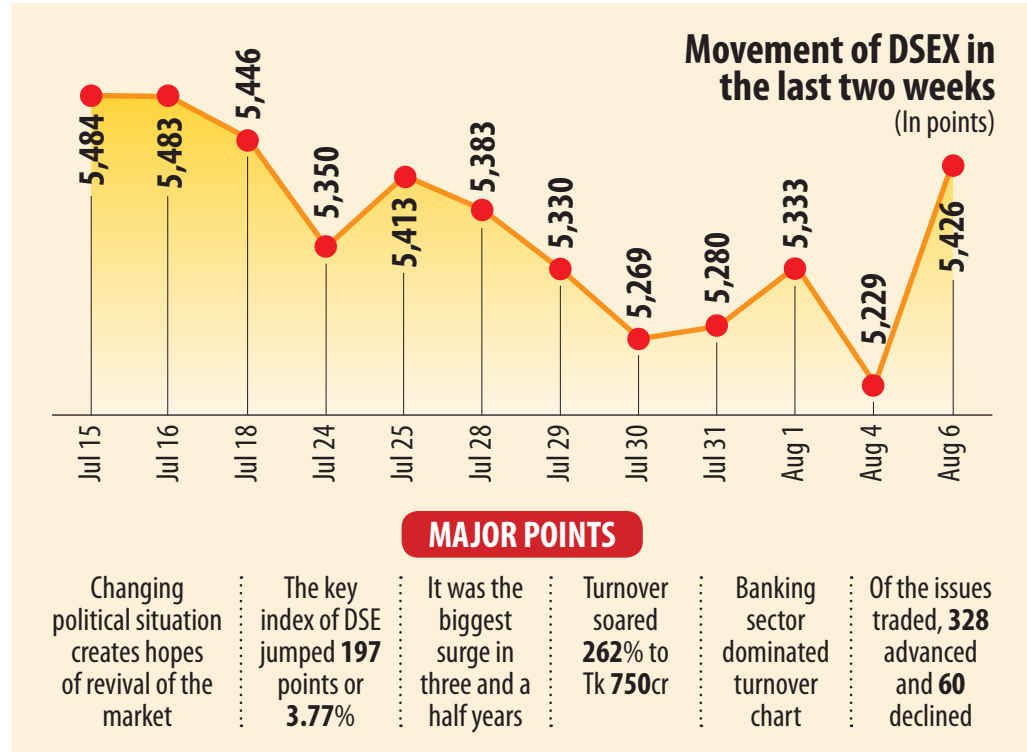


Star BUSINESS

Stocks see highest rise in 3.5 years



STAR BUSINESS REPORT

Stocks in Bangladesh witnessed a massive jump yesterday amid hopes of a revival of the market following the exit of Sheikh Hasina from Bangladesh after her resignation from the post of prime minister on Monday.

The Awami League-led government fell amidst protests over the killing of more than 300 people and arrest of thousands centring a quota reform movement of students.

The DSEX, the key index of the Dhaka Stock Exchange (DSE), surged 197 points, or 3.77 percent, from that on Sunday to reach 5,426, the biggest surge in the past three and a half years.

At the same time, the DS30, the index for blue-chip stocks, increased 75 points, or 4 percent, to 1,934.

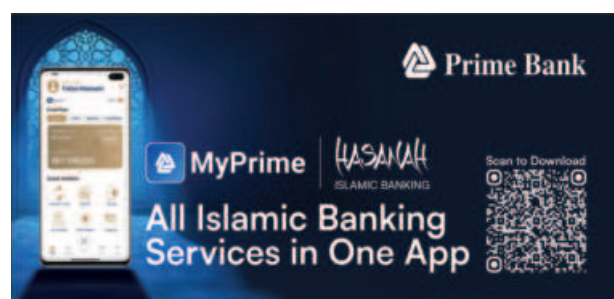
The DSES, the index for Shariah-based firms, advanced 32 points, or 2.86 percent, to 1,176.

This rare change in the political situation gave hope to investors because they knew that only a change in the regulatory body cannot ensure good governance in the market, said Saiful Islam, president of DSE Brokers' Association (DBA).

Bangladesh's stock market has been languishing in the face of violence centring the quota reform movement since the second half of July. Trading was closed for four days because of general holidays following a curfew.

Between July 15 and August 5, the DSEX lost 4.64 percent.

DBA President Islam said if the banking sector does not suffer that much of a damage, the stock market will run smoothly.



On the other hand, the index and turnover had plunged to a massive extent over the last couple of days and now those had come back to that of an average day, he said.

Turnover, an important indicator of the market, soared 262 percent to Tk 750 crore.

This type of turnover is common in the market but recently it dropped below Tk 500 crore due to the instability, Islam said.

"The market is full of junk shares, and low-performing companies and the market are behaving like a casino," he said.

Most of the owners of listed companies are into the share business instead of focusing on their own business. The regulator has not taken strong steps against these activities, Islam said.

Now, people are hopeful of proper regulatory activities and good governance in the stock market under a new government, he added.

A similar trend was witnessed at Chittagong Stock Exchange. The Caspi, the broad index of the port city bourse, surged 467 points, or 3 percent, to 15,393.

Mir Ariful Islam, managing director and chief executive officer of Sandhani Asset Management, said people now have hope which was the main reason behind the rise.

During another change in government on November 1, 2007, the then broad index of the DSE had gone up around 17 percent in one month. So, a rise in the stock market during any historical regime change is expected, he added.

A mid-level official of a leading stock brokerage firm said after the resignation of Sheikh Hasina, investors were optimistic about the return of good governance in the market.

So, they were buying stocks which had remained at a low price for many years. The participation of people also rose based on that optimism, he added.

Meanwhile, Bangladesh Securities and Exchange Commission Chairman Prof Shibli Rubayat-Ul Islam did not come to office yesterday. A commission meeting scheduled for tomorrow was also postponed.

IMF says it is 'fully committed' to Bangladesh

REUTERS, London

The International Monetary Fund said it remained "fully committed to Bangladesh and its people" after protests ousted the prime minister.

Bangladesh's president dissolved parliament on Tuesday, clearing the way for new elections a day after Prime Minister Sheikh Hasina resigned and fled the country following student-led protests that left hundreds dead.

Long-term lending from multilaterals including the IMF, World Bank and the Asia Development Bank amounts to roughly a quarter of Bangladesh's GDP, according to emerging market experts Tellimer, making their continued backing key to the country's economy.

The IMF, which approved a \$4.7 billion loan programme with the country in January 2023, said it was following

"We remain fully committed to Bangladesh and its people and support efforts to ensure economic stability and deliver inclusive growth," IMF says

developments and "deeply saddened by loss of lives and injuries."

"We remain fully committed to Bangladesh and its people and support efforts to ensure economic stability and deliver inclusive growth," an IMF spokesperson said in an emailed statement.

On Monday, the World Bank, which had total commitments of \$2.85 billion in the year to June 30, said it was still assessing the impact of the events on its lending, but remained committed to Bangladesh's development.

Bangladesh does not have any foreign currency bonds, and its short-term external debt is just 5 percent of GDP, limiting market reaction to the political turmoil.

But a stagnant economy contributed to the protests; nearly 32 million young people in the nation of 170 million are out of work or education in a population. Inflation hovers around 10 percent per year and dollar reserves have shrunk to just three months of import cover.

Multilateral lenders will be closely watching the next steps taken by the government and the military.

Absence of security affects banking services

AM JAHID

Although banks reopened yesterday, a day after prime minister Sheikh Hasina handed in her resignation, overall activities including financial transactions were affected due to security concerns among lenders and clients.

Many banks operated on a limited scale across the country, closing outlets and booths in areas where the risk is greater amid the absence of law enforcement agencies, according to bankers.

Due to similar concerns, banks could not deliver cash to branches or ATM booths, reducing financial transactions significantly.

The security concerns deepened in Dhaka and the rest of the country yesterday as police observed a work abstention, citing that they feared for their own safety amid reports of deadly attacks on policemen on Monday night.

Bangladesh has been in turmoil since July, with over 300 dead in clashes between protesting students, police and ruling party men.

Reports of violence and arson also flared on Monday night as an interim government was in the process of being formed.

Apart from the limited presence of army personnel, streets and important establishments in the capital were without security.

In the absence of traffic police, students were seen controlling the flow of traffic on the streets around the country.

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said they resumed operations on a limited scale yesterday.

AT A GLANCE

- ▶ Many banks operated on a limited scale
- ▶ Most branches and ATM booths were closed
- ▶ Presence of clients and bankers was thin
- ▶ Cash transportation was affected
- ▶ Transactions were significantly lower
- ▶ Security concerns deepen in absence of police force

"As police services are not available, we stopped operating in places where we feel there is less security or the situation is uncomfortable," he said.

Based on their security assessment, Bijoy said they provided banking services through only four of their 18 branches across the country, three in Dhaka and the other in Chattogram.

Besides, banking operations were halted in Khulna, Sylhet and Bogura.

"We have taken this decision to ensure the safety of our clients and colleagues amid security concerns due to the absence of law enforcement agencies," he said.

The doors of several banks were closed in

Many banks operated on a limited scale across the country, closing outlets and ATM booths in areas where the risk is greater amid the absence of law enforcement agencies, bankers said

Motijheel but some branches operated through pocket gates.

Selim RF Hussain, chairman of the Association of Bankers Bangladesh, said banks opted for risk assessment of branches in line with the suggestion of Bangladesh Bank and opened branches accordingly.

He added that there was panic yesterday. "But this will reduce as things normalise. So, more branches will be opened," added Hussain, also managing director of BRAC Bank.

A senior official of Eastern Bank Ltd said the private lender could not open all its branches yesterday due to security concerns.

"We have kept branches shut in areas with a risk of violence and robbery. Customers' presence was also very thin," he said.

Golam Maula, a resident of Indira Road in Dhaka, said he could not withdraw money as ATM booths were closed due to violence over the last few days.

He has already run out of cash, he lamented.

"Most of the booths in the surrounding area are closed, so I could not even withdraw money yesterday," he said.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank Ltd (MTB), said they also operated on a limited scale because of the prevailing situation.

"Those who felt unsafe did not come," he said. He also mentioned that miscreants vandalised and stole an ATM from their branch in Madaripur.

However, the presence of customers was significantly low in the capital as clients did not take any services unless there was an emergency.

An official of a state-owned bank in Motijheel said fewer customers have been seeking services for the past several weeks due to the unrest centring the students' movement.

"But it was significantly lower yesterday, owing to security concerns in absence of security personnel," he said.

On the other hand, there were also fewer employees and most of them only worked a half-day.

Bijoy of Standard Chartered said many clients refrained from taking banking services yesterday as the decision to reopen banks came very late on Monday night.

Lamenting the death of an employee during the recent unrest, he said: "It is a big loss for us. So, we must ensure the safety of our clients and colleagues."

"If law enforcement agencies can ensure security and we feel that there is a safe environment through our assessment, then we will operate all the branches," Bijoy added.

Shop owners on high alert for looting, vandalism

They are counting huge losses as many stores and shopping malls are closed across the country

SUKANTA HALDER

Fearing looting and vandalism amidst the political crisis that culminated in Prime Minister Sheikh Hasina's resignation following 15 years at the helm of an iron-fisted regime, many shops and malls in the country were closed yesterday, causing huge losses for businesses.

Businessmen said many establishments and shops were looted, attacked and vandalised across different parts of the country, including the capital of Dhaka, for the past two days due to a complete collapse of law and order.

Consequently, businesspeople did not open their shops while malls remained closed. Many traders were also seen standing in front of their shops ready to protect their goods.

Soumik Das, chief executive officer of Rang Bangladesh, said all 20 of their outlets across the country were closed yesterday due to the unsafe atmosphere.

"I have seen various news reports of people's business places being looted. In this situation it is not possible to open our outlet," he said.

The glass storefront of their outlet in Netrokona was broken, he said, adding that if the situation improves, the outlet would be opened on Wednesday.

Even if the shop is reopened, buyers will not be seen anytime soon, Das lamented.

After groups of miscreants realised that the country's law and order system had collapsed in the immediate aftermath of the fall of the Awami League-led government, they started looting and causing mayhem on a massive scale.

Inspector General of Police Chowdhury Abdullah Al-Mamun yesterday urged all members of the force to patiently perform their duties.

"I am requesting all members of the police to perform their duties with patience and strong morale while maintaining their security," he said in a video message sent by Police Headquarters.

Clashes between protestors, Awami League (AL) men and law enforcement agents on Monday left at least 66 people dead and over a thousand wounded in the capital while at least 76 people were killed and around 500 others injured outside the capital city.

Angry mobs also attacked AL leaders as well as their properties, homes and offices soon after the news of Sheikh Hasina's resignation and escape from the country spread.

AM Salimullah, sales manager of Kay Kraft, a retailer of fashion wear, accessories, home textiles, handicrafts and handloom-based products, said 14 of their 16 outlets were closed yesterday.

They only opened outlets at Jamuna Future Park and Police Plaza Shopping Mall in Dhaka, he said.



Shopping malls in the capital stayed closed apprehending looting yesterday, a day after Sheikh Hasina resigned from the post of prime minister. The photo was taken near Noor Hossain Square in Gulistan. PHOTO: ANISUR RAHMAN

Meanwhile, most roadside shops alongside shopping complexes in Dinajpur and Rangpur have remained shut since Monday, according to the traders.

During a visit to different places in Dinajpur on Tuesday, including Gulsan Market, Begum Plaza and Maldhapatti as well as malls and showrooms of different brands, our correspondent

found all of them closed.

Reza Humayun Kabir Chowdhury Shamim, president of the Dinajpur Chamber of Commerce and Industry, said shops remained closed in Dinajpur due to fear of looting, adding that most traders were guarding their shops.

Most businesses in Sylhet also remained closed yesterday for similar

reasons.

Abdur Rahman Ripon, joint secretary of the Bangladesh Dokan Malik Samity's Sylhet unit, said: "Many businesses, including a megamall, were looted during the chaos on Monday. Most businessmen are in fear."

"We encouraged business owners to reopen businesses. Together, we will work to protect each other."

Malls and shops in Narayanganj were also closed. They are thinking of opening the market from Wednesday.

Atiqul Islam, owner of Samir Fashion at the Riverview Complex in the Tanbazar area, said: "Some traders went to the market in the morning. They wanted to open their shops, but the market committee decided not to reopen yesterday considering the overall situation."

Visiting five shopping malls in Narsingdi sadar upazila, it was found that all of them were closed.

However, some businessmen were sitting in front of the mall and providing security.

Mahim Islam Sajib, owner of Sajib Brothers at Narsingdi Index Plaza, said AL leaders had been in charge of the market management committee for a long time.

But now, miscreants can attack their business places as they don't have any backing, not even from law enforcement.

"The law enforcement agencies, including the police, are in no position to help us. So, shops are closed," he said.

He said it is not possible to resume business if security is not strengthened.

Kongkon Karmaker from Dinajpur, Dwaha Chowdhury from Sylhet, Saurav Hossain Siam from Narayanganj and Jahidul Islam from Narsingdi contributed to this report.