

Stocks snap five-day falling streak

STAR BUSINESS REPORT

Higher participation of investors ended the five-day falling streak of shares on the Dhaka Stock Exchange (DSE) yesterday.

The DSEX, the benchmark index of the premier bourse, rose 67 points, or 1.27 per cent to end the day at 5,385.

However, many stocks have experienced drastic falls due to the downward trend of the index, said a stock broker. As a result, many stock investors incurred losses in the last few days, he added.

Big players went after hot stocks after a gap, such as Beximco Ltd, Beximco Pharmaceuticals, Robi Axiata, and LankaBangla Finance, he pointed out.

Among major sectors, engineering and telecoms closed positive.

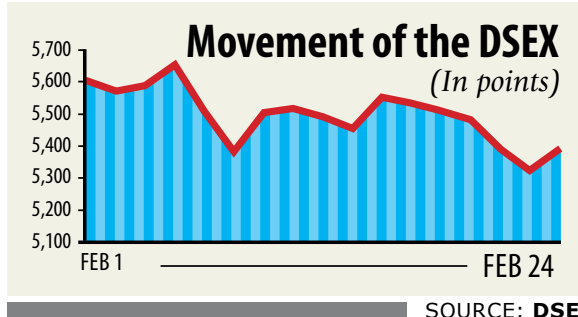
Turnover, an important indicator of the market, dropped more than 10 per cent to Tk 530 crore.

Many investors adopted the wait-and-see approach to see the next movement of the index, said a merchant banker. "This kept the turnover at a lower level."

Investors can put money into well-performing companies, considering their price earnings (PE) ratio and potential, he said. "If they do that, they will not be loser. Investments should long term."

PE ratio is a company's price compared to its earnings. A company is considered lucrative when the ratio is lower.

Investment into low-performing



SOURCE: DSE

companies can cause losses, the merchant banker added.

At the DSE, 190 stocks rose, 35 declined and 118 remained unchanged.

Debutant eGeneration rose 50 per cent yesterday and topped the gainers' list, followed by Beacon Pharmaceuticals, Robi Axiata, Zahintex Industries, and JMI Syringes.

Beximco Ltd topped the turnover list with its shares worth Tk 124 crore changing hands, followed by Robi Axiata, British American Tobacco Bangladesh, Beximco Pharmaceuticals, and LankaBangla Finance.

NCC Bank First Mutual Fund shed the most as it fell 4.93 per cent. Shares of Unilever Consumer Care, Fareast Finance, BIFC and International Leasing and Financial Services also gave up.

Shares on the port city bourse also rose. The CASPI, the general index of the Chittagong Stock Exchange, added 207 points, or 1.34 per cent, to close at 25,590.

Among 216 stocks traded, 112 advanced, 48 dropped, and 56 remained unchanged.

Risk management apparel makers' main focus now

Experts say at HSBC webinar

STAR BUSINESS DESK

Bangladesh's apparel industry is now emphasising on risk management as order cancellations and reductions, payment deferrals and shipping delays left many in financial uncertainties during the Covid-19 pandemic, experts said.

They were addressing a webinar organised by HSBC, Serai and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) on Tuesday to discuss how the sector could grow and manage risks in 2021.

Serai is the HSBC's technology subsidiary allowing highly secure data sharing among industry participants and access to a range of digital solutions, the bank said in a press release.

An effective risk management framework has become essential for apparel businesses while monitoring could allay threats, said the attendees, including businesspeople, exporters and regulators.

Vivek Ramachandran, Serai CEO; Kevin Green, country head for wholesale banking at HSBC Bangladesh, and Mohammad Hatem, BKMEA senior vice president, also spoke.

Rise of digital economy: can Bangladesh take the lead?



RASHAD KABIR

Every single country in the world has been affected by the storm of Covid-19. Till date, the deadly virus has infected over 100 million people and killed 2.5 million in 219 countries.

When most of the countries are struggling for their economic survival, the situation is completely opposite for Bangladesh.

In fiscal year 2020-21, Bangladesh will achieve a 7.5 per cent growth in gross domestic product, which will be the second highest among south-east Asian countries, according to a report of the Asian Development Bank.

When most of the industries, be it a large company or an SME, struggled for survival in 2020, the scenario was completely different for the ICT industry.

The ICT industry faced enormous challenges in March, April and May when the companies experienced around 50-70 per cent fall in revenue, according to a report of Bangladesh Association of Software and Information Services (BASIS).

But the industry fought hard and started coming back sharply from June as soon as the lockdown was withdrawn.

The increased demand for automation and software both in the local and global markets has given a clear indication that the world will no longer be like before and adoption of technology and automation is a must for the survival in the new normal world.

It has been found that most of the ICT companies in Bangladesh have seen a year-on-year rise in work orders from the local and international markets in the last quarter of 2020.

It is always believed that the ICT industry has the potential to be a disruptor and game changer for Bangladesh's economy.

Now the major question is can Bangladesh take the lead in global ICT market competing with countries like India, Vietnam, the Philippines and others?

The government's aim to establish

Digital Bangladesh and increase investment in infrastructure and human resource development has created the perfect environment for the local ICT industry to strengthen its footprint in the international arena. Although it is not easy, it is not impossible either.

The Covid-19 has given a clear message that the reality of Industry 4.0, Internet of Things, Blockchain, Big Data, robotics, fintech are no longer a luxury, those are a requirement.

Because of the pandemic, e-learning, online education, telemedicine and online entertainment have seen a significant rise in demand.

As people will be more reluctant to visit shops and crowded areas physically, the e-commerce sector will

E-learning is another sector that will thrive more in the coming days. Although the schools, colleges and universities are still closed, we have seen an encouraging effort from the government to continue the education through different e-learning platforms and even through Sangsad TV.

Universities are still continuing their education through virtual platforms. The gap of education between Dhaka city and rural areas has also been minimised. We knew the way, but could not implement it.

The Covid-19 outbreak has opened up our eyes and have forced us to implement e-learning throughout the country.

Telemedicine is another area, which has achieved tremendous growth.



boom in the days to come and digital payment will also take over cash payment faster than expectation.

During lockdown, people of Bangladesh have been more habituated to online shopping.

Not only grocery items and daily necessities, people continued buying expensive items like mobile, laptop, television, freeze and other electronic gadgets more than before throughout this year.

As a result, we have seen over Tk 30,000 crore business through e-commerce platform during the pandemic and more than 2,000 e-commerce business shops nationwide.

Not only that, we have also seen the rise of F-commerce. People even from the district and rural areas, especially women, have opened Facebook accounts to sell their products through the social media platform.

Bangladeshi people could never imagine that they will consult with physicians through virtual platforms. But the new normal has also made it a reality.

People from rural areas are now taking their treatments from the doctors sitting in Dhaka. Not only in Bangladesh, the demand for telemedicine, e-commerce and e-learning also increased all around the globe.

The pandemic is a brilliant accelerator of digitalisation for both consumers and businesses. Even the most sceptical ones will be prepared to integrate digital solutions to their organisations and will try to automate their operations.

During the ongoing crisis and its aftermath, companies will reinvent themselves by putting data and artificial intelligence (AI) at the core of their organisations.

READ MORE ON B2

Six brokers, merchant banks fined for breach of rules

STAR BUSINESS REPORT

The share market regulator has punished six stock brokers and merchant banks for breaching securities rules.

Yesterday, the Bangladesh Securities and Exchange Commission (BSEC) took the decision in a meeting, presided over by its chairman Prof Shibli Rubayat Ul Islam.

The commission fined MTB Securities Ltd and Nexus Securities Ltd Tk 5 lakh and Tk 2 lakh respectively, the commission said in a press release.

The regulator also voided the initial public offering quota for Bengal Investments Ltd, CAPM Advisory and PLES Investments Ltd due to non-compliance with the securities regulations.

"The process to cancel their

merchant banking licences would be started if the firms fail to meet the capital deficit within June 30," the press release said.

Firstlead Securities was slapped with a fine of Tk 2 lakh.

The regulator postponed the IPO subscription time for Sonali Life Insurance from this year's March to May. The company got the go-ahead for its Tk 19 crore IPO in December last year.

GLOBAL BUSINESS

Show us the plan: Investors push companies to come clean on climate

REUTERS, London/Boston

In the past, shareholder votes on the environment were rare and easily brushed aside. Things could look different in the annual meeting season starting next month, when companies are set to face the most investor resolutions tied to climate change in years.

Those votes are likely to win more support than in previous years from

general meetings (AGMs) include calls for emissions limits, pollution reports and "climate audits" that show the financial impact of climate change on their businesses.

A broad theme is to press corporations across sectors, from oil and transport to food and drink, to detail how they plan to reduce their carbon footprints in coming years, in line with government pledges to cut emissions to net zero by 2050.

major to offer such a vote, following similar announcements from Spanish airports operator Aena, UK consumer goods company Unilever and U.S. rating agency Moody's.

While most resolutions are non-binding, they often spur changes with even 30 per cent or more support as executives look to satisfy as many investors as possible. "The demands for increased disclosure and target-setting are much more pointed than they were in 2020," said Daniele Vitale, the London-based head of governance for Georgeson, which advises corporations on shareholder views.

While more and more companies are issuing net-zero targets for 2050, in line with goals set out in the 2015 Paris climate accord, few have published interim targets. A study here from sustainability consultancy South Pole showed just 10 per cent of 120 firms it polled, from varied sectors, had done so.

"There's too much ambiguity and lack of clarity on the exact journey and route that companies are going to take, and how quickly we can actually expect movement," said Mirza Baig, head of investment stewardship at Aviva Investors. Data analysis from Swiss bank J Safra Sarasin, shared with Reuters, shows the scale of the collective challenge.

Sarasin studied the emissions of the roughly 1,500 firms in the MSCI World Index, a broad proxy for the world's listed companies. It calculated that if companies globally did not curb their emissions rate, they would raise global temperatures by more than 3 degrees Celsius by 2050.

That is well short of the Paris accord goal of limiting warming to "well below" 2C, preferably 1.5C.

At an industry level, there are large differences, the study found: If every company emitted at the same level as the energy sector, for example, the temperature rise would be 5.8C, with the materials sector - including metals and mining - on course for 5.5C and consumer staples - including food and drink - 4.7C.



REUTERS/FILIP

Swedish climate change activist Greta Thunberg takes part in a climate strike protest during the 50th World Economic Forum annual meeting in Davos, Switzerland.

large asset managers seeking clarity on how executives plan to adapt and prosper in a low-carbon world, according to Reuters interviews with more than a dozen activist investors and fund managers.

In the United States, shareholders have filed 79 climate-related resolutions so far, compared with 72 for all of last year and 67 in 2019, according to data compiled by the Sustainable Investments Institute and shared with Reuters. The institute estimated the count could reach 90 this year.

Topics to be put to a vote at annual

"Net-zero targets for 2050 without a credible plan including short-term targets is greenwashing, and shareholders must hold them to account," said billionaire British hedge fund manager Chris Hohn, who is pushing companies worldwide to hold a recurring shareholder vote on their climate plans.

Many companies say they already provide plenty of information about climate issues. Yet some activists say they see signs more executives are in a dealmaking mood this year.

Royal Dutch Shell said on Feb. 11 it would become the first oil and gas

Bajaj Auto Ltd becomes world's most valuable two-wheeler company



Bajaj Auto's recent recognition as the world's most valuable maker of two-wheelers with market capitalisation of over \$13.6 billion is unlikely to surprise many in Bangladesh given its undisputed leadership in the country's two-wheeler market backed with a strong association with the reputed Uttara Motors Ltd.

This development comes as India's largest two-wheeler exporter completes 75 years of operation. Commenting on the milestone, Milind P Bade, vice president of international business at Bajaj Auto India, said the company exports motorcycles to more than 70 countries across the globe. It enjoys market leadership in key countries on account of its sharp product strategies and focus on differentiated customer experience, making Bajaj the most valuable two-wheeler company across the globe.

"Bangladesh is one of the largest and fastest growing motorcycle and three-wheeler market in the world. Bajaj is committed to this market with our esteemed partner Uttara Motors to keep on delivering world-class products to our customers, backed with the best-in-class customer experience," Bade added.

Matiur Rahman, chairman and

managing director of Uttara Motors, said he is delighted with the news of Bajaj Auto becoming the most valuable two-wheeler company in the world.

"We have been associated with Bajaj from the late 70s and now, we have established a motorcycle manufacturing plant in Dhaka, where we can manufacture more than 250,000 units annually, including high-end motorcycles," Rahman said.

The demand for sports motorcycles is increasing in Bangladesh as customers get the best in technology, safety and performance from premium bikes such as Pulsar.

"Bangladeshi youths love Bajaj motorcycles and our leadership in the motorcycle segment is a testimony of the same," he added.

ABOUT BAJAJ AUTO
Bajaj Auto is the flagship company of Bajaj Group. Bajaj Group is amongst the top 10 business houses in India.

Founded in 1926, at the height of India's movement for independence, the group has an illustrious history.

Bajaj Auto is the world's third largest manufacturer of motorcycles and the largest manufacturer of three wheelers.

It has its manufacturing facilities located at Chakan near Pune, Waluj near Aurangabad, and at Pantnagar in Uttarakhand. The company's motorcycles and three-wheelers are sold all over the world in more than 70 countries including India.

Bajaj Auto has an in-house, state-of-the-art R&D Centre actively developing new products and technologies driving its business growth. Bajaj Auto is India's No.1 motorcycle and three-wheeler exporter, with two out of three bikes exported from India being made by Bajaj.

ABOUT UTTARA MOTORS
Uttara Motors a leading and renowned automobile importer, manufacturer, assembler and marketing company commands a leadership position in the motorcycle and three-wheeler segments in Bangladesh.

Uttara Motors is marketing the most popular and highest selling Bajaj products for the last 4 decades through its own 15 branch offices and above 300 3S (Sales, Service & Spare) dealers that provide after sales service in every corner of the country.

Uttara Motors is the distributor of Bajaj motorcycles and three-wheelers in Bangladesh.