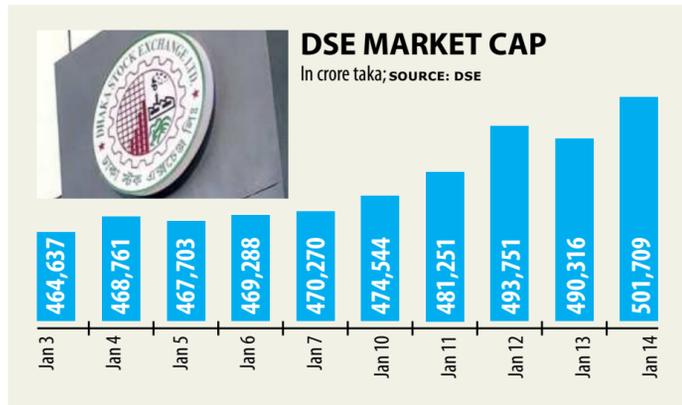


# DSE market cap hits record high

A result of BSEC's initiatives, growing investor confidence, experts say



**AHSAN HABIB**  
Stock indices reached a new level yesterday as market capitalisation of the country's bourses hit an all-time high.

Market capitalisation of the Dhaka Stock Exchange (DSE) rose 2.32 per cent to Tk 501,709 crore while a similar trend was witnessed at the port city bourse, where it grew 2.6 per cent to hit Tk 426,923 crore.

"Some reforms initiated by the Bangladesh Securities and Exchange Commission (BSEC) to ensure accountability gave the investors their confidence back," said Asif Ibrahim, chairman of the Chittagong Stock Exchange (CSE).

The BSEC took some radical decisions soon after the new commission was appointed.

These include quick approvals for some initial public offerings, imposing hefty fines on stock gamblers, ensuring minimum shareholding by company sponsors, scanning junk stocks and so on.

The inclusion of Robi Axiata, a multinational telecom company, helped increase investor confidence as well, said Ibrahim, also a former president of the Dhaka Chamber of Commerce and Industry.

"We need to cash in on the bullish market and build on it to make the market vibrant in the long run," he added.

Ibrahim urged for only well-performing and multinational companies to be considered for the market.

"Non-equity based products like Sukud do not need to be included in the market," he said, adding that the BSEC needs to keep

up its solid surveillance.

DSEX, the benchmark index of the DSE, rose 139 points, or 2.41 per cent, to 5,909 yesterday.

Meanwhile, the CSE's general index, CASPI, went up 422 points, or 2.51 per cent, to 17,219.

As a number of new companies were listed with the bourses in the last few months, market capitalisation rose, said Sharif Anwar Hossain, president of the DSE Brokers' Association.

Newly listed Robi's market capitalisation was Tk 33,418 crore yesterday, according to DSE data.

However, the confidence-backed value increase for certain stocks was also a reason behind the boom in market capitalisation, he said. "Now investors should be careful because if they lose money then the market will be impacted in the long run," said Hossain, also managing director of Sahidullah Securities.

Investors got a lesson in 1996 and 2010, and so if they invest considering companies' performance then they will at least get dividends when share prices fall, he said.

"The index will not rise every day so the basics of investment should be followed, thus benefiting both investors and the market," he added.

Still, junk and low-performing stocks are rising, which is a trap for general investors so the regulator should investigate and stop the gambling otherwise investors will lose money, according to a top official of a merchant bank.

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# Gournadi's yogurt makers long for taste of pre-pandemic sales

SUSHANTA GHOSH

Yogurt producers and traders of a southern upazila made famous for the sweet dairy product are eagerly waiting for better days to come through an end of the ongoing coronavirus pandemic.

"Gournadir Doi", which translates to yogurt of Gournadi, came to prominence on being produced by a wholesale factory set up in a century-old port of this upazila, situated some 30 kilometres away from Barishal district town.

The secret to the recipe is apparently use of milk collected from cows being reared in remote neighbouring char areas.

Local sweetmeat traders said at least four large wholesalers use that pure milk to make yoghurt in the upazila.

Sridam Ghosh, one of the wholesale sweetmeat producer and trader, said his father was one of the pioneers of the Gournadi brand.

Some 55 years ago they used to make the yoghurt in the port but even before that, Ghosh's grandfather used to distribute his product to different areas. According to him, this business has been going on for at least 60-75 years.

About 500 people are involved in this business, which saw production reduced by at least 60 per cent due to the Covid-19 fallout.



TITU DAS

About 500 people in Gournadi are involved in yogurt business, which saw production reduced by at least 60 per cent due to the Covid-19 fallouts.

Still though, those vested in the business aim to overcome the current crisis and turn things around.

Usually around 200 maunds (one

maund equals 37 kilogrammes) of milk ends up generating about 100 maunds of yoghurt. The production doubles during different festivals.

Krishna Ghosh, owner of Loknath Sweetmeat Bhandar, said he makes yoghurt with 30 maunds of milk every day.

However, the ongoing pandemic had forced him to keep the business shut for two months during the nationwide lockdown between March 26 and May 30.

During that period, yoghurt production dropped to 5 maund per day while six out of every 12 workers were laid off.

"Now the yogurt season is ongoing so we hope to sell well in the next few months" Ghosh added.

Sweetmeat maker Anup Das said he has been in the profession for 35 years.

The milk is usually evaporated to half its volume before the butter is extracted. Afterwards, the liquid is cooled, placed in a clay pot and covered with a sack until yogurt

forms in about a day.

Yogurt producer Saikat Das said he buys milk for Tk 40-Tk 50 per kilogramme from local traders in Ramjanpur, Bakchar, Muladi, Barthi and Ramchar areas and sells the yoghurt for Tk 120 per kilogramme.

Palash Ghosh, general secretary of Gournadi Sweetmeat Producers Association, said they supplied yoghurt worth Tk 1.5 to Tk 2 crore to local markets in Barishal, Faridpur and Dhaka every month.

"If the situation continues to improve in the next four months, the workers and traders will survive but if the pandemic worsens, they will collapse again," he added.

Ghosh went on to say that the traditional businesses now faced a liquidity shortage and so would benefit if loans on easy conditions were made available.

Bishu Ghosh, president of Barisal Sweets Producers' Association, said the 500 or so workers involved in the business were trying to get by this winter in hopes of a better future.



TITU DAS

Local sweetmeat traders said at least four large wholesalers use pure milk to make yoghurt in Gournadi upazila of Barishal district.

## GLOBAL BUSINESS

# Airlines face more turbulence before vaccine relief

REUTERS, Paris/London

For a year expected to mark a turning point for pandemic-stricken European airlines, 2021 is off to a rough start.

A resurgence of COVID-19 lockdowns has killed off a fragile bookings uptick, executives and analysts said, just as airlines were hoping the promise of vaccines would put the worst of the crisis behind them and set the stage for a summer rebound.

New outbreaks and travel restrictions - some designed to curb the spread of a highly infectious virus variant detected in Britain - have hit forward bookings that are usually relied upon to bring in vital cash during the thin winter months.

Global airline industry body IATA believes a return to positive cash flow "might not arrive before the end of the year," Chief Economist Brian Pearce said.

"Meanwhile the cash burn is going to continue" and may even increase in Europe, Pearce told an online conference on Wednesday.

Some carriers may yet run out of cash, he added. For bailed-out airlines like Air France-KLM and Lufthansa, a longer slump increases both debt and the likelihood more support will be needed.

Europe faces some of the worst setbacks - although hitherto buoyant Chinese and Russian domestic bookings have also been weakened by new restrictions.

Intra-European bookings for the first half of the year stand at 22% of their level 12 months ago, Olivier Ponti of aviation data specialist ForwardKeys said. That compares with 36% for US domestic bookings and 48% for flights within China.

Airlines have responded by cancelling yet more services. Ultra-low-cost carrier Wizz Air, which has been expanding its fleet and network during the crisis, is suspending most UK routes and sees January capacity down 75%. "The lockdown



REUTERS

Emirates airliners are seen on the tarmac in a general view of Dubai International Airport in Dubai, the United Arab Emirates on January 13.

puts strains on demand, and we're adjusting capacity according to demand," Chief Executive Jozsef Varadi told Reuters. "It's going to be a difficult quarter."

Data provider OAG, which tracks airline schedules, predicted "carriage in Europe" after airlines slashed western Europe capacity by a quarter.

"A loss of some 1.5 million seats in a week is staggering," analyst John Grant said. With another 580,000 dropped in eastern Europe, "expectations for the next few months are grim."

Recovery hopes have driven a share rebound for European airlines since the first vaccine breakthrough in November, before lockdown setbacks pared average

gains to 30%, based on the Stoxx Europe airlines index. More bullish investors may be getting ahead of themselves, some analysts caution.

European aviation is "primed for disappointment," Citi analyst Mark Manduca said. "We see recovery risks into summer because (pre-flight) testing will in our view likely stifle demand," he added in a note.

"Slower-than-expected rollouts of vaccines to corporate populations will likely continue to strangle a business-demand recovery."

The volatile outlook hugely complicates all-important summer schedule planning, as airlines must decide several months ahead whether to commit cash to bringing back and overhauling parked jets

and rehire staff.

Wheel out too much capacity and the unfilled seats will deepen losses. An airline that underestimates demand, on the other hand, risks handing badly needed business to rivals. Nearly three-quarters of European routes are now under restrictions, according to UBS research - a higher proportion than at the height of the pandemic's first wave last March-May.

Airlines are growing exasperated with governments' refusal to drop quarantines for pre-flight COVID-19 testing. When Britain added testing requirements on top of a quarantine, Ryanair CEO Michael O'Leary decried "another shambolic measure."

# Indian stores shuttered by farmer protests cost Reliance, Walmart millions in revenue

REUTERS, Mohali, India

Dozens of Reliance Industries' retail stores and a giant Walmart outlet face revenue losses of millions of dollars after being forced to shut for more than three months over protests against India's new farm laws, sources said.

Thousands of farmers from states including northern Punjab have camped for weeks on the outskirts of the capital, in a bid to force Prime Minister Narendra Modi to repeal the laws they contend will benefit corporates, rather than cultivators.

Fears of farmers' agitation in Punjab, home to many protest leaders, have stoked companies' fears over vandalism and the safety of employees, prompting the closure of dozens of shops, store employees and industry sources said.

Since October, more than half the roughly 100 stores of top retailer Reliance Retail in Punjab and Walmart's 50,000-square-foot (4,645-sq-m) wholesale outlet in the district of Bathinda, a centre of the protests, have been shut, the sources added.

"We are scared of the protesting farmers," said a senior official of a shuttered Reliance

outlet in Mohali, a prosperous city located in the farm belt.

One industry source said estimated losses for Reliance from its state-wide shutdowns run into millions of dollars. Two other sources said Walmart's estimated revenue loss from its store, one of 29 such outlets nationwide, has crossed \$8 million.

"The farmers camp outside the Walmart store daily, they don't let anybody go in," said one of the sources, adding that the store employed about 250 people. Thousands of items in the store are gathering dust and have passed their use-by date.

Reliance store officials and the sources, who have direct knowledge of the situation, sought anonymity as they were not authorized to speak to media.

Walmart and its Indian unit, Flipkart, did not immediately respond to a request for comment. Reliance, India's largest private company, also did not respond.

Both firms can absorb the losses for now, said Ankur Bisen, head of consumer and retail at consultancy Technopak Advisors, but he added, "They have to keep their fingers crossed that shutdowns do not extend to other states."



REUTERS/FILE

People walk past a closed superstore of Reliance Smart at Kharar on the outskirts of Chandigarh, India.