Star BUSINESS

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B3

Traders unload hilsa at Chattogram's New Fishery Ghat as fishing resumes after a two-month ban. Despite hopes of larger fish after the breeding season closure, most catch is small, disappointing fishermen, with hilsa selling at Tk 23,000 per maund. The photos were taken yesterday. PHOTO: RAJIB RAIHAN

Gold slips over 2% as dollar holds firm on Fed rate-hike expectations

REUTERS

Gold prices fell more than 2 percent on Tuesday, pressured by a firmer US dollar on expectations of Federal Reserve interest rate hikes this year, while investors assessed US-Iran peace talks. Stocks across the globe declined amid concerns over AI-related share valuations and as higher interest rates loomed. Crude fell 1 percent while the dollar held near a one-year high, making gold less affordable for buyers holding other currencies.

Spot gold was down 2.2 percent at $4,099.84 per ounce, as of 0753 GMT. US gold futures for August delivery fell 2 percent to $4,117.70. Spot silver slumped 5 percent to $61.90 per ounce, platinum lost 3 percent to $1,628.55, and palladium was down 2.9 percent at $1,229.28.

"Gold had received some relief from lower oil prices this week, but it is getting no such favours from the US dollar, which continues to push higher on expectations of Fed rate hikes," said Tim Waterer, chief market analyst at KCM Trade.

Traders now see an 88 percent chance of a rate hike in December, up from 61 percent before the Fed meeting last week, according to the CME FedWatch Tool, as investors price in hawkish monetary policy under new Chair Kevin Warsh.

Chicago Fed President Austan Goolsbee said that with the labour market stable, he is focused on figuring out whether too-high inflation will stay that way or recede, as the effects of high tariffs fade, and if the conflict in the Middle East gets resolved.

The US has waived sanctions on Iran for 60 days after the first talks under a nascent peace deal, while officials reported a sustained lull in fighting in Lebanon under the agreement aimed at ending hostilities across the region. US Vice President JD Vance said talks with Iranian officials in Switzerland had laid a good foundation for a final peace deal, although Iran denied that it had begun discussions of its nuclear programme.

Investors await US Personal Consumption Expenditures data, the Fed's preferred inflation gauge, due on Thursday, for further cues on monetary policy.

Non-bank loans rose 2% in Jan-Mar

STAR BUSINESS REPORT

Outstanding loans in non-banking financial companies (NBFCs) increased 2 percent year-on-year in the January-March quarter of 2026, driven by higher credit to the private sector, according to central bank data.

Total loans and advances, including accrued interest, rose to Tk 78,424.77 crore at the end of the January-March quarter of 2026 from Tk 76,956.50 crore in the corresponding quarter of the previous year.

Of the total, outstanding loans extended by private NBFCs reached Tk 63,058.22 crore as of March 31, 2026, up from Tk 62,350.12 crore a year earlier, according to the Quarterly NBFCs Statistics report of Bangladesh Bank.

However, fresh loan disbursements by the sector dropped 3.88 percent year-on-year to Tk 5,577.42 crore in the January-March quarter of 2026.

On the other hand, total recoveries of loans and advances increased significantly by 17.48 percent to Tk 7,846.86 crore.

In terms of sectoral allocation, total loans and advances to the private sector increased to Tk 78,398.15 crore at the end of the January-March quarter of 2026 from Tk 76,894.79 crore on March 31, 2025.

Conversely, advances allocated to the public sector contracted sharply to Tk 26.61 crore in the January-March quarter of 2026 from Tk 61.71 crore in the same period a year earlier.

On the funding side, total deposits, excluding inter-NBFC accounts, grew to Tk 51,558.81 crore as of March 31, 2026, from Tk 49,487.83 crore in the same period a year earlier.

Banks can now transfer consumer loans directly to vendors

STAR BUSINESS REPORT

Bangladesh Bank (BB) has allowed banks to disburse certain consumer loans directly to vendors through electronic fund transfers, a move aimed at modernising loan settlement processes and reducing operational risks associated with paper-based transactions.

The central bank issued a circular yesterday, permitting scheduled banks to transfer loan proceeds electronically to vendors in the case of auto loans, housing finance, consumer durable loans and loans for professionals.

Previously, banks were required to make payments under these loan categories through pay orders or cheques issued in favour of vendors to ensure the proper utilisation of funds and prevent the diversion of loan proceeds.

According to the central bank, the integration of digital payment systems alongside traditional instruments will improve operational efficiency, eliminate settlement delays, reduce transaction costs and mitigate risks related to paper-based payment instruments.

The BB said digital disbursement would enable instantaneous fund transfers, accelerate asset delivery and create a more secure settlement process for banks, vendors and borrowers.

Under the new instructions, banks may transfer funds directly to a vendor's account if it is maintained with the same bank.

If the vendor's account is held with another scheduled bank, the disbursing bank may use the Real-Time Gross Settlement (RTGS) system to complete the payment, it added.

The central bank, however, reiterated that loan proceeds must not be credited to the borrower's account or paid in cash unless specifically permitted under existing regulations.

To address potential risks arising from digital disbursement, BB directed banks to strengthen measures for managing operational, fraud, cybersecurity and third-party risks.

Banks will also remain responsible for ensuring that funds are transferred to the correct vendor.

The central bank clarified that electronic fund transfers would serve as an additional mode of payment and that all other provisions of its Prudential Regulations for Consumer Financing would remain unchanged.

The directive, issued under Section 45 of the Bank Company Act, 1991, came into effect immediately.

Sonali Bank holds seminar on Whistleblower Day

STAR BUSINESS DESK

Sonali Bank PLC yesterday organised a seminar at its head office in Dhaka to celebrate World Whistleblower Day 2026.

Muhammad Masrurul Islam, ombudsman of the Sonali Bank PLC Ombudsman Secretariat, inaugurated the seminar as the chief guest, according to a press release.

Md Shawkat Ali Khan, managing director and chief executive officer (CEO) of the bank, presided over the event.

Molla Abdul Wadud, Mohammed Jahangir Husain and Md Mofazzal Husain, directors of Sonali Bank PLC; Md Rafiqul Islam, executive director of Bangladesh Bank; and Afroza Akter Riba, deputy secretary of the Financial Institutions Division under the Ministry of Finance, attended the programme as guests.

Among others, deputy managing directors, general managers, executives and officials of Sonali Bank PLC were also present on the occasion.

Muhammad Masrurul Islam, ombudsman of the Sonali Bank PLC Ombudsman Secretariat, inaugurates the seminar marking World Whistleblower Day in Dhaka yesterday. PHOTO: SONALI BANK

Inland waterway fees hiked

FROM PAGE B1

Bangladesh PLC, which is mostly owned by foreign investors, said the industry is going through a tough time due to slowing construction activity.

"The demand remains stagnant. Higher energy prices and increased raw material costs due to the war in the Middle East have dealt a further blow to the sector.

At this stage, any rise in water transport-related costs will affect the supply chain," he said.

Md Aminul Islam, managing director and chief executive officer of Nabil Group of Industries, estimated that transporting commodities such as wheat, lentils, soybean meal and maize would increase by Tk 36 per tonne through waterways.

He said inland waterways account for as much as 90 percent of transport for essential commodities.

"We ship commodities to various hubs such as Barishal and Ashuganj through lighter vessels after unloading them from mother vessels at the port," he said.

"So, ultimately the increased cost will fall on customers," he said.

Inflation has been staying above 8 percent for more than three years, with no sign of easing despite a tight monetary policy maintained by the Bangladesh Bank for more than a year and a half.

Cargo operators said business has declined as several large business groups now use their own vessels to move goods from ports to factories and distribution points.

Kazi Abdul Karim, legal affairs secretary of the Bangladesh Cargo Vessel Owners' Association, said operators will not be able to pass on higher costs due to slowing imports and higher vessel supply.

A former executive committee member of the Bangladesh Oil Tanker Owners' Association said the construction of a petroleum pipeline between Chattogram and Dhaka has affected the revenue of oil tanker owners. "We are transporting roughly 45 percent less petroleum than in the past," he said.

India's LPG imports from US set to hit record high

REUTERS, *New Delhi*

India's imports of liquefied petroleum gas (LPG) from the US are set to top 1 million metric tons in June, a record high, industry sources said, as New Delhi turned to costlier suppliers to offset disruption from the Middle East.

Before the US-Israeli war on Iran and the closure of the Strait of Hormuz, India depended on Middle Eastern producers for 90 percent of its LPG imports, which totalled about 2 million tons per month.

Imports of LPG, widely used as cooking fuel in Indian households, declined to as low as 696,000 tons in April because of the strait blockade, government data showed.

The imports, however, recovered to 1.15 million tons in May, the data showed.

Before the disruption, New Delhi had planned to raise US LPG purchases to about 10 percent of total imports as part of its effort to rebalance trade with Washington.

The closure of the waterway accelerated spot buying from the US, with Indian refiners purchasing unprecedented volumes at hefty spot market premiums as the government's priority was to maintain uninterrupted cooking gas supplies, said a trade source who is aware of the purchases.

The sources declined to be named publicly as they are not authorised to speak to the media.

India also asked refiners to maximise LPG output, prioritised LPG sales to households and accelerated the rollout of piped gas connections. The efforts have already started to reduce India's LPG consumption by 15 percent to 20 percent, one of the sources said.

India is on track to receive about 1.1 million to 1.2 million tons of US LPG in June, while supplies from the United Arab Emirates have started to recover to around 300,000 to 400,000 tons this month, two sources at Indian refiners said. The UAE offered LPG cargoes loaded from Oman's Sohar port on a free-on-board basis at a premium of about $100 per ton to Saudi CP prices, the sources said, adding that Abu Dhabi National Oil Co deployed four to five vessels that get LPG up to Sohar port.

Indian refiners will also be getting about 45,000 tons of LPG from Kuwait in June, the sources said. The partial opening of the strait will improve LPG supplies from the Middle East in the coming months, which will help to reduce prices, the sources added.

India imported 648,300 tons of LPG from the US and 134,700 tons from the UAE in May, according to Kpler data. Imports from Iran, mainly by small players with negligible links to the US, stood at 145,000 tons, while shipments from other traditional suppliers, including Saudi Arabia, Oman and Qatar, remained limited, Kpler's data show.

Kpler's preliminary June data indicate India is scheduled to import about 1.07 million tons of LPG from the US, around 223,800 from the UAE, 116,200 tons from Iran and 108,600 tons from Kuwait, with some volumes expected from Oman, Saudi Arabia, Algeria, Qatar and Nigeria.

Saudi-run Patenga terminal

FROM PAGE B1

$26 million in 14 rubber-tyred gantry cranes and around $3 million in a container scanner, which enabled the terminal to begin handling import containers earlier this year.

The terminal's expansion carries wider significance. Chattogram port handles more than 90 percent of Bangladesh's seaborne trade and processed approximately 3.41 million TEUs last year, making it the busiest container port on the Bay of Bengal.

Industry insiders expect that improved performance at Patenga will ease pressure on other existing facilities as cargo volumes grow.

The region is also set to generate rising trade demand from a cluster of major industrial and infrastructure projects -- the Mirsarai Economic Zone, the Chinese Economic and Industrial Zone, a proposed free trade zone in Anwara, and the Matarbari deep-sea port.

Mohammed Amirul Haque, president of the Chittagong Chamber of Commerce and Industry, said the RSGT investment should be seen in that broader context. "The investment made by RSGT should be viewed in the context of the wider economic transformation taking place in the Chattogram region," he said.

On the other major projects, the CCI president commented, "Once these investments reach full production, cargo movement through Chattogram port will increase significantly."

However, he added that even with the Bay Terminal, Patenga Container Terminal and Matarbari deep-sea port in operation, there will be a need for further capacity expansion and efficiency improvements.

He said all existing jetties and terminals at Chattogram port would need to be utilised more efficiently through modern equipment, automation and improved operational management to handle future trade volumes.