



Cyber intelligence detects illegal transactions on dual currency credit cards

STAR BUSINESS REPORT

The Bangladesh Cyber Security Intelligence (BCSI) has recently detected some illegal transactions made through dual currency credit cards without the knowledge of the cardholders.

The state agency has found cybercriminals who are active on different social media platforms and are harassing cardholders of different banks by illegally obtaining data used in social media ad management platforms.

The intelligence unit detected the problem at a time when cardholders from various banks are reporting falling prey to such unauthorised transactions.

Nabil Rahaman, a credit cardholder of Standard Chartered Bangladesh, shared his experiences with this correspondent.

On August 23 this year, he was notified about six unauthorised transactions on his StanChart credit card, made on Facebook.

"After checking my credit card transaction history, I found out that 3 out of those 6 transactions have been charged to my credit card," Rahaman said.

"I immediately called the SCB helpline and requested the bank to block my credit card and issue a new one."

Rahaman said some of his friends also experienced similar transactions made with dual currency credit cards.

He said one of his friends was charged on LinkedIn although he did not even subscribe to the premium services provided by the employment-focused social media platform.

Sinan Arefin, a card user of United Commercial Bank, told this correspondent that he also fell victim to such transaction on his dual currency card in September this year.

To fight such cyberattacks, banks have been asked to immediately notify the central bank in case of any potential data breach.

The chances of banks being hit by cyberattacks are increasing significantly and malware attacks are commonplace, the Bangladesh Bank said in a statement on October 31 where it mentioned 17 cybersecurity measures for banks.

The banking watchdog suggested banks use enhanced security methods, one-time passwords for each transaction and multi-factor authentication for any financial transaction. Banks should also determine how many times a card can fail verification before being blocked.

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	STOCKS		WEEK-ON WEEK
	DSEX ▲	CASPI ▲	
	1.66% 5,199.40	0.97% 14,442.00	
	COMMODITIES		AS OF FRIDAY
	Gold ▼	Oil ▼	
	\$2,736.41 (per ounce)	\$69.32 (per barrel)	



Bangladesh's garment exports fell 4.34 percent year-on-year to \$44.47 billion in FY24, according to Bangladesh Bank. The decline was attributed primarily to reduced shipments of readymade garments, reflecting broader economic challenges. The photo was taken recently at a garment factory in Gazipur, around 25 kilometres north of the capital Dhaka.

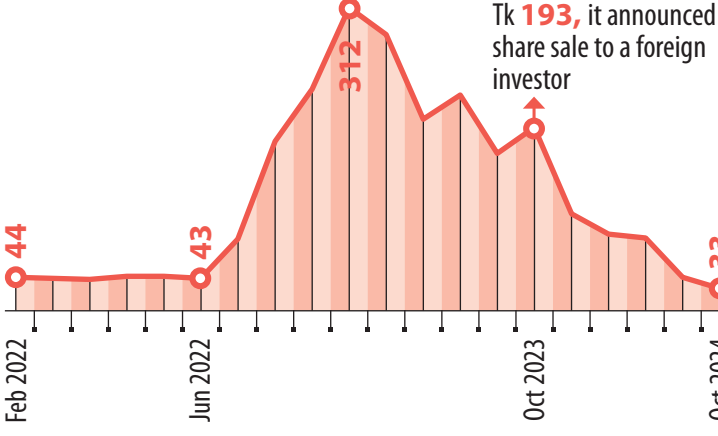
PHOTO: ANISUR RAHMAN

Hollow price-sensitive promises leave investors holding the bag

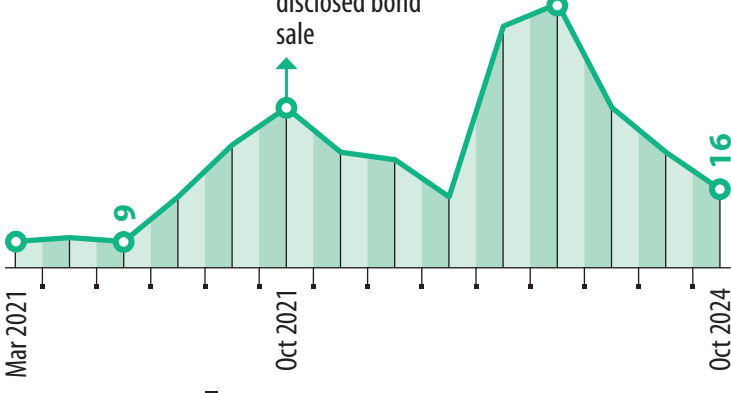
SHARE PRICES OF THE COMPANIES BEFORE AND AFTER DISCLOSURES

Tk per share; SOURCE: DSE

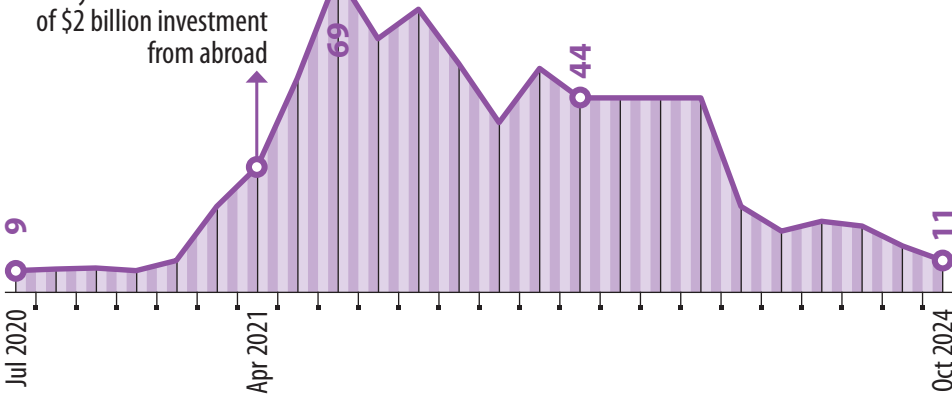
SEA PEARL



DESHBANDHU POLYMER



Share price was Tk 30 on the day of announcement of \$2 billion investment from abroad



BD FINANCE

“Share price of a company is positively influenced when the firm announces that a foreign company will buy its shares. So, the regulator should monitor the progress of price sensitive information disclosed by companies and see if there is any ill-motive.”

FARUQ AHMAD SIDDIQI
a former chairman of the BSEC

AHSAN HABIB

The share prices of Sea Pearl Beach Resort and Spa Limited soared from Tk 60 to Tk 320 on the Dhaka Stock Exchange (DSE) within just one year after frenzied speculation in 2023 that a foreign investor would buy a significant stake in the company.

Peculiarly, the sudden speculation proved to be prophetic.

In late October of 2023, the stock market regulator announced in a price-sensitive disclosure that it had given approval to GEM Global Yield to buy around 10 percent of the company's shares within a year.

Interestingly, after the price-sensitive information (PSI) was revealed, the company's share price fell drastically.

It has become a common scenario in the last few years to see the prices of stocks soar manifold based on speculation. It is also commonplace that when such conjecture is confirmed through the disclosure of PSI, stock prices begin to tumble.

According to Saiful Islam, president of

the DSE Brokers Association, if a stock price triples before PSI is brought to light, it indicates the existence of insider trading.

"Definitely, whoever is trading such shares knows some PSI and is spreading it to people to raise share prices," he said.

He added that investors suffer the most if plans revealed in such disclosures are not implemented, which is exactly what happened in the case of Sea Pearl.

One year has passed since the disclosure, but the sale of shares to the foreign investor has not yet been executed.

In the meantime, Sea Pearl's share price has plummeted to Tk 33.

In such cases, if investors purchase stocks after seeing price-sensitive disclosures with the assumption prices may rise, they face huge losses.

The case of Sea Pearl is not the only example of unfulfilled promises in a price-sensitive disclosure. Similar incidents abound. Take the case of Deshbandhu Polymer Limited.

The manufacturer of polypropylene woven bags announced in 2021 that it planned to

raise Tk 500 crore by issuing a Sukuk bond abroad to repay loans and fund business expansion.

Before the announcement, the share price of the company soared 178 percent within six months to Tk 27.

Afterwards, the company never bothered to provide any further disclosures on the topic.

At present, its share price has dropped to Tk 16.

Moreover, the DSE and the Bangladesh Securities and Exchange Commission (BSEC) have done nothing about such companies' failure to implement what they had outlined in disclosures.

Neither have the companies done anything to shed light on the status of those plans.

Another company that employed similar tricks is Central Pharmaceuticals Limited.

The drug company announced in February of 2017 that a local group would buy its sponsors' shares, leading the stock price to nearly triple from Tk 13.6 to Tk 36.1 within four months.

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40 UCB officials forced to resign

STAR BUSINESS REPORT

United Commercial Bank (UCB) has forced 40 officials, including an additional managing director (AMD), a deputy managing director (DMD) and five general managers, to resign over their alleged involvement in irregularities.

The bank's management body asked them to resign last Thursday.

Another 150 or so officials have been listed, who are likely to resign or be terminated, officials of the bank informed to The Daily Star on seeking anonymity.

After the fall of the Sheikh Hasina-led government last August, Bangladesh Bank dissolved the bank's board of directors, which was allegedly dominated by former land minister Saifuzzaman, and formed a new one.

Over the years, Saifuzzaman has allegedly influenced various activities at the bank, including approval of loans, according to the insiders.

One of the officials who had resigned told this newspaper that the management body had sought the resignation on Thursday, warning that the bank would otherwise go for job terminations.

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Bangladesh skips India, reroutes global textile exports through Maldives

STAR BUSINESS REPORT

Bangladesh, the world's second-largest garment producer, has opted to bypass India and ship its textiles to global markets through the Maldives, hurting the cargo revenue prospects of India's airports and ports amid strained bilateral ties, reports Mint.

The Indian business newspaper, citing three people aware of the development, reports that Bangladesh was rerouting its textile exports to the Maldives by sea and then dispatching cargoes by air to its global customers, including H&M and Zara.

"Previously, Bangladeshi goods were shipped through Indian airports, but now they are rerouting shipments from other locations," Deepak Tiwari, managing director of MSC Agency (India) Pvt Ltd, told Mint over the phone.

"This shift means India's airports and ports lose revenue previously earned from handling these cargoes," he said.

The Mediterranean Shipping Company (MSC) is a leading global container shipping company.

The redirection of textile exports could weaken trade relations between India and Bangladesh and reduce the collaborative opportunities in logistics and infrastructure projects, said the newspaper.

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