Farmers harvest sugarcane in Kedarpur village of Jashore's Keshabpur upazila. Primarily cultivated for its juice from which sugar can be processed, this perennial grass takes around a year to mature. Each sugarcane is selling around the district for around Tk 15 to Tk 20 at wholesale. The photo was taken recently. PHOTO: HABIBUR RAHMAN

Stocks end week with a dip

STAR BUSINESS REPORT

Stock markets in Bangladesh ended lower yesterday a day after rising as investors went on a selling spree to make short-term profits amid the price movement.

As a result, indexes of both markets of the country fell sharply due to the lacklustre performance of sectors which account for large amounts in market capitalisation, which refers to the total value of their shares at present.

Subsequently, the associated large-cap index, CDSET, slipped by 0.81 percent to 1,162.54 points.

It had an impact on the other indices also.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), edged down by 49 points, or 0.82 percent from that on the day prior to close at 5,903.84.

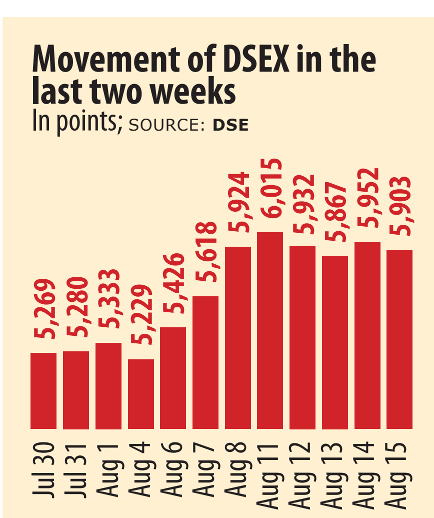
Similarly, the DSES, the index for the Shariah-based stocks, dropped 5.62 points, or 0.44 percent to 1,264.72 and the DS30, the index for the blue-chip shares, slumped 18 points, or 0.80 percent to 2,179.34.

The Chittagong Stock Exchange (CSE) saw a similar trend as the CASPI, the broad index of the port city bourse, dropped by 110.47 points, or 0.64 percent, to settle at 17,031.57.

The day's turnover, which indicates the total value of the scrips traded on the DSE, decreased by 19.69 percent to Tk 99.9 crore compared to the previous day's trading session.

The banking sector dominated the turnover chart, accounting for 18.07 percent of the day's total turnover.

The contribution of the block trades, meaning high volume transactions in security that are privately negotiated and executed outside of the open market, was 3.3 percent of the overall market turnover.



Grameenphone was the most traded share with a turnover of Tk 85.5 crore.

DBH Finance was on the top of the gainers' list with an increase of 9.86 percent, closely followed by Mithun Knitting and Dyeing, which recorded a rise of 9.80 percent, and Phoenix Finance and Investments, which logged a rise of 9.68 percent.

Olympic Industries, JMI Syringes & Medical Devices, Quasem Industries, Prime Textile Spinning Mills, Singer Bangladesh, Saihan Cotton Mills and Square Textiles were also on the gainers' list.

Delta Life Insurance Company shed the most, losing 5 percent.

Sonali Life Insurance Company, Investment Corporation of Bangladesh, Orion Infusion, Al-haj Textile Mills, Asia Pacific General Insurance Company, Asia Pacific General Insurance Company, New Line Clothings and Popular Life Insurance Company also featured on the losers' chart that suffered losses the most.

Of the issues that changed hands on the trading floor of the country's premier bourse, the prices of 91 advanced, 275 declined and 32 remained unchanged.

In its daily market update, UCB Stock Brokerage said services and real estate, cement, and engineering became the top three sectors that closed in the positive. However, life insurance, paper and printing, and jute were the top three sectors that closed in the negative.

Most large-cap sectors posted a negative performance, according to BRAC EPL Stock Brokerage.

The banking sector experienced the highest loss of 2 percent, followed by telecommunication (1.17 percent), non-banking financial institutions (0.51 percent), food and allied (0.22 percent), fuel and power (0.15 percent), pharmaceuticals (0.21 percent) and engineering (0.40 percent).

In case of blue-chip companies, Olympic Industries, Renata, DBH Finance, Heidelberg Materials Bangladesh PLC, Singer Bangladesh, Marico Square Pharmaceuticals, Mobil Jamuna Lubricants Bangladesh, Confidence Cement and Saif Powertec drew investors the most, according to LankaBangla Finance Portal.

Olympic Industries logged a 6.68 percent growth, the highest of them all.

No entity posted double-digit growth in share prices.

However, BRAC Bank, Islami Bank Bangladesh, Beximco Pharmaceuticals, City Bank, Beacon Pharma, Robi Axiata, National Bank, Al-Arafah Islami Bank, United Commercial Bank and Delta Life Insurance suffered losses.

ADB reaffirms its commitment to Bangladesh

STAR BUSINESS REPORT

The Asian Development Bank (ADB) has reaffirmed its commitment to Bangladesh, emphasising its ongoing partnership aimed at sustainable development aligned with the nation's aspirations.

The Manila-based lender has pledged to collaborate with the interim government to ensure the continuity of ongoing projects and to support a more inclusive, resilient and sustainable future, it said in a statement.

Private sector development remains a key priority, with the ADB planning to work with the interim government to enhance competitiveness and create employment opportunities by streamlining government-to-business services.

A central aspect of the ADB's efforts in Bangladesh will focus on public sector management and governance, highlighting the importance of macro-fiscal sustainability, including fiscal consolidation and domestic resource mobilisation.

"Private sector development remains a key priority, with the ADB planning to work with the interim government to enhance competitiveness and create employment opportunities by streamlining government-to-business services aimed at reducing the cost of doing business in the country."

The ADB pointed out climate change as a critical component of its strategy as Bangladeshi communities are very vulnerable to extreme weather events.

The multilateral lender said it will help in developing a comprehensive approach to climate change, including the promotion of renewable energy and green growth initiatives.

Since 1973, the ADB has provided Bangladesh with $31.8 billion through 726 public sector loans, grants and technical assistance.

STOCKS

DSEX ▼	CASPI ▼
0.82% 5,903.83	0.64% 17,031.56

COMMODITIES

Gold ▲	Oil ▲
$2,456.45 (per ounce)	$77.47 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.19% 79,105.88	▲ 0.78% 36,726.64	▲ 0.9% 3,315.73	▲ 0.94% 2,877.36

US industrial production contracts sharply in July

AFP, *Washington*

US industrial production fell sharply in July, the Federal Reserve said Thursday, pointing to a larger-than-expected impact from Hurricane Beryl.

The news is likely to add to calls for the Fed to cut its key lending rate from a two-decade high next month, as its long-running campaign against inflation continues to percolate through to the broader economy.

Total industrial output contracted by 0.6 percent in July from a month earlier, when it rose by a revised figure of 0.3 percent, the US central bank said in a statement.

This was sharply below market expectations of a 0.1 percent increase, according to Briefing.com.

The Fed said industrial production had been held down by the early "July shutdowns concentrated in the petrochemical and related industries due to Hurricane Beryl," which came ashore in Texas.

The manufacturing sector experienced a 0.3 percent decline due to a plunge of almost eight percent in the index for motor vehicles and parts.

Excluding this component, the manufacturing index actually increased by 0.3 percent, the Fed said.

Meanwhile, the mining index was unchanged, and the utilities index slumped by 3.7 percent.

"Normally, manufacturing snaps back after a disaster related temporary shutdown," economists at High Frequency Economics (HFE) wrote in a note to clients on Thursday. "So the results are not as bad as they look."

PHOTO: REUTERS/FILE

A worker builds a Ford Explorer car at its Chicago Assembly Plant. Total industrial output in the US contracted by 0.6 percent in July from a month earlier, when it rose by a revised figure of 0.3 percent.

Alibaba's profit shrinks 29%

AFP, *Beijing*

Chinese e-commerce giant Alibaba reported a 29 percent fall in quarterly profit on Thursday as it battles sluggish consumption during an economic slowdown.

Net income attributable to shareholders came in at 24.3 billion yuan ($3.3 billion) in the quarter ending June 30, Alibaba said in a corporate filing, down from 34.3 billion yuan in the same period in 2023.

Alibaba runs some of China's most popular e-commerce apps and its performance is widely considered an indicator of broader economic trends.

China released another series of disappointing indicators on Thursday, despite recent government measures to boost growth.

Alibaba's revenue for the first quarter was 243.2 billion yuan, up four percent from the previous year.

But revenue from core shopping platforms Taobao and Tmall was down one percent, which Alibaba said was "primarily due to the increase in investments in user experience".

"In this quarter, we continue to invest for growth in our core businesses while reducing losses in other business units through operating efficiency," chief financial officer Toby Xu said in the filing.

Alibaba made $5.8 billion of share repurchases in the first quarter, part of an effort to reassure investors amid narrowing profits.

Its results contrasted starkly with rival shopping app operator JD.com, which announced a whopping 92.1 percent increase in profit for the past quarter.

Extortion

FROM PAGE B1

shop. They asked him to inform them if any problem arose.

But judging from their tone, it seemed that they were laying the groundwork so that the money would flow to them in future.

"In fact, whichever party comes to power, we must pay. There is no other way."

Economists believe this is the perfect time to end the culture of corruption and extortion in the county, especially since the interim government has assumed charge in light of students' demand for reforms.

Sumon Howlader, president of the Bangladesh Poultry Association, said extortion was a major reason for the price hike of eggs and chickens.

He also complained that, alongside payments to local extortionists, they are also forced to provide bribes to police at various stages of transport.

"All extortion absolutely fuels costs, but that burden is ultimately passed onto the consumer while the businessmen bear some of the load," Howlader said.

Rashed Al Mahmud Titumir, a professor of Development Studies at the University of Dhaka, said: "When rent-seeking increases in an economy, the burden ultimately falls on people through higher prices of goods."

He also illustrated how this occurs.

"Rent-seeking occurs in many ways, such as by allowing cost-inflated development projects, lending to wilful defaulters using assets that are deposited by small depositors, and by grabbing rivers and forests. Politically influential players get many undue benefits," he said.

All these factors heighten the sufferings of general people. To save the economy from these unwarranted costs, a political change was necessary, and it has now been achieved, he added.

(Jagaran Chakma contributed to the story)

Credit rating may worsen

FROM PAGE B1

Bangladesh's forex reserves stood at $21.8 billion -- an estimated four months of import cover -- at the end of June, before the protests took hold, the ratings agency said.

It was higher compared to the $18.4 billion it showed in May, when the ratings agency completed its assessment

Moreover, near-term debt repayment pressures should be moderate. The public sector's external debt service due in 2025 is about $4.3 billion, of which $1.5 billion is bilateral debt and $2.2 billion is multilateral, it added.

"We expect financing from these official creditors to continue under our baseline, supporting external debt servicing capacity. Nonetheless, future reserves data will be a key metric to analyse the impact of the ongoing political transition on external liquidity strains," said Fitch.

"If the interim or next government were to backtrack on the previous government's recent commitment to greater exchange-rate flexibility in a bid to shore up near-term macroeconomic stability, intervention to support the taka could add to pressure on reserves," it said.

"However, we believe this risk to be contained."

Fitch assumed the interim government as well as its successor would adhere to the broad policy commitments under Bangladesh's programme with the IMF, but significant political instability or gridlock could complicate adherence.

"Significant slippage on key programme targets like fiscal metrics and exchange-rate liberalisation could jeopardise Bangladesh's access to IMF and other multilateral funding support, further weakening its external position and increasing the risk of negative sovereign rating action," it warned.

Repairs to metro rail

FROM PAGE B1

Currently, insurance penetration stands at less than 1 percent in Bangladesh, which has a population of around 170 million.

The letter also pointed out that the National Insurance Policy 2014 informs of the economic and social benefits of life insurance as well as insuring health, education, factories, residential and office buildings, agriculture, fisheries and livestock, and more.

Md Main Uddin, a professor of banking and insurance at the University of Dhaka, said the former government most likely opted against insurance as it was confident such incidents would never occur.

"The government should think about bringing all important projects under insurance. Then they will be paid compensation if there is any damage," he added.

The MRT Line-6, the country's first metro rail, was made partially operational from Uttara to Agargaon in December 2022. The Agargaon-Motijheel section was opened in October last year.

The Awami League government implemented a Tk 33,472 crore project to build a 21.26-kilometre rail line from Uttara to Kamalapur, with most of the funds loaned from Japan.

BB officials

FROM PAGE B1

Granting full ministerial status and appointing renowned economists or central bank officials as governors should be prioritised, they said.

They also sought to convert the post of deputy governor and head of Bangladesh Financial Intelligence Unit from contractual appointments to regular posts.

They called on the government to implement their demands to prevent money laundering and restore good governance to the financial sector.