

# Star BUSINESS

Paint companies are investing in developing new products, particularly those with a low environmental impact, said Mohsin Habib Chowdhury, COO of Berger Paints



Interview on B4

## Stocks cross 6,000 points after five months

STAR BUSINESS REPORT

Stocks kept the gaining momentum yesterday with the benchmark index of the Dhaka Stock Exchange rising to a five-month high, surpassing the 6,000 point mark.

The rise comes against the backdrop of Rubayat-Ul Islam, chairman of the Bangladesh Securities and Exchange Commission, resigning from his post on Saturday night, five days after the fall of prime minister Sheikh Hasina-led Awami League government.

Buoyed by the developments in the country's political landscape, investors made fresh bets on large-cap and blue-chip stocks with hopes that good governance would return to the capital market. This has been reflected in recent days as the market continued to tick upward for a fourth straight day.

Yesterday, shares of large-cap and blue-chip stocks such as Islami Bank

**Buoyed by the developments in the country's political landscape, investors made fresh bets on large-cap and blue-chip stocks**

Bangladesh, Grameenphone, BRAC Bank, BAT Bangladesh, Robi Axiata, BSRM Ltd, United Commercial Bank, IFIC Bank, City Bank and National Bank performed strongly.

The share prices of Islami Bank Bangladesh, Grameenphone, BRAC Bank and BAT Bangladesh all recorded double-digit growth, rising by 18.61 percent, 17.30 percent, 11.84 percent and 11.59 percent respectively.

The broad index of the country's premier bourse, the DSEX, grew by 91.09 points, or 1.54 percent, to close the day at 6,015, marking a massive rise after a roller-coaster month.

Similarly, the DSES, the index for Shariah-compliant companies, ticked up 10.36 points, or 0.81 percent, to 1,285.27.

The DS30 index, which tracks blue-chip firms, went up by 51.62 points, or 2.42 percent, to 2,184.35.

Of the issues that changed hands on the trading floor of the DSE, 173 advanced, 207 closed lower and 20 did not see any price movement.

The day's turnover, which indicates the total value of shares traded, stood at Tk 2,010 crore, an increase of 25.12 percent compared to the previous day's trading session.

Grameenphone topped the turnover list, accounting for 8.75 percent, followed by BAT Bangladesh, BRAC Bank and Robi

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People crowd the Motijheel branch of Sonali Bank on Thursday after banks were ordered to limit daily cash withdrawals to Tk 1 lakh per account the prior night. Although the limit has since been raised to Tk 2 lakh, businesses are still struggling to meet their expenses due to the relatively modest ceiling.

PHOTO: RASHED SHUMON

## Businesses hit by drought of cash supply

SUKANTA HALDER, AM JAHID and JAGARAN CHAKMA

Businesses in Bangladesh, especially those that mostly deal with cash transactions, yesterday said they are contending with a liquidity crunch as the country's central bank has placed a limit on daily cash withdrawals from banks.

On Saturday, banks were told to disallow daily cash withdrawals of more than Tk 2 lakh per account. The banking regulator had limited daily cash withdrawals to Tk 1 lakh per account from last Thursday before deciding to raise the ceiling.

The central bank took the decision due to security concerns as police are yet to return to work fully after attacks on around 450 police stations following the uprising that led to the fall of former prime minister Sheikh Hasina.

However, many customers were not even given the stipulated amount because of a cash crisis at banks. This is because cash cannot be regularly transported to ATMs and branches amid the lack of security.

"I repeatedly requested the official as I urgently needed Tk 40,000 for a family

emergency. But they denied my request. I do not know how I will manage the rest of the amount," lamented a frustrated school teacher in Dhaka's Dohar, who was given the scope to withdraw only Tk 10,000.

Some businesses said they might be

"This is a big problem. As a result, the normal pace of business is being disrupted," he added.

Siddique informed that most business transactions are now mostly being conducted through bank-to-bank transfers or real-time gross settlements.

Taslim Shahriar, deputy general manager at Meghna Group of Industries, a major commodity importer and processor, said not all businesspeople accept cheques.

"We have to pay in cash too but now, transactions are only taking place through bank-to-bank transfers and cheques. The sooner this problem is resolved, the better for us," he added.

Abul Hashem, president of the Bangladesh Sugar Traders' Association, said: "I am not getting the amount of cash that I am supposed to be able to withdraw. This is a big problem."

A senior official of another major commodity importer and processor, on condition of anonymity, said: "I could not send the money I was supposed to dispatch to my factory today [Sunday]. I needed Tk 10 lakh, but I could only withdraw Tk 2 lakh in cash."

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able to manage, at least for this week. But if the cash crisis lingers and restrictions remain next week, they will be in a tough situation, especially as their operations have ground to a halt since the second half of July, when violence erupted centring the quota reform movement by students.

Abu Bakar Siddique, an oil wholesaler in Karwan Bazar, one of the largest kitchen markets in Dhaka, said his bank would not allow more than Tk 1 lakh to be withdrawn.

## Unrest in banking sector raises concerns

AHSAN HABIB

Unrest has gripped the banking sector at a time when several banks are burdened with huge default loans and are suffering from low asset quality.

Protests erupted at Bangladesh Bank the day after Sheikh Hasina's government was ousted on August 5 in the face of a mass uprising. The deputy governors who were appointed contractually during the former prime minister's tenure were similarly forced to resign from their positions.

But the unrest is not limited to the central bank as demonstrations are ongoing at Sonali Bank, the biggest bank in terms of branch network, and Islami Bank, the biggest bank in terms of deposits.

Three private banks -- United Commercial Bank, Social Islami Bank and IFIC Bank -- have also seen protests following Hasina's escape from the country.



However, the protest at Islami Bank yesterday turned violent as several people suffered bullet wounds in a clash between agitators and bank officials.

Industry insiders said the situation is also heating up at other banks whose directors were connected to the Awami League government, creating more concerns for a sector that is already suffering due to rocketing default loans.

Bad loans in the banking sector hit an all-time high of Tk 182,295 crore as of March this year, accounting for 11.10 percent of the total outstanding loans.

Bankers said one of the main reasons for the rise in loan defaults is interference in board activities by politically influential people.

"The protests are not a solution for the problems of the banking sector. Rather, this might deepen

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STOCKS	
DSEX ▲	CASPI ▲
1.53%	2.87%
6,015.90	17,282.45

COMMODITIES	
Gold ▲	Oil ▲
\$2,431.1	\$76.99
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.04%	▲ 0.56%	▲ 0.37%	▼ 0.27%
79,705.91	35,025.00	3,261.83	2,862.19



Abdur Rouf Talukder, the former governor of Bangladesh Bank, had resigned from the post on Friday while the interim government officially accepted it yesterday.

PHOTO: STAR/FILE

## Govt to hire BB governor soon

STAR BUSINESS REPORT

The government yesterday accepted the resignations of the Bangladesh Bank governor and the chairman of Bangladesh Securities and Exchange Commission (BSEC) and decided to fill the position of the governor soon.

Over 100 demonstrators BB officials had stormed the governor's office recently and forced Kazi Sayedur Rahman, one of four deputy governors, to resign while barring two others, Habibur Rahman and Md Khurshid Alam, from entering their workplace.

Abdur Rouf Talukder resigned from the post of governor on Friday and the interim government accepted it yesterday.

The finance ministry issued a notification yesterday stating that Deputy Governor Nurun Nahar would serve as the acting governor while her remaining two peers

would stay in office until new appointments are made.

The unprecedented developments were preceded by the resignation of Sheikh Hasina from the post of prime minister on August 5.

She fled the country amid spiralling protests over the killing of over 300 people centring public job quota reform movement.

Meanwhile, during a briefing with the finance ministry officials yesterday, Finance and Planning Adviser Salehuddin Ahmed said resolving the issues at Bangladesh Bank was a big challenge.

He said the interim government would immediately look into the issue over the resignation of the BB governor and chairman of the Bangladesh Securities and Exchange Commission.

He, however, pointed out that everyday banking operations could continue abiding by existing rules

and regulations, even if the post of the governor was temporarily vacant.

"Does the governor oversee (even the smallest details of) the payment system? Will the person oversee debt settlement?" he said, adding that the deputy governors would look into such matters which were coming up.

On demands for the resignation of the National Board of Revenue (NBR) chairman, Ahmed said they would look into the issue later.

A number of NBR officials have been staging demonstrations at the office of the tax administrator since August 7, seeking the resignation of its chairman, Abu Hena Md Rahmatul Muneem.

Bringing various allegations over discrimination, the protesting officials urged the authorities concerned to hire people from customs or income tax cadres instead of the ones from the administration cadre as the chief of the NBR.

অভিনন্দন  
ড. মুহাম্মদ ইউনুস

বেঙ্গল কমার্শিয়াল ব্যাংকের পক্ষ থেকে নোবেল বিজয়ী  
অধ্যাপক ড. মুহাম্মদ ইউনুসকে  
অন্তর্বর্তীকালীন সরকারের প্রধান উপদেষ্টা হিসেবে দায়িত্ব গ্রহণ করায় আন্তরিক শুভেচ্ছা।  
আমরা অভিনন্দন জানাই অন্যান্য সম্মানিত উপদেষ্টাদেরও  
যারা তাঁর নেতৃত্বে আমাদের জাতিকে নিয়ে যাবে সমৃদ্ধির শিখরে।

BENGAL COMMERCIAL BANK  
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