

DSE turnover hits decade high

Rising confidence, investor participation the cause

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) registered a turnover of Tk 2,939 crore yesterday, its second single-day highest following the record Tk 3,249 crore of December 5, 2010.

The important market indicator soared 17 per cent compared to that of the previous day at the country's premier bourse to reach its highest point in a decade.

"The interest rates offered by banks are very low and so, savers are heading towards the stock market," said a top official of a brokerage firm.

Besides, since the banking sector has a huge amount of excess liquidity, lenders are pouring funds into equities while rising confidence in the market also played a part.

"So, market turnover soared," he added. The DSEX, the benchmark index of the DSE, continued its surge of the last six trading days to rise by 32 points, or 0.48 per cent, to 6,628 yesterday.

The DS-30, the blue chip stock index, soared 6 points to 2,392 at the same time. The Shariah index of the premier bourse, DSES, rose 12 points to 1,452. This is the highest point to be reached by all three indexes since their inception in 2013.

Square Pharmaceuticals and United Power Generation jointly contributed 19 points to the index.

"Many entrepreneurs are also now active in the stock market as their own businesses are going quite slow amid the pandemic," said a merchant banker.

Seasonal investors have come to the

market as well while some investors whose funds were tied up in stocks before the 2017 peak or earlier have also returned to profits.

"So, they are also trading in the market," he said, adding that if investors invest in companies with good performance records, then their investment would not end up in losses.

However, many stocks with low performance records surged abnormally despite announcements from the companies concerned that they have no undisclosed information.

"So, investors should be cautious about these stocks," said the merchant banker.

At the DSE, 181 stocks advanced, 173 declined and 20 remained unchanged.

VFS Thread Dyeing topped the gainers' list, rising 10 per cent, followed by Acme Laboratories, Monno Ceramic Industries, Alhaj Textile Mills and Legacy Footwear.

Stock of Beximco were traded the most, worth Tk 152 crore, followed by Orion Pharma, IFIC Bank, National Polymer Industries and GPH Ispat.

Northern General Insurance Company shed the most, falling 6.46 per cent, followed by Fu-Wang Ceramic Industry, eGeneration, and SEMI FBLSL Growth Fund.

The port city bourse also rose yesterday. The CASPI, the general index of Chittagong Stock Exchange, advanced 101 points, or 0.52 per cent, to 19,289.

Among 321 stocks to undergo trade, 157 advanced, 144 dropped, and 20 remained unchanged.

Khulna's vegetable growers frown over low prices



Hanif Morol, a farmer from Kharnia village under Dumuria upazila of Khulna, is seen in a field of elephant foot yam, a vegetable popularly known in Bangladesh as 'ol kochu'.

PHOTO: DIPANKAR ROY

DIPANKAR ROY, Khulna

Vegetable farmers in Khulna are being unable to secure fair prices for their produce as the ongoing coronavirus crisis has disrupted the supply of these crops to different parts of the country, including Dhaka.

Besides, considering the restrictions on public movement and other measures in place to stem the spread of Covid-19, truck operators are demanding "unreasonably high" fares.

Sales plummeted as a result and although farmers are offering low rates in a bid to make ends meet, crops are being left to rot on many occasions.

"I am in a dire situation now as prices of all

DISTRICTS IN FOCUS

kinds of vegetables are so low that it does not even cover my production cost," said Hanif Morol of Kharnia village under Dumuria upazila. "Now, local wholesalers are not buying vegetables as they are not coming due to the Covid-19 fallout and lockdowns in different places," he added.

Morol went on to say that vegetables were rotting in the croplands as most farmers refrained from harvesting large quantities at a time.

"Many local farmers are being forced to sell

their vegetables at low prices as the demand has declined for the strict lockdown," said Aminul Islam of Golna village in the same upazila.

Like Morol and Islam, many vegetable growers in the region are facing similar hardships.

Wholesalers from different parts of the country are unable to travel to the region as transportation services have been halted as a part of measures to contain the spread of Covid-19.

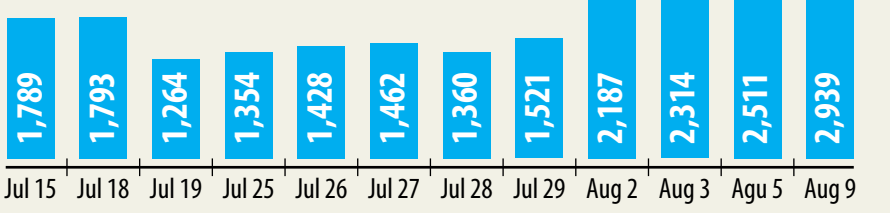
"So, vegetable growers are not getting fair prices. With the lack of sales, vegetables are going to waste now.

In some places, one kilogramme (kg) of cucumber is being sold for as low as Tk 5," Islam added.

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DSE TURNOVER

In crore taka, SOURCE: DSE



GLOBAL BUSINESS

China's factory price growth quickens

Adds to business and broad economic pressures

REUTERS, Beijing

China's factory gate inflation in July rose at a faster clip from the previous month and exceeded market expectations, adding to strains on an economy losing recovery momentum as businesses struggle with high raw material costs.

The world's second-biggest economy is on track to expand more than 8 per cent this year but analysts say pent-up coronavirus demand has peaked and forecast growth to moderate amid supply chain bottlenecks and outbreaks of the Delta variant of Covid-19.

The producer price index (PPI) grew 9.0 per cent from a year earlier, matching the high seen in May, the National Bureau of Statistics (NBS) said in a statement on Monday. Analysts in a Reuters poll had expected the PPI to rise 8.8 per cent, unchanged from June.

Consumer inflation slowed slightly, the data showed, giving policymakers room to act if required. China's economy has largely recovered from disruptions caused by the Covid-19 pandemic, but the expansion is losing steam

as businesses face intensifying strains from higher commodity prices and global supply chain bottlenecks.

"We believe domestic inflationary pressure is largely controllable, and Beijing will unlikely overreact to the stronger-than-expected July inflation data," analysts from Nomura wrote in a note.

"Instead, we expect Beijing to maintain its unique policy mix of 'targeted tightening + universal easing' through the remainder of this year."

China cut the amount of cash that banks must hold as reserves in July, releasing around 1 trillion yuan (\$154.40 billion). Many analysts expect another cut later in the year.

The global spread of the more-infectious Delta variant of the virus and new outbreaks of cases at home, on top of recent heavy rainfall and floods in some Chinese provinces have also disrupted economic activity.

"The pandemic worsened and caused more disruption in the global supply chain," said Zhiwei Zhang, chief economist at Pinpoint Asset Management.

The PPI, a benchmark gauge of



A woman works at Xunxi factory, which is an affiliate of Chinese e-commerce giant Alibaba, during a media tour, in Hangzhou, Zhejiang province, China.

REUTERS/FILE

a country's industrial profitability, inched up 0.5 per cent on a monthly basis, accelerating from a 0.3 per cent uptick in June.

Higher crude oil prices and increased demand for thermal coal as China copes with hot

weather helped drive up prices, said Dong Lijuan, an official with NBS, in a statement released alongside the data.

Prices in the coal mining and washing and ferrous metal extraction industries jumped 45.7

per cent and 54.6 per cent in July year-on-year, respectively.

China's "zero tolerance" policy to Covid cases will probably put further stress on the supply chain, and inflation pressure may persist in the second half, said Zhang.

Oil drops 3pc on China Covid curbs, stronger dollar

REUTERS, London

Oil prices fell more than 3 per cent on Monday, extending last week's steep losses on the back of a rising US dollar and concerns that new coronavirus-related restrictions in Asia, especially China, could halt a global recovery in fuel demand.

Brent crude futures fell by US\$2.43, or 3.5 per cent, to US\$68.27 a barrel by 0800 GMT after a 6 per cent slump last week for their biggest weekly loss in four months.

US West Texas Intermediate (WTI) crude futures fell US\$2.41, or 3.6 per cent, to US\$65.87 after plunging by nearly 7 per cent last week in their steepest weekly decline in nine months.

"Concerns about potential global oil demand erosion have resurfaced with the acceleration of the Delta variant infection rate," RBC analyst Gordon Ramsay said in a note.

ANZ analysts pointed to new restrictions in China, the world's second-largest oil consumer, as a major factor clouding the outlook for demand growth.

The restrictions include flight cancellations, warnings by 46 cities against travel and limits on public transport and taxi services in 144 of the worst-hit areas.

On Monday China reported 125 new Covid-19 cases, up from 96 a day earlier. In Malaysia and Thailand, infections hit daily records.

China's export growth slowed more than expected in July after outbreaks of Covid-19 cases and floods while import growth was also weaker than expected.

"Both (benchmark crude) contracts look vulnerable to more bad news on the virus front, focusing on mainland China," OANDA senior market analyst Jeffrey Halley said in a note. China's crude oil imports fell in July and were down sharply from the record levels of June 2020.

Alibaba fires manager accused of sexually assaulting employee

REUTERS, Shanghai

Chinese e-commerce giant Alibaba Group Holding Ltd has fired a manager who allegedly sexually assaulted a female employee and will establish policies to prevent sexual harassment, Chief Executive Daniel Zhang said on Monday.

The manager - at Alibaba's City Retail unit, which offers grocery delivery from local supermarkets - "has been fired and will never be rehired," Zhang said in a memo published on Alibaba's intranet that was seen by Reuters and later made public.

The man told management there were "intimate acts" with the employee

when she was inebriated, Zhang said in the memo, adding that the police is investigating the matter.

Reuters was unable to reach the individual for comment.

"Alibaba Group has a zero-tolerance policy against sexual misconduct, and ensuring a safe workplace for all our employees is Alibaba's top priority," a company spokesperson told Reuters when asked about the memo.

Over the weekend, a female staffer posted an 11-page account on Alibaba's intranet in which she said her supervisor and a client sexually assaulted her while on a business trip, and that managers had failed to take action.

German exports jump despite supply bottlenecks

REUTERS, Berlin

German exports rose more than expected in June despite persisting supply bottlenecks in manufacturing, data showed on Monday, suggesting a solid recovery in Europe's biggest economy.

The data, released by the Federal Statistics Office on Monday, brought some relief after manufacturing figures showed on Friday that industrial output unexpectedly fell in June due to supply bottlenecks for intermediate goods.

"Exports are now up for the 14th month in a row. What a run!" VP Bank analyst Thomas Gitzel said.

Seasonally adjusted exports jumped by 1.3 per cent on the month in June after a slightly revised



Container ships are loaded at a container terminal in the harbour amid the outbreak of coronavirus disease in Hamburg, Germany on March 29.

REUTERS/FILE

rise of 0.4 per cent in May. Imports rose 0.6 per cent after an increase of 3.4 per cent the prior month.

The strong rise in exports widened the trade surplus to 13.6 billion euros from a revised 12.8 billion euros in May.

A Reuters poll had pointed to a 0.4 per cent increase in exports, a 0.5 per cent rise in imports and a trade balance of 13.4 billion euros.

Compared to February 2020, the month before the start of the Covid-19 pandemic in Germany, seasonally adjusted exports rose by 1.1 per cent and imports jumped by 10 per cent, underlining strong domestic demand and massive state spending during the crisis.

The monthly trade data did not include a breakdown by country.