Stocks continue to fall amid profit taking

But firms with subpar performance remain bullish

Star Business Report

The stock market continued to fall for a second consecutive day yesterday owing to a profit booking tendency prevailing among investors.

Despite this, companies whose performances were not up to the mark remained bullish.

Meanwhile, the Bangladesh Securities and Exchange Commission (BSEC) decided to extend trading hours by an hour to 2:00pm from today in tune with that of banks.

Trade on a normal day ends at 2:30pm.

From today, the pre-opening session begins at 9:45am and the post-closing session ends at 2:15pm, said a BSEC press release.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), nosedived 19.35 points, or 0.31 per cent to 6,177.21.

Investors are raking in profits from the market as the prime index had risen to its highest point in three-and-a-half years, said a merchant banker.

Last Monday, the DSE's index soared to 6,219. When the market opened on a rising trend yesterday, many people started availing profits and the rising trend proves that investors had confidence on the market, he said.

If such confidence continues to prevail, the market will remain healthy, said the merchant banker, adding that the rise of companies whose performance was not that good was not a good sign.

Among the top 10 gainers, only two were from the "A" category, meaning they had provided more than 10 per cent dividends last year.

Another four were from the "Z" category, meaning they had either failed to provide dividends or closed production.

Three more were from the "B" category, meaning their dividend payout was less than 10 per cent.

The remaining one was a newly listed company. Investors should be cautious because companies whose performances were not that good could end up eroding their investments, added the merchant banker.

Turnover, another important indicator of the market, dropped 11 per cent to Tk 1,577 crore while it was Tk 1,789 crore a day earlier.

At the DSE, 142 stocks advanced, 205 declined and 25 remained unchanged.

The Paper Processing and Packaging topped the gainers' list, rising 10 per cent, followed by Bangladesh Industrial Finance Company, Tamijuddin Textile Mills, Information Services Network, and Sonali Life Insurance.

Stock of Beximco were traded the most, worth Tk 162 crore, followed by LafargeHolcim Bangladesh, Beximco Pharmaceuticals, National Feed Mills and Keya Cosmetics.

Alltex Industry shed the most, falling 7.80 per cent, followed by Desh Garments, FAR Chemical Industries, First Finance and Tallu Spinning Mills.

The port city bourse also fell today. The CASPI, the general index of Chittagong Stock Exchange, nosedived 74 points, or 0.41 per cent, to 17,881. Among 307 stocks to witness trade, 110 advanced, 170 dropped and 27 remained unchanged.

TOP GAINERS IN DSE

COMPANY	CATEGORY	RISE (in %)
Paper Processing	Z	10
BIFC	Z	10
Tamijuddin Textile	Z	9.87
ISN Ltd	B	9.74
Sonali Life Insurance	N	9.77
Matin Spinning	A	9.6
Fu-Wang Ceramic	B	9.45
International Leasing	B	9.33
Fareast Finance	Z	9.09
Sonali Paper	A	8.73

Cattle farming offers some respite amid Covid fallouts

Md Aminul Islam, *Mymensingh*

Arshad Uddin fell into a deep crisis when his indenting business in Dhaka took a turn for the worse soon after the coronavirus outbreak began in March last year.

Having completed his HSC in 1995, Uddin joined an indenting company in the capital in early 1996 before going on to start his own firm in 2020.

But after realising that the economic downturn would last for a while, Uddin moved his family back to their hometown of Rouha Niamotpur village in Karimganj upazila of Kishoreganj.

"Once home, I thought about my childhood devotion for cattle farming as I grew up in rural areas," he said.

"I started using an organic method of rearing after buying 20 cattle for Tk 30 lakh in the initial stage," Uddin added.

Now, his farm is home to 250 cattle, including 50 buffalo and 45 milking cows.

Besides, he has about 140 cows that are ready for sale as sacrificial animals in the upcoming Eid-ul-Azha.

Each cow will be priced between Tk 1.5 lakh and Tk 4 lakh, generating revenue of about Tk 5 crore in total.

Uddin has already sold some of his cattle this year, including his precious "Black Diamond", which sold for Tk 4 lakh to a buyer in Dhaka.

"Buyers from Dhaka and Chattogram visit the farm, named JC Agro, every day," Uddin said.

During his time working in the indenting business, Uddin travelled to some 15 countries in the EU and Asia, including Japan, Belgium, Malaysia, Korea, Singapore and Italy.

"I saw how organic feed is used for cattle farming in Japan and decided to apply it at my own farm," he said.

COLLECTED

Using organic feed is cheaper than artificial products, while the cattle raised organically have good demand despite their higher prices.

DISTRICTS IN FOCUS

Using organic feed is comparatively cheaper than artificial products. Besides, the cattle raised organically have good demand despite their higher prices.

Natural animal feed products like grass, silage, straw, wheat bran, rice bran, molasses, bean bran, oilcake, and salt are considered organic.

"My venture was to rear cattle using organic food instead of different quick-fattening methods," he added.

Around one-and-a-half tonnes of cow dung is regularly produced at the farm and so, Uddin is now considering going for vegetable and crop cultivation using this organic fertiliser.

This presents him with an opportunity to farm on the vast tracts of lands in haor areas.

"My wife Umme Hani Akter Chadni, who also hails from a rural area, has a similar devotion for cattle farming and it is a great inspiration for me", he said.

Uddin has so far invested about Tk 5 crore with a long-term mission in cattle farming.

"I have to pay around Tk 5 lakh per month as salary for 30 employees and have a target to employ more workers if the farm gets larger," the 43-year-old added.

The success of his cattle farm has given him a much-needed back up amid the ongoing coronavirus crisis.

It is also a matter of satisfaction for locals that Uddin has created job opportunities for them at a time when the pandemic has left thousands of people out of work, said Shamsuddin Ahmed, a retired school teacher.

Praising Uddin's venture, Dr Shapan Chandra Banik, livestock officer of Karimganj upazila, said rearing cattle with organic food was profitable, low cost and healthy.

Of the farm employees, 15 were trained by the local livestock department.

"His venture will surely inspire many educated youths to go for cattle farming to be self-reliant and to enrich the country's livestock sector as well," Banik said.

GLOBAL BUSINESS

Boost to clean energy investment could drive 10m new green jobs

Reuters, *Barcelona*

From offshore wind farms in Britain to floating solar power plants in Vietnam, about 13,000 renewable energy projects in nearly 50 countries are waiting for finance - and could create up to 10 million green jobs, consultancy EY-Parthenon said on Wednesday.

In a report, EY said the projects offered $2 trillion in investment opportunities that would generate jobs locally and in supply chains, and would help slash climate-heating emissions and secure a green recovery from the pandemic.

Serge Colle, EY's global energy advisor, said the research showed there was "huge potential to accelerate private-sector renewables investment" with the right government policies and regulation around the world.

If the projects identified were implemented in the next three years, they would more than double the rate of global renewables deployment, while delivering 22 per cent of emissions reductions promised this decade by the 47 countries covered in the research, which include G20 nations, the report said.

That would amount to 9 per cent of the emissions cuts needed by 2030 to keep planetary warming to the most ambitious global target of 1.5 degrees Celsius above pre-industrial times, added the report commissioned by the European Climate Foundation (ECF). The biggest potential benefits for workers are in China and the United States, where the projects could create about 2 million and 1.8 million jobs respectively.

India, Australia, Brazil, Britain and Canada also could generate hundreds of thousands of jobs each from boosting offshore and onshore wind, solar and hydropower capacity.

The jobs range from lower-skilled work in construction, installation and manufacturing to professional jobs in things like engineering and project management.

In Britain, greater investment in green energy could support sustained job creation and economic growth especially in the former coal-mining region of northern England and oil-and-gas producer Scotland, where large wind farms are being developed, the research said.

The UK pipeline of projects seeking finance includes 540 mainly solar and wind power proposals, with the potential for close to 439,000 new jobs, the report said. It noted total jobs could rise to about 625,000 when power storage, transmission and distribution are added.

That would mitigate 90 per cent of job losses from the Covid-19 pandemic, the ECF said. Tim Lord, a net-zero expert with the UK-based Tony Blair Institute for Global Change, cautioned that in many places globally workforces do not yet have the skills to redeploy into clean technologies and their supply chains.

"This transition is not as simple as you take an offshore oil and gas worker and retrain them to operate a wind turbine, and everyone is happy. Clearly there will be some disconnect," said Lord, who was not involved in the EY report.

Coordination between governments and companies will be essential to develop the local infrastructure and skills needed to expand generation and use of renewable energy, which would in turn help attract necessary investment, he said.

The challenge will be even greater in developing countries where large swathes of the population lack access to electric power and strong markets have yet to be fostered, he told the Thomson Reuters Foundation.

November's COP26 climate summit in Scotland will be key to providing the incentives for emerging economies to shift away from fossil fuels and into cleaner power - but that will happen only if richer nations show a clear commitment to decarbonising, Lord said.

REUTERS/FILE

A technician of French gas and power group Engie inspects a wind turbine during a press visit at Engie windfarm in Brittany, France.

IMF chief sees risk of sustained rise in US inflation

Reuters, *Washington*

The International Monetary Fund on Wednesday said further fiscal support in the United States could fuel inflationary pressures and warned that the risk of a sustained rise in prices could require raising interest rates earlier-than-expected.

Higher US interest rates, in turn, could lead to a sharp tightening of global financial conditions and significant capital outflows from emerging and developing economies, IMF Managing Director Kristalina Georgieva said in a blog published Wednesday with the IMF's surveillance note for G20 countries.

The IMF's assessment of US inflation risks comes amid sharp criticism by Republican lawmakers of President Joe Biden's multi-trillion-dollar plans to boost spending on infrastructure, child care, community college tuition and expanded coverage of home care for the elderly and disabled.

Georgieva said an accelerated recovery from the Covid-19 pandemic in the United States, where growth is seen reaching 7 per cent in 2021, would benefit many countries through increased trade, but rising inflation could be more sustained than expected. The IMF forecasts global growth of 6 per cent.

KRISTALINA GEORGIEVA
IMF Managing Director

Other countries face rising commodity and food prices, which are now at their highest level since 2014, putting millions of people at risk of food insecurity, the IMF said in its report. Market expectations suggested commodity prices would remain contained over the next few years, but inflation developments varied within advanced economies and were picking up more rapidly in Britain, the United States and the euro area, while remaining subdued in others, like Japan.

EU urges UK to accept Swiss-style deal to end agri-food standoff

Reuters, *Brussels*

The European Union urged London on Tuesday to consider a Swiss-style veterinary agreement with Brussels on agri-foods to end a post-Brexit 'sausage war' row over certain goods moving between Britain and its province of Northern Ireland.

Tension has mounted over trade arrangements for Northern Ireland, particularly for chilled meats, because the province's open border with EU member Ireland is Britain's only land frontier with the EU and its vast single market.

European Commissioner Maros Sefcovic, the EU executive's chief interlocutor with Britain since it completed its exit from the bloc last year, said the biggest challenge for Brussels was how to rebuild trust and realign its relationship with London.

"To build trust in each other requires first working together cooperatively and refraining from surprises," he said, referring to Britain's unilateral extension of grace periods for some food imports to Northern Ireland.

"In response, we were forced to launch an infringement procedure (legal action),

MAROS SEFCOVIC
European Commissioner

and without satisfactory steps by the UK to remedy these measures we will have no choice but to step up these legal proceedings," he told a conference.

Trading arrangements for the province are governed by the Northern Ireland protocol, part of the Brexit divorce deal Britain agreed with the bloc.

It seeks to find a delicate balance between keeping open the border to protect the 1998 Good Friday peace deal that ended three decades of sectarian conflict in Northern Ireland and stopping goods flowing unchecked into the EU.