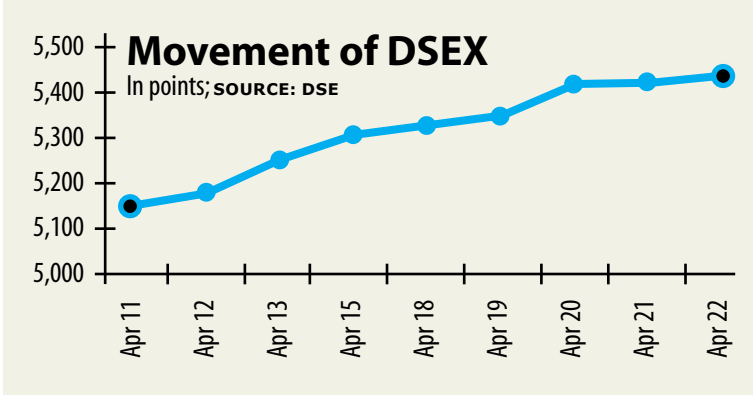
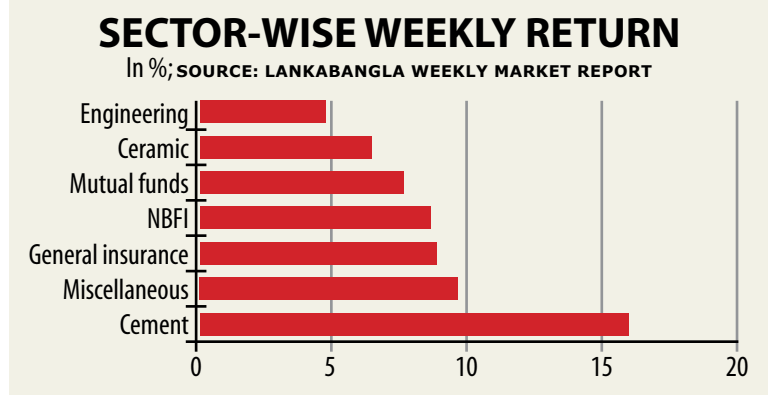


# A banner week for stocks

Market continues to rise, but gambling remains a danger



**AHSAN HABIB**  
Low interest on bank deposits has driven savers away from the banking sector and encouraged them to invest in stocks, which is why the market index has been on a rising trend for the last eight days amid an ongoing nationwide lockdown.  
The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 271 points, or 5.24 per cent, over the last eight trading days.  
While investors are surprised to see a gaining streak despite the deteriorating Covid-19 situation, analysts are not.  
"The market rose for some natural reasons such as low interest in the banking sector, higher corporate earning expectations, recent bear-run of the index, and hope of resolving the pandemic," said Shahidul Islam, chief executive officer (CEO) of the VIPB Asset Management Company.  
The expansionary monetary policy in Bangladesh and all over the world has a positive influence on the stock market.  
"So, many foreign indices are also in an upward trend and even stay at historical high positions," he added.  
The Dow Jones Industrial Average, a US stock market index, rose 0.93 per cent to reach its highest position of 34,137 on April 21.

Similarly, the S&P 500 index is also currently at a historically high position.  
"Besides, Bangladesh's market went through a bear-run a couple of weeks ago, prompting people with a high net worth to come forward and invest," Islam said.  
Since a number of industries have remained open during the lockdown, investors expected to good corporate earnings in the coming months.  
"The vaccine rollout also encourages them to think that the pandemic will soon be wiped out," he added.

## ANALYSIS

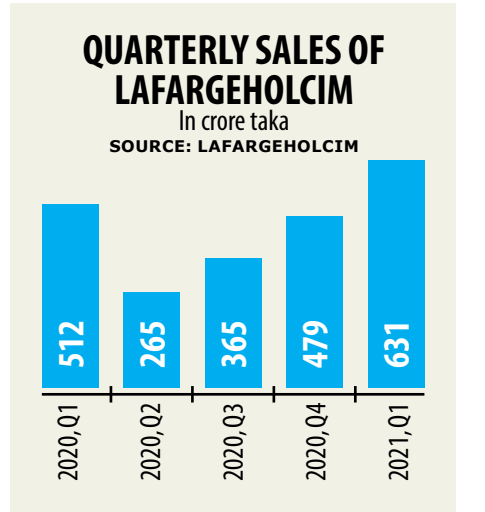
Shibly Amran, chief investment officer and head of the portfolio management division at City Bank Capital Resources, echoed the same.  
"Most investments go to well performing companies that have the potential to bag high third-quarter earnings," he said.  
"So, these companies are rising," Amran added.  
Meanwhile, insurance stocks are also rising at a higher rate without any reason, creating risks for general investors.

"There is no logical cause for the surge as their commission's reduction policy has already been reflected in their income," said Khairul Bashar Abu Taher Mohammed, CEO of MTB Capital.  
Insurance companies have agreed to pay a maximum 15 per cent commission to their agents since 2019. Most insurers previously offered as much as 60 per cent of the premium as commission to secure business.  
Now, the insurance stocks are rising due to gambling, Mohammed said, adding that stocks rise when some people buy shares of small capital-based companies.  
When general investors buy these stocks, gamblers wash their hands of them. As a result, general investors incur losses for buying the shares at a high price.  
Insurance stocks are rising for the same reason. These are barriers to a sustainable market and so, regulators should work to stop them.  
"General investors also need to be cautious because most insurance stocks are now risky," he added.  
Among 37 listed general insurance stocks, the price to earnings ratio of 33 are over 15, according to the weekly stock market data compiled by LankaBangla Securities.  
When a company's price to earnings ratio crosses 15, then it is normally considered a risky investment.

# LafargeHolcim profit doubles in Q1 on higher sales

STAR BUSINESS REPORT

LafargeHolcim Bangladesh said yesterday its profit almost doubled in the first quarter of 2021, riding on a staggering 23 per cent growth in sales amid the pandemic.  
Net sales of the local subsidiary of the global cement giant stood at Tk 631.8 crore in the January to March quarter, up from Tk 512.8 crore year-on-year, as its new products were well-received by the customers.  
Based on the higher sales, net profit rose 98 per cent to Tk 103 crore. The company disclosed the data after its board meeting yesterday.  
It posted earnings per share of Tk 0.89 in the quarter, which was Tk 0.45 during the same period a year earlier.  
"We have continued the journey of strong performance with a clear focus on innovation and sustainability," said Rajesh K Surana, chief executive officer of the company.  
The company's new water-repellent cement and the new business channel "direct to retail" have got off to a solid start, he said.



"This is yet another manifestation of our continued endeavour in serving our customers better by realising their needs."  
LafargeHolcim began the commercial production of clear-size graded aggregate in January.

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# WB to help create better jobs

STAR BUSINESS REPORT

The World Bank and the government of Bangladesh yesterday signed a \$250 million financing agreement to help create more and better jobs, recover faster from the pandemic and build resilience to future crisis.  
The agreement was signed by Fatima Yasmin, secretary of Economic Relations Division, and Mercy Tembon, World Bank's country director for Bangladesh and Bhutan, a World Bank statement said.  
With this programme, total World Bank financing under the Programmatic Jobs Development Policy Credit series stands at \$750 million.  
The credit is from the World Bank's International Development Association (IDA), which provides concessional financing, and has a 30-year term including

a five-year grace period, the statement said.  
Bangladesh currently has the largest ongoing IDA programme totalling over \$14 billion. The World Bank was among the first development partners to support Bangladesh and has committed more than \$35 billion in grants, interest-free and concessional credits to the country since its independence.  
The Third Programmatic Jobs Development Policy—the last in a series of three credits—focuses on key reforms to create quality and inclusive jobs, while supporting the government's response to the Covid-19 crisis. It supports policies to modernise the trade and investment regime, improve social protection for workers, and help youth, women, and vulnerable people access quality jobs, the statement added.

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## GLOBAL BUSINESS

# US financial regulators in hot seat as Biden ramps up climate agenda

REUTERS, Washington

As US President Joe Biden escalates his climate change agenda, pressure is growing on the country's regulators to catch up with Europe and incorporate various risks posed by climate change into their oversight of the financial system.  
The White House is expected to soon issue an executive order on climate change which could require the country's systemic risk watchdog to assess how climate change could hurt financial companies and markets, and to gather and share relevant data.  
It could also tell agencies to consider climate change risks when supervising financial firms and to reverse rules introduced by former President Donald Trump's administration which have curbed sustainable investments, according to progressive groups.  
While the executive order is just the first step in what is likely to be a lengthy



A sign advertising new homes stands in a neighborhood severely damaged by wildfire in Medford, Oregon, US on September 20, 2020.

and contentious rule-writing process, it nevertheless marks a watershed for US climate and financial policy which could have major ramifications for Wall Street.  
"It's a real sea change for US

# Asia markets rebound after Wall Street rally

AFP, Hong Kong

Asian markets clawed back the week's losses on Thursday after Wall Street overnight broke a two-day dip that had been sparked by Covid-19 jitters and valuation fears.  
Investors took the New York drop as a cue to buy, with the Dow rising back above 34,000 and closing in on last week's record finish. Further growth in US stocks is on the horizon in the coming days with analysts expecting a run of corporate results to give a clearer picture of the post-pandemic American economy.  
"US equities recovered Wednesday, snapping an untimely case of an uncontrollable run of two-day hiccups as investors quickly digested the primary culprit, a toxic elixir of two parts technical and one-part Covid heebie-jeebies," said Stephen Innes of Axi.  
"Spooky events will happen from time to time but provided the macros hold up and the Fed continues to toggle the policy taps wide open, it's unlikely the market will shift too far from the recovery reality."  
"Wall Street was showing "strong potential for additional upside" as the earnings season progressed, PIMCO portfolio manager Erin Browne told Bloomberg TV. "While certainly investors have priced in a lot in terms of normalisation in certain segments of the market, I still think that there is

room to run.  
Tokyo led the Asian recovery with the Nikkei up 2.4 per cent by the closing bell, despite an escalating coronavirus outbreak just three months before Japan hosts the pandemic-delayed Olympics.  
Organisers said they may hold off on a planned announcement this month to dictate how many domestic spectators can attend the Games in light of the virus situation, after earlier barring overseas fans. Analysts warned that an expected further tightening of coronavirus restrictions could generate



Hong Kong was up 0.5 per cent while Sydney, Seoul, Singapore and Taipei all posted healthy gains, but Shanghai was down 0.2 per cent.

# Oil slips on Covid-19, data woes

REUTERS, New York

World stocks rose on Wednesday as Wall Street and Europe bounced back from large drops, while oil prices continued to be weighed down by rising Covid-19 cases in Asia.  
Concern that record coronavirus infections in India, likely restrictions in Japan and rising cases in Latin America will be a hurdle for the global economic recovery has weighed on investor sentiment, though the S&P 500 closed just 12 points below its record close.  
On Wall Street, a 7 per cent drop in Netflix weighed on the Nasdaq but indexes bounced back from their largest declines in a month.  
"You take Netflix out of today's

equation, it's simply a broad-based rally," said JJ Kinahan, chief market strategist at TD Ameritrade.  
The Dow Jones Industrial Average rose 316.01 points, or 0.93 per cent, to 34,137.31, the S&P 500 gained 38.48 points, or 0.93 per cent, to 4,173.42 and the Nasdaq Composite added 163.95 points, or 1.19 per cent, to 13,950.22.  
MSCI's gauge of stocks across the globe gained 0.41 per cent and the pan-European STOXX 600 index rose 0.65 per cent.  
Emerging market stocks lost 0.80 per cent. MSCI's broadest index of Asia-Pacific shares outside Japan closed 0.88 per cent lower, while Japan's Nikkei futures rose 0.86 per cent after a 2 per cent overnight drop

in the Topix.  
Oil prices were weighed by concerns that surging Covid-19 cases in India will drive down fuel demand in the world's third-biggest oil importer and by a surprise build in US stockpiles.  
"Demand jitters were thrust back into the spotlight yesterday (Tuesday) amid a sharp rise in global coronavirus cases. Nowhere is this more obvious than in India," PVM analysts said.  
U.S. crude fell 2.49 per cent to \$61.11 per barrel and Brent was at \$65.07, down 2.25 per cent on the day.  
In currency markets, the dollar dipped and was in a tight range throughout the session, not far from the more than six-week low hit intraday on Tuesday.

# ISHO's rise to being number one in online furniture sales

Two years is a very short time to judge the shelf life of any company let alone one that is setting new benchmarks in the country.  
However, there is one such company that has fast become the undisputed leader when it comes to online sales in the furniture sector that has been traditionally been dominated by much larger competitors. This company is ISHO.  
Exactly a year has passed when ISHO recorded an 800-900 per cent increase in online sales during last Eid and the company seems to be on an upward trajectory.  
During the pandemic last year, ISHO started delivering across the country when other brands consolidated their businesses.  
Major cities like Chattogram, Sylhet and Khulna became major business locations and are part of the 48 cities that ISHO delivers to currently.  
A digital-first approach and being online and tech ready during Covid also resulted in a 10 times growth rate, which, by all account, is unmatched by anyone in the industry.  
Founded by Harvard Alumni, Rayana Hossain, the brand is known for introducing cutting-edge products and global designs. She is one of the only female founders in an industry that has been overwhelmingly male dominated.  
The company started out with a presence online with only 22 collections and 380 products.

Today, ISHO boasts a total of 35 collections with over 1,600 products that include many industry-firsts that also cater to pet-owners, gamers and parents amongst many others.  
The dramatic growth of ISHO doesn't stop here and it currently has one of the largest furniture showrooms in the country with a whopping 20,000 sqft area housed over 8 floors with complete furniture solutions along with accessories for bedroom, office, living room and dining room.  
It also has its own design studio which offers interior services for offices, homes, restaurants and hotels. Moreover, their own unique Innovation Lab incorporates technology with revolutionary designs to create furniture that is functional in today's changing world.  
The Lab runs on input from a multidisciplinary team made up of designers, engineers, marketers and an innovative think-tank.  
One of ISHO's core propositions is to promote minimalism and sustainability, which has also contributed in pushing the perception needle of furniture buying in the country.  
For the brand, in basic terms – less ornamentation and carving is more – which means that consciously less wood is used thus making it a more sustainable brand. This is a huge change to what audiences have been used to buying historically.  
According to the brand's website traffic influx data, its web hits, page

views and unique visitors increased by 52 per cent, 5 per cent, and 61 per cent consecutively between July 2020 and March 2021, reinforcing ISHO's position as being the number one online furniture brand in the country.  
In addition, Alexa site rankings, a service that ranks millions of websites in order of popularity, shows that ISHO is now amongst the Top 3 most popular furniture brands in Bangladesh along with Hatil and Partex.  
The many milestones that ISHO has achieved in such a short span of time are a testament to the founding philosophy and to the relentless pursuit of disrupting and bringing much-needed innovation to the furniture industry.  
Right from its designs to matching established companies like Urban Ladder, Pepperfry or Made.com.  
ISHO has become the only South Asian e-commerce player with backward integration in manufacturing.  
With this in mind, it should come as little surprise that when a poll amongst its customers on why they like ISHO was conducted recently many responded that it was because of its global designs.  
Thus, perhaps giving us a glimpse of why ISHO has become the most preferred furniture brand in the country and on that occupies the number one position in online sales currently.