

DSE's prime index crosses 6,200 points

Investors still wary about companies' performances

STAR BUSINESS REPORT

The DSEX yesterday rose to its highest point in the last three-and-a-half years thanks to increased investor participation.

The benchmark index of Dhaka Stock Exchange (DSE) surged by 69 points, or 1.12 per cent, to hit 6,219.94, which is the highest since January 7, 2018, when the index stood at 6,268 points.

"Since trading has continued amid the ongoing strict lockdown, investors no longer fear that the market will be shut," said a stock broker.

When the coronavirus outbreak began in March last year, Bangladesh's stock market was closed down for about two months in the face of a nationwide "general holiday". If the market remains closed, it disheartens institutional and foreign investors.

So, general investors were similarly tense about whether the market would be shut down again as a part of the ongoing strict lockdown measures.

But the apprehensions have dissipated and people are now investing, he said.

Still, concerns remain about the performance of listed companies.

As consumption decreased amid the current crisis, so too did production.

"This might affect the profitability of

certain companies and so, investors are still cautious," added the broker.

Turnover, another important indicator of the market, rose 10 per cent to Tk 1,551 crore yesterday even though the day's trading period was shortened by one-and-a-half hours, till 1:00pm.

At the DSE, 243 stocks advanced, 119 declined and 11 remained unchanged.

Yeakin Polymer topped the gainers' list, rising 10 per cent, followed by Zaheen Spinning Mills, Khan Brothers PP Woven Bag Industries, Talu Spinning Mills and Bangladesh Industrial Finance Company.

Stock of Beximco were traded the most, with Tk 73 crore worth of shares changing hands, followed by ML Dyeing, Keya Cosmetics, Sandhani Life Insurance Company, and Maksos Spinning Mills.

Monno Fabrics shed the most, falling 9.80 per cent, followed by Purabi General Insurance Company, Agrani Insurance Company, Bangladesh Monospool Paper Manufacturing Company, and Global Insurance.

Meanwhile, the port city bourse also rose as the CASPI, the general index of the Chittagong Stock Exchange, advanced 240 points, or 1.35 per cent, to 18,035.

Among 304 stocks to witness trade, 215 advanced, 71 dropped and 18 remained unchanged.

Black plum harvests revive Barguna farmer's glories



SOHRAB HOSSAIN

Clusters of black plum are the first to greet the eye at Ahsan Habib's Koraitala village home, just five kilometres away from Barguna district headquarter. He made Tk 15 lakh from sales this season, most of it through Facebook. The photo was taken on Saturday.

SOHRAB HOSSAIN, Patuakhali

A former presidential award winner for cultivating watermelon and vegetables is now making a name in Barguna with his black plum trees, that too selling off most of this season's Tk 15 lakh-worth harvests through Facebook.

In 1988, the then agriculture minister had come over to see for himself the produce before the award was presented in 1992, said Ahsan Habib taking pride in his work.

And rightly so. His black plum trees bore no fruit in the first two years on being planted in 2008.

But he doubled down on nurturing them, for which now great clusters of the oblong fruit are the first things to greet the eye at his Koraitala village home, just five kilometres away from the Barguna district headquarter.

The black plum tree is also commonly

DISTRICTS IN FOCUS

known as Malabar plum, Java plum, jamun or jambolan. What is less known is its scientific name, *Syzygium cumini*.

The juicy sweet and mildly sour fruit trees start flowering from March to April and the fruits develop by May or June.

During the harvest season, Habib collects the fruit from his 43 trees almost every day. At the season's start, he was able to get Tk 8,000 per maund (one maund equals around 37 kilograms).

As more fruits arrive in markets, prices go down. Most recently, he sold a maund for Tk 2,000. Now that the trees are fully grown, Habib has to bear little expense.

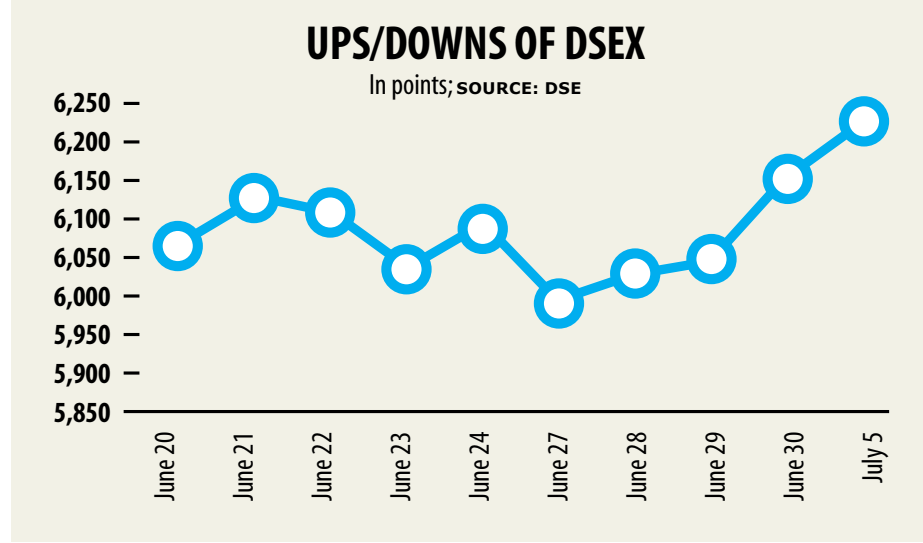
His daughter, Humaira Akter, was the first to make a Facebook post about the season's first arrivals on a group named "Barguna Bee" before word quickly spread.

She said 95 per cent of the sales were made online and they had made deliveries both in Barguna city and around the country, including Barishal, Dhaka and Rajshahi.

Packaging for transportation was an issue as the fruit becomes quite soft when ripe, she said, hoping to adopt better methods in future.

Seeing the success, many of the area's farmers now seek Habib's expertise in the cultivation.

The fruits available in the market are all of native tree varieties as there is no cultivation of improved or hybrid ones, said AKM Mostafa Zaman, a professor of the Department of Agronomy at the Patuakhali Science and Technology University.



GLOBAL BUSINESS

Euro zone business activity soared in June as lockdowns lifted

REUTERS, London

Euro zone businesses expanded activity at the fastest rate in 15 years in June as the easing of more coronavirus restrictions brought life back to the bloc's dominant service industry, a survey showed on Monday.

But that surge in growth has come at a cost as inflationary pressures mounted due to labour shortages and disruptions to supply chains caused by the pandemic.

IHS Markit's final composite Purchasing Managers' Index (PMI), seen as a good gauge of economic health, jumped to 59.5 last month from May's 57.1, its highest level since June 2006.

That was ahead of the 59.2 "flash" estimate and well above the 50 mark separating growth from contraction.

"Europe's economic recovery stepped up a gear in June, but inflationary pressures have also ratcheted higher," said Chris Williamson, chief business economist at IHS Markit. "Business is booming in the euro



REUTERS/FILE

People enjoy an evening drink at Place de la Contrescarpe in Paris as cafes, bars and restaurants reopen after closing down for months amid the coronavirus disease outbreak in France on May 19.

zone's service sector. Added to the impressive growth seen in the manufacturing sector, the PMI surveys suggest the region's economy is firing on all cylinders as it heads into the summer."

An acceleration in vaccination programmes on the continent has meant governments have allowed more of the services industry to reopen and its PMI soared to 58.3 from 55.2, ahead of the flash 58.0 estimate and its highest reading since July 2007.

A PMI covering manufacturers, released last week, showed factory activity expanded at its fastest pace on record in June but that they faced the steepest rise in raw materials costs in well over two decades.

Those inflationary pressures were also felt by the services industry and the composite input prices index bounced to 69.8 from 66.8, the highest in nearly 21 years. Although inflation risks are skewed to the upside the European Central Bank was expected to maintain its loose monetary policy and look through higher inflation expectations for a while before it acts, a Reuters poll found last month.

Oil edges up as Opec+ seeks to break impasse over supply

REUTERS, Tokyo

Oil prices were slightly up on Monday with investors and traders awaiting crucial talks by OPEC+ following disagreement over output within the group that could lead to major producers pumping up volumes to grab market share.

Brent crude was up 15 cents, or 0.2 per cent, at \$76.32 a barrel by 0558 GMT, after slipping 1 cent last week, the first weekly decline in six. US oil gained 12 cents, or 0.5 per cent, to \$75.28 a barrel, having risen 1.5 per cent last week, the sixth consecutive week of gains for the contract.

The Organization of the Petroleum Exporting Countries (OPEC) and its allies, known as OPEC+, voted on Friday to increase production by about 2 million barrels a day from August to December 2021 and to extend the remaining output cuts to the end of 2022, but objections from the United Arab Emirates (UAE) prevented an agreement.

It was a rare public disagreement between members of the group, with national interests increasingly diverging, which is impacting OPEC+ policy as oil users want more crude as their economies recover from the Covid-19 pandemic. "Failing to come to a deal may provide some brief upside to the market," ING Economics said in a note.

"However, realistically it could also signal the beginning of the end for the broader deal, and so the risk that members start to increase output," ING said.

Saudi Arabia's energy minister sought on Sunday to push back against UAE's opposition to a proposed deal, calling for "compromise and rationality" to get unanimity when the group meets again on Monday.

"You have to balance addressing the current market situation with maintaining the ability to react to future developments... if everyone wants to raise production then there has to be an extension," Prince Abdulaziz bin Salman told Saudi-owned Al Arabiya television channel.

He also highlighted uncertainty over the course of the pandemic and production from Iran and Venezuela.

In the United States, energy companies increased oil and natural gas rigs for a third week out of the last four.

German car production forecast slashed

REUTERS, Berlin

Germany's car industry on Monday slashed its forecast for production growth this year, indicating that the recovery from the coronavirus pandemic will be bumpy as manufacturers battle supply-chain disruptions.

The Association of German Automobile Manufacturers (VDA) cut its forecast for production growth to 3 per cent from 13 per cent previously, saying that production in recent months had been "significantly below expectations".

It now expects 3.6 million cars to be made in Germany this year, down by 400,000 units from its last forecast, the VDA said in its mid-year market update.

The German car industry - featuring powerful brands like Volkswagen, Daimler and BMW - accounts for an estimated 5 per cent of the economic output and more than 800,000 jobs, making it a bellwether for Europe's largest economy. Manufacturers idled production early in the pandemic in anticipation of a go-slow by car buyers, and have been caught short by a snapback in demand as economies have reopened this year.

Growth in China's services sector falls to 14-month low

REUTERS, Beijing

Growth in China's service sector slowed sharply in June to a 14-month low, weighed down by a resurgence of Covid-19 cases in southern China, a private investigation revealed on Monday, adding to concerns the second largest in the world the economy may start to run out of steam.

The Caixin / Markit Services Purchasing Managers Index (PMI) fell to 50.3 in June, the lowest since April 2020 and down significantly from 55.1 in May. It held up just above the 50 mark, which separates growth from contraction on a monthly basis.

China's official services gauge

also showed a marked slowdown in June, although it remained well in expansion territory. The private survey is supposed to focus more on small businesses.

Coupled with a slowdown in the manufacturing sector, analysts say PMI survey results suggest pent-up demand for Covid may have peaked and that China's strong economic rebound from the crisis is starting to moderate. Although slower to recover from the pandemic than industry, a gradual improvement in consumption in recent months has boosted China's service sector.

However, a Covid-19 outbreak of the most infectious Delta strain

in the Guangdong export and manufacturing hub since late May and the subsequent imposition of anti-virus measures have weighed on consumer and business activity.

As the government reacted swiftly to contain the new wave of cases and economic disruption eases, the private investigation showed service providers' business prospects for the coming year to be at their lowest in nine months.

A new business sub-index stood at 50.5, also the lowest since April 2020, when the service industry was still mired in Covid paralysis. Businesses also downsized in June for the first time in four months, amid slowing demand.



A petrol station attendant prepares to refuel a car in Rome, Italy.

REUTERS/FILE