

BRAC Bank gives Tk 5cr for flood rescue and relief efforts

STAR BUSINESS DESK

BRAC Bank yesterday announced a financial aid package worth Tk 5 crore to support the Bangladesh Air Force (BAF) in its ongoing rescue and relief operations in flood-affected areas across the country.

The decision, made with the support of the board of directors, underscores the bank's commitment to standing by communities in times of need, according to a press release.

The recent floods have caused widespread devastation across 12 districts, leaving many in dire circumstances.

The BAF has been actively rescuing victims and providing relief packages through air drops.

Meheriar M Hasan, chairperson of the bank, commented: "This is our duty as a responsible corporate entity. As part of BRAC, we have always stood by the people of Bangladesh. We are committed to them."

Selim RF Hussain, managing director and CEO, said: "This contribution reflects how committed we are to supporting communities in their time of need."

"We believe our support will have a meaningful impact on alleviating the suffering of those who have been hit hardest by these floods."

Stocks rise marginally

STAR BUSINESS REPORT

Stocks in Bangladesh yesterday rose marginally. The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), increased by 0.67 points, or 0.01 percent from the day prior to close at 5,700 points.

The DSES, an index representing Shariah-compliant companies, advanced by 0.16 percent to 1,220 points while the DS30, which comprises blue chip stocks, increased by 0.12 percent to 2,088 points.

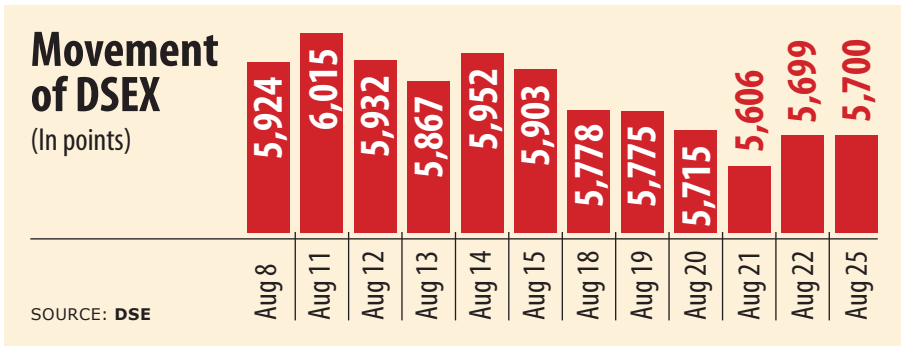
Earlier in the day, Khondoker Rashed Maqsood, the new chairman of the Bangladesh Securities and Exchange Commission, said that they will conduct a comprehensive review of the BSEC's operations over the past 15 years and establish good governance in the market to bring back investor confidence.

Daily turnover, which is a measure of the total value of shares traded on the DSE, decreased by 28.32 percent to Tk 558 crore. The banking sector dominated the turnover chart, accounting for 31.89 percent of the day's total.

Block trades, which are high-volume transactions in securities that are privately negotiated and executed outside of the open market, also contributed a significant 6.5 percent of the overall market turnover.

Shares of Midland Bank Limited were traded the most, registering turnover of Tk 38 crore.

In a daily market update, BRAC EPL Stock Brokerage said that its index indicating the performance of sectors with high market capitalisation edged up



by 0.11 percent to 1,135 points.

Market capitalisation refers to the total value of a company's shares owned by investors in each sector.

The engineering sector booked the highest gain of 1.48 percent followed by pharmaceuticals with 0.54 percent, banking 0.33 percent, food and allied 0.29 percent, and fuel and power 0.09 percent.

Meanwhile, non-bank financial institutions logged a loss of 1.21 percent while the telecommunication sector receded by 1.52 percent.

Of the issues traded at the DSE, 124 scrips saw their prices advance while that of 240 others fell and 34 did not witness any fluctuation.

Shares of Square Pharmaceuticals, Islami Bank Bangladesh, Olympic Industries, United Commercial Bank, Beximco Pharmaceuticals, Midland Bank, Pragati Life Insurance, GPH Ispat, Heidelberg Materials Bangladesh, and Power Grid Company of Bangladesh were among those that saw the most trade,

according to the LankaBangla Financial Portal.

Shares of Grameenphone, BRAC Bank, Beacon Pharmaceuticals, National Bank, Renata, Pubali Bank, Best Holdings, Shahjalal Islami Bank, Unique Hotels and Resorts, and Orion Pharma showcased a tame performance.

Midland Bank topped the gainers' chart with a rise of 9.96 percent followed by Pragati Insurance and Pragati Life Insurance with 9.85 percent and 9.28 percent respectively.

Aftab Automobiles, ACI Limited, Nurani Dyeing and Sweater, NRBC Bank, Rupali Bank, Progressive Life Insurance Company, Social Islami Bank, Paramount Insurance Company and NRB Bank were among the shares that displayed strong performances.

KDS Accessories shed the most by losing 3 percent followed by Intraco Refueling Station, and Rangpur Dairy and Food Products with identical losses of 3 percent each.

NRBC Bank donates Tk 1cr for flood victims

STAR BUSINESS DESK

NRBC Bank donated Tk 1 crore for relief efforts and committed to providing the equivalent of one day's salary for all employees in flood-affected areas under its corporate social responsibility (CSR).

Half of the amount has been donated to the Chief adviser's Relief and Welfare Fund while the remaining Tk 50 lakh will be distributed to flood-affected people through the bank's branches and sub-branches.

This decision was taken by the members of the board of directors, according to a press release.

A pay order of Tk 50 lakh was deposited to the account of the Chief Adviser's Relief and Welfare Fund at the principal branch of Sonali Bank yesterday.

Apart from this, food items, medicines, water and cash are being distributed in various places, including Feni, Comilla, Noakhali, Chattogram, and Sylhet.

Parvez Tamal, chairman of the bank, said: "NRBC Bank has always been ahead in welfare-oriented work. Millions of people in 11 districts across the country are living miserable lives due to severe floods."

"NRBC Bank stands by them as a friend and will also take necessary steps to help flood affected people economically."

He added that in addition to financial support from the CSR funds, disbursement of micro-loans will be increased to create employment and spur business activities.

Fed chair says 'the time has come' to start cutting rates

AFP, Washington

Federal Reserve chair Jerome Powell said Friday that the "time has come" for the United States to start lowering interest rates, raising expectations of a rate cut next month.

"The time has come for policy to adjust," he said in a keynote speech at the Jackson Hole Economic Symposium in the western US state of Wyoming, in unusually direct remarks about the likely path of monetary policy.

"The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks," he added. US stocks rose following Powell's remarks, with all three major indices on Wall Street ending the day up by at least 1.1 percent.

"Fed chair Powell sealed the deal for a September rate cut," Bank of America economists wrote in a note to clients, adding: "we don't think he sees elevated recession risks yet."

The Fed's benchmark lending

rate currently sits at a 23-year high of between 5.25 and 5.50 percent, which has acted to cool demand in the world's largest economy ahead of November's presidential elections, in which inflation and the cost of living have taken a central role.

Powell said Friday that the Fed's restrictive monetary policy had "helped restore balance between aggregate supply and demand, easing inflationary pressures and ensuring that inflation expectations remained well anchored."

BSEC to focus on good governance

FROM PAGE B1 involves focusing on ending market manipulation, he said.

To ensure good governance in the stock market, the BSEC will start working on itself as good governance cannot be sustained in the market if the BSEC itself is not well governed, he said.

Audits and monitoring on the BSEC's activities will be strengthened, Maqsood said.

Good governance will be ensured in intermediaries and listed companies as

they are directly involved with investors, he said.

To do so, the BSEC will focus on monitoring their activities and inclusion of independent directors, he said, pointing out that if the independent directors were linked with the board, they would not be able to play a proper role.

The BSEC will work on it, although there is a long way to go to bring about the amendments, said Maqsood.

At the same time, the stock market regulator will conduct investigations to

identify the irregularities of the past 15 years and take necessary punitive measures against those found guilty, he said.

It may come about in phases, but all the irregularities will be investigated, he added.

The BSEC will also try to identify the loopholes in market rules and regulations, said Maqsood.

In the mid-term, the regulator will work towards product development, said the BSEC chairman.

"I came here with a mission to bring about

good governance and I will fulfil it," he said.

ATM Tariquzzaman, a BSEC commissioner, said the commission was united on the target to improve the stock market and it would review all the rules and policies, including whether the application of circuit breaker and floor prices truly benefit investors.

"Corruption and irregularities will no longer be allowed in the stock market," he said.

Md Mohsin Chowdhury, another BSEC commissioner, was also present.

BB hikes policy rate to tame inflation

FROM PAGE B1

The government had targeted to keep inflation within 7.5 percent last fiscal year. And it was the fifth year that inflation overshoot the target.

To contain prices, the BB has been following a contractionary monetary policy and had increased the policy rate several times since May 2022.

"The previous policy rate of 8.5 percent was too low as inflation has reached almost 12 percent," said Ashikur Rahman, principal economist at the Policy Research Institute of Bangladesh (PRI).

The central bank remained committed to a contractionary monetary policy to tame the inflationary pressure, he said.

Moreover, Bangladesh Bank previously allowed commercial banks to

borrow at 8.5 percent from the central bank and buy treasury bills promising a 12 percent return, said Rahman.

"This prolonged the liquidity crisis in the money market as funds were diverted from businesses to treasury bills," he said.

Consequently, this increment in the policy rate indicates that Bangladesh Bank is serious about tightening the money supply and containing inflation, he added.

Bangladesh Bank has also decided to stop giving liquidity support to commercial banks ailing for financial irregularities, which will also help restore governance in the financial sector and aid inflation management, said Rahman.

Monzur Hossain, research director of the Bangladesh Institute of

Development Studies, thinks the policy rate hike was a conventional way of tightening money supply to contain inflation.

"Already policy rates have increased from about 5.5 percent to 9 percent in one year or so but we did not see any impact on inflation," he said.

"I understand that other measures, along with the policy rate hike, were not taken properly," he said.

Hossain said as the new Bangladesh Bank governor had hinted, the policy rate would be raised to up to 10 percent in the next two months. "Now we have to observe its impact," he said.

"At the same time, we need to be careful that agriculture and the micro, small and medium enterprise sectors are not affected by the interest increase," he said.

Also, it is necessary

to review the channels through which the policy rate hike works. A policy rate hike of more than 10 percent is not desirable for the Bangladesh economy, said Hossain.

"So, we should not be heavily dependent on policy rate hikes only. An accommodative monetary policy with supportive fiscal policy is desirable to contain inflation," he said.

Echoing this, Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling, thinks that the repo rate increase would partially help ease down inflation.

"There is a need for coordinated steps along with monetary and fiscal policies to rein in inflation," he said. Moreover, the Ministry of Commerce can play a key role in monitoring supply chains to bring down prices, he added.

Rice prices rising despite ample harvests

FROM PAGE B1

Yet, prices of the staple food for which poor and low-income people spend a big portion of their income, are creeping up.

At the retail level in Dhaka yesterday, coarse rice was selling for Tk 53 per kilogramme (kg) whereas it was Tk 50 seven days ago, said Abdul Latif Biswas, a retailer at Karwan Bazar, one of the largest kitchen markets in Dhaka.

Meanwhile, the price of medium grade rice increased from Tk 58 to Tk 62 while rice of the fine variety rose from Tk 72 to Tk 75, he told The Daily Star.

The prices rose by around 3 percent to 4

percent over the past 30 days, as per the state-run Trading Corporation of Bangladesh (TCB).

However, Golam Rabbani, a retired government employee purchasing groceries at Karwan Bazar, said the price rose by around 6 percent over the past month.

The government should act quickly as prices of essential goods are going out of the reach of the common people day by day, he added.

Inflation hit 11.66 percent in July, the highest since at least fiscal year 2010-11, driven mainly by food prices, reflecting the worsening situation of the purchasing capacity of

people, according to the BBS. Food inflation soared 14.1 percent in July, the highest in at least a decade, it showed.

Nizam Uddin, a wholesaler at the same market, acknowledged that prices had gone up by around Tk 4 per kg in the last seven days.

Many people are being provided coarse rice as flood relief, leading to an increase in demand and prices, he added.

Mohammad Jashim Uddin, a wholesaler at Mohammadpur Krishi Market in Dhaka, said coarse rice was not available.

"Millers say there is a crisis of paddy in the market.

Due to this, the price of coarse and medium grade rice has increased," he said. Chitta Majumder, adviser of Bangladesh Rice Mill Owners Association, said the price of paddy has increased in the market and this has affected the retail market.

Due to the volatile situation in the country, farmers are bringing less paddy to the market in hopes of getting higher prices later. Floods could also be a factor, he said.

Rezaul Karim, owner of Auto Rice Mill at Santahar in Bogura's Adamdighi upazila, said the price of each 50-kg sack of paddy has gone up by Tk 200 to Tk 250 in the last 15 days to 20 days.

Eliminate scope to whiten black money

FROM PAGE B1

They also suggested that taxation should be automated, including the management of value-added tax (VAT) and income tax, and ensuring speedy implementation of the National Single Window (NSW).

Alam also emphasised the need to bring eligible

taxpayers under the income tax net to increase the nation's tax-GDP ratio.

He added that the NBR needed reforms. In particular, it is important to separate policy and implementation, he said.

Appreciating the NBR's plan to review the existing tax rules by forming

three task forces, the businessmen requested that all stakeholders concerned be included as members.

The new NBR chairman told businessmen that the participation of private sector stakeholders in the task forces, including from the FBCCI, would be ensured.

"We'll try to ease the business environment in the country. The NBR will remain alert so that there is no injustice against businessmen," Khan added.

He also urged businesspeople to provide specific information about dishonest officials and conduct commercial activities sincerely.

Official notice from the Government of Bangladesh regarding the 2023-2024 budget. It includes details on tax rates, government expenditure, and the formation of a committee to review the budget.