 10.93 percent.

Block trades contributed 28.9 percent of the overall market turnover.

A block trade is a high-volume transaction in a security that is privately negotiated and executed outside the open market for that security.

Linde Bangladesh was the most traded share with a turnover of Tk 23.2 crore.

Non-bank financial institution (NBFI), engineering and cement sectors closed in the positive while travel and leisure, services and real estate and general insurance closed in the negative.

NBFIs booked the highest gain of 3.63 percent, followed by engineering (0.71 percent), telecommunication (0.29 percent), bank (0.30 percent), fuel and power (0.44 percent), pharmaceuticals (0.47 percent), and food and allied (0.70 percent).

Out of the 395 scrips that were traded on the DSE, 255 declined, 92 edged up and 48 did not see any fluctuation.

Samata Leather Complex took the top position on the gainers' list, rising by 9.98 percent.

Pacific Denims, Investment Corporation of Bangladesh, Evince Textiles, Dulamia Cotton Spinning Mills, Dragon Sweater and Spinning, Salko Spinning Mills, Khulna Printing and Packaging, and Active Fine Chemicals were also on the gainers' list.

**Turnover, meaning the total value of shares changing hands on a day, decreased by 1.41 percent to reach Tk 479 crore yesterday**

Apex Spinning & Knitting Mills shed the most, falling 2.99 percent, followed closely by Al-Haj Textile Mills, Sonali Paper and Board Mills, New Line Clothings and Gemini Sea Food with identical losses of 2.99 percent each.

In its daily market update, BRAC EPL Stock Brokerage said companies which account for large amounts in market capitalisation posted a mixed performance.

Market capitalisation refers to the value of a company calculated by multiplying the total number of shares by the present share price.

Among those companies, Prime Bank, Al-Arafah Islami Bank, Unilever Consumer Care, LafargeHolcim, BRAC Bank, Shahjalal Islami Bank and Grameenphone performed well.

On the other hand, the shares of BAT Bangladesh, Beacon Pharmaceuticals, Square Pharmaceuticals, Kohinor Chemicals, Khan Brothers PP Woven Bag Industries, Best Holdings, Jamuna Bank and Eastern Bank did not perform that well.

Chittagong Stock Exchange also saw a similar trend with its all-share price index gaining 95.57 points, 0.64 percent, to settle at 14,726.14.

## Jewellery machinery expo from July 4

### STAR BUSINESS REPORT

A three-day exhibition of machinery used in the manufacture of jewellery will begin in Dhaka on July 4.

International Jewellery Machinery Exhibition Bangladesh 2024 will be organised by Bangladesh Jeweller's Association (Bajus) in the capital's International Convention City Bashundhara.

Themed "Technological touch in jewellery", the exhibition is scheduled to be participated by over 30 companies from 10 countries, including India, Italy, Turkey, United Arab Emirates, Germany, China and Thailand, according to the organiser.

Of the companies attending the first-of-its-kind exhibition, six are from India, three each from Italy and Turkey, one each from Germany and China and five from Bangladesh.

The central leaders of Bajus and foreign partners of the exhibition shared the information at a press conference held at Bashundhara City Shopping Complex in Dhaka yesterday.

The exhibition aims at enriching the domestic industry and utilise export potentials of Bangladeshi jewellery, they said.

Bajus hopes the exhibition, through the showcasing of modern machinery from different countries, will encourage entrepreneurs to set up new jewellery factories in the country.

The exhibition will remain open for all from 11:00am to 7:00pm every day.

Bajus General Secretary Badal Chandra Roy, former president Dilip Kumar Roy, Vice President Samit Ghosh Apu, Adviser Ruhul Amin Rasel and KNC Services Founder and CEO Kranti Nagvekar were also present in the press conference.

## Gold ticks up

### REUTERS

Gold prices edged up on Monday as US Treasury yields eased, while investors awaited inflation reading due later this week that could influence the Federal Reserve's interest rate trajectory.

Spot gold was up 0.4 percent at \$2,330.56 per ounce as of 0834 GMT, after dropping 1 percent on Friday due to a stronger dollar. US gold futures rose 0.5 percent to \$2,343.30.

Benchmark 10-year US Treasury yields edged down, making non-yielding bullion more attractive for investors.

"The focus remains on incoming US economic data and if that data confirms a soft landing, allowing the Fed to cut interest rates," UBS analyst Giovanni Staunovo said.

"We continue to see gold supported, targeting a price of \$2,600 per ounce at the end of the year."

The Personal Consumption Expenditures (PCE) data, the Fed's preferred measure of inflation is due on Friday. Through this week, at least five Fed officials will speak, including San Francisco Fed President Mary Daly, Fed Governors Lisa Cook, and Michelle Bowman.

Traders are currently pricing in a 66 percent chance of Fed rate cut in September, according to CME FedWatch Tool.

Lower rates reduce the opportunity cost of holding bullion.

## E-commerce drives China's air cargo market

### ANN/CHINA DAILY

The rise of cross-border e-commerce is lifting the global air cargo market like never before, with China leading the way, boosted by Air Silk Road or air routes that connect the country with the economies participating in the Belt and Road Initiative, industry experts said.

From flowers and fruits to consumer electronics containing lithium-ion batteries, all are par for the air cargo course now, they said.

Besides generating cargo business for airlines, this trend has boosted trade in certain niche sectors like smart wearable and electronic products produced by Chinese enterprises. They are now welcomed by overseas consumers, fueled by a boom in cross-border e-commerce that has sent demand for air cargo transportation soaring.

With innovation enhancing consumer products and consumers pursuing lifestyles characterized by increasing use of "intelligent" products, competition in the global consumer electronics market has intensified, giving superior Chinese products, marked by intelligent and personalized designs, a clear edge, industry observers said.

This, in turn, is spurring the air cargo market. Guangzhou-based State-owned carrier China Southern Airlines said that in the past few years, the international air cargo market has experienced significant changes. A large part of traditional bulk trade cargo transportation has been replaced by cross-border e-commerce cargo transportation.

"The air cargo transportation market has been undergoing constant changes, and cross-border e-commerce business has driven the fast growth of demand for air cargo transportation," said Peter Gao, Boeing's vice-president for China commercial sales and marketing.

In 2023, China's imports and

exports of cross-border e-commerce products were worth 2.38 trillion yuan (\$328.3 billion), up 15.6 percent year-on-year. Products exported for cross-border e-commerce alone reached 1.83 trillion yuan, up nearly 20 percent year-on-year, according to the General Administration of Customs.

As e-commerce involves products that were not part of traditional trade, new trade models and transportation methods have arisen, spawning new requirements for China's international air cargo services and boosting the nation's capabilities.

For instance, products that contain lithium-ion batteries were hitherto classified as dangerous goods for air transportation. But now, cross-border e-commerce entails transportation of a large volume of such products.

In early June, China Southern operated its first cross-border chartered cargo flight that transported goods containing lithium-ion batteries from Guangzhou, Guangdong province, to London. Those products included electric fans and Bluetooth earphones, marking a breakthrough in China's air cargo transport.

The robust growth of China's cross-border e-commerce has necessitated new international air cargo routes. In late March, Shenzhen Bao'an International Airport launched a dedicated cross-border international freight route connecting Shenzhen, Guangdong province, with Budapest in Hungary. It is the first such route launched this year.

In early April, Chengdu Tianfu International Airport launched its first international air freight route connecting Chengdu, Sichuan province, with Oslo in Norway. The route focuses on transporting cross-border e-commerce products in small packages.

## UAE emerges as top remittance source

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Prof Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said there is no major differences between the workers who went to the UAE and those who went to Saudi Arabia in terms of skills and salaries.

"So, it is necessary to see who are sending the money from the UAE and why is this sudden spike?" Rahman asked.

Historically, Saudi Arabia had been the top remittance sender for Bangladesh. In the second half of 2022, it lost the spot to the US for a brief period, which came as a surprise. Still, Saudi Arabia retained the top spot at the end of FY23.

The UAE has been the top remitter since the beginning of FY24.

In order to attract remittances, the government introduced a 2 percent incentive in 2019, and it was later raised to 2.5 percent.

Rahman called for a thorough investigation to find out whether the money that was smuggled out

of the country is being brought back to secure the incentives and legalise them.

He termed it as the "round trip" of the money.

"Although remittances are good for the foreign exchange reserves and the balance of payments, it is needed to probe whether there is any other purpose behind it."

Mohammed Nurul Amin, a former managing director of Meghna Bank and NCC Bank, said many rich people have settled in Dubai as it has now become a lucrative destination.

Now, the expatriates are getting incentives if they send funds to their beneficiaries back home through formal channels.

This might be a reason behind the higher remittance flow from the UAE, he said.

Expats sent \$2.35 billion from the UK in July-April, data from the BB showed. Remittances from the US dropped 25.33 percent to \$2.28 billion during the period.

## BSEC suspends several BO accounts of RACE

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They will also have to report to the commission with detailed holding status within seven working days from the issuance of the order, it said.

Every custodian of the funds shall take steps to close the BO accounts opened and maintained in the broker houses in lieu of the custodian of the mutual fund.

They should also transfer all securities from the BO accounts in brokerage houses to the BO accounts maintained with the

respective custodian within seven working days.

In the case of a failure to transfer the securities, any type of trading of securities in the name of the mutual fund shall be suspended till further instruction and the trustee shall report to the commission within three days, the BSEC said.

Each concerned party of the mutual funds shall report to the commission in detail about their steps and compliance status under this order within 10 days, it said.

## Matiur's stock scandal

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However, these transactions are not reported in the financial reports of companies though auditors or regulators can detect them by checking the track records of the fund transfers needed to purchase the placement shares.

Anyone can buy placement shares. However, companies usually sell them to friends and family members. Such shareholders need to hold the securities for one year or more before getting the chance to sell them in the secondary market after the listing and earn a profit.

Matiur Rahman received more than three crore placement shares from 10 listed companies. During the interview with NTV, he admitted that he got shares from one company at lower than the face value. This gave an idea of what could happen in the case of other companies.

Rahman is not the lone person who received placement shares in such a manner.

The Bangladesh Securities and Exchange Commission (BSEC) detected that many received shares of Ring Shine Textiles who had no proper documents of paying the due amount. The names of many influential people were also disclosed in 2021.

There are also instances when some companies issued shares

to people at higher prices before discarding their plan to go public. As a result, general people lost their funds. However, the regulator has not asked the companies to repay the funds to the affected investors.

Since the BSEC has failed to curb irregularities related to private placement, many influential people are still taking advantage of lax law enforcement, said several analysts.

Matiur Rahman acknowledged his wrongdoing on June 19, but the BSEC has yet to take any action against him or the company. On Sunday, he was removed from the NBR and attached to the finance ministry.

But the BSEC should have opened an investigation into Rahman's case to find out how deep the irregularities were and how he manipulated the system and abused the power. But the BSEC has remained silent.

It is normal for a company to issue shares to raise funds before it is going to be listed. However, the process of share allocation should be transparent so that none can receive stocks at a discounted rate or without paying any money.

A thorough investigation is necessary to find out how the system has been gamed and how it can be mended. The influential must be brought to book to restore investors' confidence in the stock market.

## Two Indian SEZs saw no visible progress

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separate zone to attract Indian investors.

The main work of this project is to complete land development and establish connecting roads, administrative buildings, security systems, water supply systems, telecom network equipment, water treatment plants and other investment-friendly facilities.

The Beza executive chairman added that there was a slight

development regarding the other Indian SEZ at Mongla as the process to form a JV and start implementation of the project has begun.

Beza has already acquired 100 acres of land in Mongla for the Indian SEZ, with ARTELIA Consulting set to work on implementing the project.

"All negotiations have been completed. We are just waiting for approval from the Prime Minister's Office to form the JV," Harun said.