Yellow tea produced for first time

MINTU DESHWARA

After black, green and white tea, growers in Bangladesh have developed highly valued yellow tea, a development that will take the country to another step forward in saving foreign currencies spent on importing expensive varieties of the beverage.

Even the country can earn more by exporting higher-priced teas thanks to price competitiveness.

Brindaban Tea Garden in Habiganj has produced yellow tea for the first time in Bangladesh, said Nasir Uddin Khan, manager of the garden.

"Earlier, we started to produce yellow tea experimentally. Now, we are producing it commercially," he said.

Mahmud Hasan Prince, a scientific officer of Mirzapur Tea Garden, said such tea had never been produced in the country. "Brindaban Tea Garden has made history."

The development of yellow tea will drive innovation and other tea gardens will follow suit, he said.

Native to China, yellow tea, which has slowly gained popularity across the world, is a little different in taste, as it offers a fruity and distinct after taste, smooth texture and a pleasing aroma, according to an article in the Times of India.

The bright yellow colour is not natural and is attained through a process called "sealed yellowing". Under the process, the tea polyphenols are first oxidised to attain the yellow tinge and then further treated to preserve the colour and aroma of the dried leaves, it said.

Yellow tea was auctioned in Chattogram on March 15. The authorities put up for auction six kilogrammes of yellow tea, with each kg fetching Tk 8,300. Popular Tea House in Sreemangal bought the tea.

Another auction took place at the Sreemangal Auction Centre on March 18. The auction was offered by Sreemangal Brokers Ltd, and each kg was sold for Tk 12,200.

Jahar Tarafder, member secretary of the Tea Planters and Traders Association of Bangladesh, said: "Yellow tea was auctioned at the highest price in the history of tea in Bangladesh."

Established in 1920, the area of Brindaban Tea Garden is about 1,183.37 acres. About a thousand workers are employed there.

Khan said after successfully producing white tea, yellow tea had now been produced.

"There is a great demand for yellow tea at home and abroad. If this type of tea is produced commercially, it will be possible to earn a lot of foreign exchange," he said. No unique tree has to be planted to produce white or yellow tea. They can be produced from the same plant through special processing, he said.

Yellow tea commands several times higher prices compared to regular teas in many countries.

In India, yellow tea is sold for 75,000 rupees per kg. There is a huge demand for the tea in European countries, according to Khan.

Brindaban Tea Garden has targeted to produce 500 kg of yellow tea this year.

Tarafder said imported white tea cost Tk 7,000 per kg while it was available at Tk 4,500 locally.

There are about 32 lakh people in Bangladesh who drink imported white, green, yellow and black tea.

"If we can offer these teas to this group of customers at half the price, they will not buy them from other countries. Therefore, if we want to capture the tea market at home and abroad, we must give importance to diversification," Tarafder said.

"Then the import will go down. And due to lower prices, there is the possibility that exports will go up."

Some 86.39 million kg of tea were produced in Bangladesh in 2020, down 10.01 per cent year-on-year, because of adverse weather. Annual consumption stood at 84 million kg.

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The development of yellow tea will drive innovation and other tea gardens will follow suit.

GLOBAL BUSINESS

Electric shock - German auto stocks get a new lease of life

REUTERS, *London*

Volkswagen and BMW's plans to grab market share in the fast-growing electric car market and challenge Tesla could shift the dial for their cheaply priced shares.

A deadline set by many countries to go carbon-free by 2050 has led to rising adoption of zero-emission vehicles and Tesla has been at the forefront of this transformation, selling long-range battery electric vehicles (BEVs).

Despite a recent pullback, its stock has soared 650 per cent in the last year, helped also by a cult following for CEO Elon Musk. But it is no longer the only electrification play in town.

Volkswagen, the German company competing with Toyota to be the world's biggest vehicle seller by volume, laid out its ambitious plan to turn 70 per cent of European sales at its core VW brand electric during its "power day" last Monday.

The plan, months in the making, has helped to fuel a Tesla-esque rally in the 83-year old company's shares, with CEO Herbert Diess even taking to Twitter, Elon Musk-style to crow as the company's market value crossed 100 billion euros ($119 billion) earlier this month.

The stock is now up 52 per cent year-to-date, taking its market value to 143 billion euros.

"With VW's CEO really pushing the message on BEVs across all channels (conventional media, investors as well as Twitter and LinkedIn) we believe the private investors are picking up on this story and could be quite a powerful force by themselves," said Barclays analyst Kai Alexander Mueller.

German rival BMW, meanwhile, said on Wednesday it was aiming for half of its sales to be non-fossil fuel vehicles by 2030, and that around 90 per cent of its market categories would have fully-electric models available by 2023.

"No one can know today who will win in the global electric car market, but while there is greater balance among the players, in stock market valuations there is unprecedented imbalance between early adopters and those who are becoming so," said Alessandro Fugnoli, a strategist at Kairos in Milan, calling it "the rebirth of the German auto".

UBS recently forecast Volkswagen would match Tesla's output by 2025 and raised the price target on the company's shares by 50 per cent to 300 euros - the most bullish target among the 28 analysts covering the stock. The stock is currently at about 223 euros.

Valuation comparisons are also supportive.

At 160 times forward earnings, Tesla is by far the most expensive stock in the autos sector, whereas Volkswagen and BMW still trade at only around 9-10 times forward earnings.

The BMW iNEXT electric autonomous concept car is introduced during a BMW press conference at the Los Angeles Auto Show in Los Angeles, California. REUTERS/FILE

GLOBAL BUSINESS

Wall Street's year of boom and bust

REUTERS, *New York*

Wall Street giddyness in recent weeks stands in stark contrast to the pandemic panic of one year ago.

US stocks on Tuesday will mark the one-year anniversary of the market low as the spread of the COVID-19 and government lockdowns began to crush economic activity, before massive government and central bank stimulus plus the development of vaccines fueled a stunning, if uneven, rebound.

As investor optimism grew, stocks began to recover from the selloff that ended an 11-year bull market, history's longest.

The S&P 500 bottomed by closing at 2237.40 on March 23, and topped the Feb. 19, 2020 bull-market high on Aug. 18, when the index ended the session at 3389.78. That high marked the end of the shortest bear market ever and confirmed that on March 23 a new bull had been unleashed. Initial lockdowns hit customer-facing services sectors the hardest as social distancing mandates to curb COVID's spread shuttered restaurants and slammed the travel and leisure industry.

Jobs in these sectors - typically on the lower end of the wage scale - evaporated overnight, and as new coronavirus infections spiked and abated, those jobs have been slow to return.

Conversely, the shutdown caused consumer demand to shift from services to goods, boosting resilience of US factories and prompting a restoration of manufacturing jobs that outpaced the whole.

Along with the stimulus supplied by the US Federal Reserve and the government, stocks worked their way off the low thanks in part to the start of vaccine rollouts and optimism that economic reopenings were on the horizon.

But companies that commanded attention during the beginning of the pandemic, so called "stay-at-home" plays such as Amazon, Zoom Media and Teladoc saw their fortunes begin to turn in the latter stages of 2020, with cyclical sectors such as energy, materials and small cap stocks garnering more favor.

As optimism about reopenings began to rise, so did investor appetite for stocks that traditionally do well as an economy recovers from a recession. Many of those stocks fall into a "value" profile as they were largely ignored for bigger "growth" names in sectors such as technology and communication services.

That change in tenor helped value stocks close what had been a widening gap versus the outperformance of growth stocks over the past several years.

Uncertainty about the medium- or long-term recovery prognosis saw several pivots between stay-at-home and reopening plays.

For instance, the equities market looked beyond grim current conditions and toward an expected recovery in commercial air travel, which can be seen by comparing air traffic data with airline stocks. Investors clearly see the battered sector taking off despite persistently low passenger numbers courtesy of the Transportation Safety Administration (TSA).

The housing market has been the star of the US economic recovery, rebounding beyond pre-pandemic levels as the hunt for lower population density and home office space, along with historically low mortgage rates, sent demand soaring, home prices surging and supply of homes on the market to all-time lows.

Housing stocks have also handily outperformed the broader market since its nadir. A year later, the Philadelphia SE Housing index is up nearly 150%, almost double the S&P 500's advance over the same time period.

The sector's strength is also a reminder of who suffered the worst of the largest economic downturn since the Great Depression, as lower income Americans typically rent and are less likely to be prospective home buyers.

REUTERS/FILE

A man walks past the New York Stock Exchange on the corner of Wall and Broad streets in New York City, New York.

Turkish lira plunges to record lows on central bank chief's sacking

REUTERS

Turkey's lira slid 15 per cent to a near all-time low on Monday after President Tayyip Erdogan's shock weekend ousting of a hawkish central bank governor sparked fears of a reversal of recent rate hikes, before clawing back some overnight losses.

The appointment of Sahap Kavcioglu, a former banker and ruling party lawmaker, in the early hours on Saturday marked the third time since mid-2019 that Erdogan has abruptly fired a central bank chief.

Kavcioglu sought to ease concerns about a sharp selloff in Turkish assets and a pivot from tight to loose policy, telling bank CEOs on Sunday he planned no immediate policy change, a source told Reuters.

The currency tumbled to as weak as 8.4850 versus the dollar, from 7.2185 on Friday, back to levels touched in early November when it reached an intraday record of 8.58.

It recovered about half of those losses after Finance Minister Lutfi Elvan said Turkey would stick to free market rules, reaching 7.76 at 0620 GMT, 7 per cent weaker from Friday.

REUTERS/FILE

A currency exchange office worker counts Turkish Lira banknotes in front of an electronic panel displaying currency exchange rates at an exchange office in Istanbul.

Goldman Sachs and others had expected a sharp dive in the lira and Turkish assets given the new governor's dovish and even unorthodox views, and what was seen as the latest damage to the bank's credibility amid years of policy interference that has dogged the major emerging market economy.

The weekend overhaul could soon reverse the hawkish steps taken by predecessor Naci Agbal, analysts said, and nudge Turkey toward a balance of payments crisis given its depleted buffer of FX reserves.

Turkey "will be left with two choices, either it pledges to use interest rates to stabilise markets, or it imposes capital controls," said Per Hammarlund, senior EM strategist at SEB Research.

Finance Minister Elvan said authorities were determined to stick to free-market rules and a free-floating currency regime. He said in a statement the macro policy framework would continue until there is a lasting fall in inflation.

Erdogan fired Agbal two days after a sharp rate hike that was meant to head off inflation of nearly 16 per cent and a dipping lira.

In less than five months on the job, Agbal had raised rates by 875 basis points to 19 per cent and regained some policy credibility as the lira rallied from its nadir.

Cristian Maggio, a strategist at TD Securities said the overhaul "demonstrates the erratic nature of policy decisions in Turkey, especially with regard to monetary matters (and risks) looser, unorthodox, and eventually mostly pro-growth policies from now on."

Deliveroo eyes 8.8b pounds valuation at London float

AFP, *London*

British meal delivery app Deliveroo is aiming for a higher-than-expected valuation of up to 8.8 billion pounds when it launches shortly on the London stock market, the company said Monday following a pandemic-fuelled boom in demand.

The Amazon-backed company, in line with other home-delivery firms, says it has seen demand soar in the past year as locked-down households called in food. The big listing, expected in April, is seen as a major boost to London's financial sector which has been hit by Brexit turmoil. London's financial sector, known as the City, recently lost its European share trading crown to Amsterdam following Britain's exit from the European Union.

Eight-year-old Deliveroo's market capitalisation on listing is set to be between 7.6 billion and 8.8 billion ($10.5 billion-$12.2 billion, 8.9 billion euros-10.3 billion euros), it said in a statement Monday. "We are proud to be listing in London, the city where Deliveroo started," company founder and CEO Will Shu said. "Becoming a public company will enable us to continue to invest in innovation, developing new tech tools to support restaurants and grocers, providing riders with more work and extending choice for consumers," he added.

The offer price range has been set at between 3.90 and 4.60 per share, Deliveroo said.It will sell around 1.0 billion worth of new shares, while current investors in the company plan to sell part of their holdings.

The share price range "is higher than previously expected and makes it the biggest IPO in London for some time," said Neil Wilson, chief market analyst at Markets.com.A recent fundraising round had valued the company at more than $7.0 billion.

The listing update was published alongside news that Deliveroo's app transactions ballooned by 121 per cent in the first two months of 2021. "We have seen a strong start to 2021 and we are only at the start of an exciting journey in a large, fast-growing online food delivery market, with a huge opportunity ahead, "Shu said.

Deliveroo earlier this month announced that it made an underlying loss of 223.7 million in 2020.That was despite thevalue of transactions rocketing 64 percent to 4.1 billion.

Since its London launch in 2013, Deliveroo has expanded into mainland Europe, Asia, Australia and the Middle East. Last year, more than six million people ordered food and drink every month via its app from 115,000 cafes, restaurants and stores.

REUTERS/FILE

A Deliveroo delivery rider cycles in London, Britain.