

DSE market cap swells as investors remain buoyant

STAR BUSINESS REPORT

Stocks continued to rise for the fifth consecutive day thanks to the growing participation of general investors, lifting the Dhaka bourse's market capitalisation by 14,539 crore in the last five days.

Since December 1, the index went up 187 points or 3.86 per cent while the market cap rose 3.79 per cent to hit Tk 404,528 crore.

Meanwhile, DSEX, the benchmark index of the Dhaka Stock Exchange, rose 29 points, or 0.57 per cent, to 5,053 yesterday.

Buoyant general investors are pouring their funds into the market hoping the positive trend will continue, said a stock broker.

As banks and NBFIs are going to announce their yearly profits and dividends in the coming months, the prices of their stocks are rising, he said.

Investors are also rearranging their portfolio with the bank and NBF shares, the stock broker added.

Investors have enough money to buy stocks now as a number of IPO funds became free for use in the last few days, said Munna Rayhan, a stock investor.

"So, I bought some stocks in the last few days." The investor said he is trying to grab some quick gains from the secondary market as some other IPO subscriptions will start soon.

"The stock market regulator should extend time for subscription so that we can provide the required fund for the market."

Turnover, another important indicator of the stock market, stood at Tk 848 crore yesterday on the DSE floor, up from Tk 843 crore in the previous day.



Miracle Industries topped the gainers' list with a 9.48 per cent rise followed by Dominage Steel, Aftab Automobiles, Provati Insurance and Fine Foods.

Beximco Ltd was the most traded stock with shares worth Tk 55.41 crore changing hands followed by Beximco Pharmaceuticals, Republic Insurance, IFIC and Fortune Shoes.

Of the total 353 traded companies, 126 advanced, 140 declined and 87 remained unchanged.

CAPM IBBL Mutual Fund shed the most slumping 7.83 per cent followed by Apollo Ispat, Bangladesh Lamps, Keya Cosmetics and ADN Telecom.

Chattogram Stock Exchange also witnessed a jump in its index.

CSEX, the prime index of the port city bourse, rose 45.57 points, or 0.52 per cent, to 8,727.38 yesterday.

Out of the total 269 companies' stocks, 98 rose, 115 fell and 56 remained the same.

Busy for the perfect bloom

Flower growers stepping it up to hit upcoming celebration sales

STAR BUSINESS REPORT

Flower fields of Jhenaidah and Jashore districts are now abuzz with a flurry of activity set in motion by deadlines to meet the upcoming seasonal peak in demand from national and international celebrations and events.

The buying binge starts in December with Victory Day, runs all through to March meeting the New Year, the first day of spring in the Bangla calendar, Valentine's Day, International Mother Language Day and Independence Day.

These sales can reach in the crores for Jashore's Jhikargachha upazila, reports our Benapole correspondent.

The resulting high maintenance is evident on the fields of Panisara village and Gadhali, now adorned with various types of nightshade, gerbera, marigold, gladiolus and chrysanthemum.

Even roses don their individual coverings, an attempt at protecting the delicate and fragile blooms.

Customers seek perfection. So precision, skill and constant vigilance are maintained all year round to time the blossom, provide protection from disease, fungus and pests and ensure care in picking and transportation.



Flower growers in Jashore are trying to make up for the losses caused by coronavirus shutdowns and super cyclonic storm Amphan.



In Jhenaidah district, flower cultivation covers 58 hectares of land and the acreage is growing every year.

The damages caused by coronavirus shutdowns and super cyclonic storm Amphan have got farmer Abu Taher of Jhikargachha upazila to double down on efforts by planting nightshade and gladiolus on eight bighas of land and hope for sales to bring some compensation.

Sales have come down a lot due to increased imports and use of plastic flowers while farmers in other districts have taken to the cultivation, reducing their share, said farmer Harunur Rashid.

Another farmer in the upazila, Liaquat Hossain, expects a profit of Tk 1.5 lakh to Tk 2 lakh, on condition that the weather stays favourable for his roses and gerberas on five bighas of land.

According to farmers of Gadhali, 100 tuberose go for Tk 200 to Tk 250 while

gladiolus Tk 1,100. Each bundle of carnations and tuberose are sold for Tk 50.

About 600 hectares of land in six unions of Jhikargachha upazila are now under commercial cultivation involving 7,000 farmers and one lakh farm hands, said the local agriculture officer, Masud Hossain Palash.

In Jhenaidah, the cultivation covers 58 hectares of land and the acreage is growing, reports our district correspondent.

Growing marigolds for eight years, farmer SM Tipu Sultan of Trilochonpur village under Kaliganj upazila says cultivators in his area are concentrating on getting everything right to bag good prices and so that profits cover the year's losses.

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GLOBAL BUSINESS

China's exports surge on hot demand for PPE, remote working tech

REUTERS, Beijing

China's exports rose at the fastest pace in almost three years in November, as strong global demand for goods needed to ride out the pandemic landed the world's second-largest economy a record trade surplus.

A brisk factory recovery in China from coronavirus shutdowns earlier this year has far outpaced reopenings seen in major trading partners, many of which are still struggling with outbreaks.

Exports in November rose 21.1 per cent from a year earlier, customs data showed on Monday, the fastest growth since February 2018. It also soundly beat analysts' expectations for a 12.0 per cent increase and quickened from an 11.4 per cent increase in October.

The strong exports come despite the yuan hovering near multi-year peaks against the dollar, which would be welcome news for policymakers concerned about the impact of a weakening greenback on China's trade competitiveness.

Imports rose 4.5 per cent year-on-year in November, slower than October's 4.7 per cent growth, and underperforming expectations in a Reuters poll for a 6.1 per cent increase, but still marking a third straight month of expansion.

Analysts say improving domestic

demand and higher commodity prices helped buoy the reading.

"We believe China's export growth could remain elevated for another several months due to the worsening COVID-19 situation overseas," the note said.

However, they noted some signs that demand for these pandemic-related goods was losing momentum.

The firm shipments led to a trade surplus for November of \$75.42 billion, the largest since at least 1981 when Refinitiv records began. It was also wider than the poll's forecast for a \$53.5 billion surplus.

China's exports were supported by strong overseas demand for personal protective equipment (PPE) and electronics products for working from home, as well as seasonal Christmas demand, Nomura analysts said in a note.

Booming sales of fridges, toasters and microwaves to households across the locked-down world have helped propel China's manufacturing engine back to life, super-charging demand for key metals like steel, copper and aluminium, after a sharp slump early in the year.

In another sign of buoyant trade, China's export surge and the low turnaround rate of containers from abroad have triggered a recent shortage of containers domestically,



A truck transports a container at a port in Qingdao, Shandong province, China.

REUTERS/FILE

state media China Daily reported.

A spate of early indicators showed China's economic recovery from the coronavirus pandemic has stepped up, with manufacturing surveys

showing new export orders expanding at a faster pace for November.

That comes despite a sharp appreciation in the yuan in recent months, which some fear could hit

exporters. Some firms reported that a strong yuan squeezed profits and reduced export orders in November, the statistics bureau said this week.

The yuan has booked six straight

months of gains, its longest such winning streak since late 2014, and is trading at 2-1/2 year highs.

The strong exports widened China's trade surplus with the United States to \$37.42 billion in November from \$31.37 billion in October.

Chinese buyers nevertheless stepped up purchases of U.S. farm produce including soybeans to fulfill China's pledge in the initial trade deal it signed with the United States in January this year.

While a Biden administration is expected to soften some of the rhetoric seen in strained U.S.-China trade relations in recent years, there are no immediate signs the President-elect intends to unwind the punitive tariffs introduced under the Trump administration.

Although China's imports were weaker than expected, volumes continued to rise on a sequential basis, said Louis Kuijs of Oxford Economics.

"We expect goods imports to grow further into 2021, underpinned by strong domestic demand, with imports of capital goods to be better supported than those of commodities," Kuijs said.

China's iron ore and copper imports both fell in November from the previous month, customs data showed. Crude oil imports in rose as customs continued to clear a backlog.

Asian equities in November see biggest foreign inflows in over a decade

REUTERS

Asian equities recorded their biggest foreign inflow in at least 12 years in November, data showed, as promising developments related to COVID-19 vaccines bolstered expectations of a faster regional recovery from the pandemic.

According to stock exchange data, cross-border investors purchased a combined total of \$17.5 billion in Indian, Indonesian, Philippine, South Korean, Taiwanese, Thai and Vietnamese stocks in November, the biggest since at least 2008.

The MSCI Asia Pacific ex-Japan index gained 9 per cent last month, the biggest in seven months, thanks to breakthroughs in vaccine developments from top drugmakers Pfizer, Moderna and AstraZeneca along with a market-friendly outcome of the U.S. presidential election.

"Foreigners have been very



REUTERS/FILE

A broker reacts while trading at his computer terminal at a stock brokerage firm in Mumbai, India.

underweight in Asia although we have seen quite a bit of buying off late. Its starting from a very low base and foreign investors still have plenty of room to increase

their Asian weightings," said Dan Fineman, co-head of Asia Pacific Equity Strategy at Credit Suisse.

"Our favorite market is Korea, we also like Hong Kong, Singapore

and we have overweight in Thailand and China."

Indian equities lured an inflow of \$8.13 billion last month, the highest in the region. South Korea and Taiwan saw foreign buying of \$5.2 billion and \$3.1 billion respectively.

On the other hand, foreigners sold Philippine equities for a 13th successive month on worries over its economic growth.

Though the region had heavy foreign purchases last month, the inflows were much smaller compared with the outflows faced in March.

Asian equities' total foreign outflows were \$34.1 billion in the first 11 months of this year, the data showed.

Goldman Sachs expects Asia's value stocks to outperform growth stocks as the foreigners return to the regional equities after heavily dumping them earlier this year.

German industrial output rises on booming car sales

REUTERS, Berlin

Booming car sales drove a stronger-than-expected jump in German industrial output in October, in a further sign that the export-oriented manufacturing sector helped Europe's largest economy to get off to a solid start in the fourth quarter.

The German government has unleashed an unprecedented array of rescue and stimulus measures to help companies and consumers get through the COVID-19 pandemic as unscathed as possible, including incentives to buy electric and hybrid cars.

Industrial output was up by 3.2 per cent on the month after an upwardly revised increase of 2.3 per cent in the previous month, figures released by the Federal Statistics Office showed on Monday.

That was the biggest increase since June and easily beat a Reuters forecast for a rise of 1.6 per cent.

Compared to February, the month before the COVID-19 pandemic reached Germany, industrial output was down by

roughly 5 per cent, the office said.

In the car industry, Germany's biggest industrial sector, production rose by nearly 10 per cent on the month but was still roughly 6 per cent below pre-pandemic levels.

"Industry had a very good start into the final quarter of 2020. It's an extraordinarily strong increase," VP Bank economist Thomas Gitzel said.

The surprisingly bullish output figures chimed with data released on Friday that showed industrial orders rose more than expected on the month.

Sentiment surveys and high-frequency data such as truck toll mileage have also pointed to relatively strong manufacturing activity in November despite a partial lockdown imposed to slow a second wave of coronavirus infections.

The lockdown measures, which forced large parts of the services sector to close from Nov. 2, are clouding the outlook for the economy which is expected to stagnate or even shrink in the final three months of the year.