

ICB, Berger, Walton bleed on share offload order

STAR BUSINESS REPORT

Stock prices of the Investment Corporation of Bangladesh (ICB), Walton Hi-tech Industries Limited, and Berger Paints Bangladesh Limited shed the most in the market yesterday after news broke that all three were asked to offload at least 10 per cent of their shares.

The ICB plunged 8.6 per cent, Walton 6.2 per cent and Berger 6.1 per cent, shows data from the Dhaka Stock Exchange (DSE).

Their combined fall cost the DSEX, the benchmark index of the DSE, 20 points, according to amarstock.com.

After offloading the shares, all three would have a higher supply of stocks in the market, leading to lower prices.

for profit booking in hopes that the rising trend would continue.

The DSEX surged 15 points, or 0.22 per cent, to 7,218.

Although investors booked profits in the previous session, people are still optimistic about the market, said a stock broker.

However, institutional investors are in a wait-and-see approach so their participation fell, he added.

Turnover, an important indicator of the market, fell 24 per cent to Tk 2,040 crore while it was Tk 2,708 crore a day earlier.

Metro Spinning Limited topped the gainers' list, rising 9.92 per cent, followed by Monno Fabrics Limited, Meghna Condensed Milk Industries Limited, SBAC Bank Limited and Beach

Jute prices fall by Tk 500 a maund within a week

SUZIT KUMAR DAS, Faridpur

The price of raw jute has fallen by about Tk 500 per maund (37 kilogrammes) at local markets in Faridpur district, thereby depriving farmers and traders of higher profits, local sources said.

Raw jute sold for between Tk 3,000 and Tk 3,500 per maund just last week but now, the price ranges from Tk 2,500 to Tk 3,000 per maund, according to data from the Department of Jute.

Jute farmers and traders allege that prices fell as a result of decreased demand from millers and exporters, many of whom just recently resumed operations following prolonged closures due to the ongoing coronavirus pandemic.

Earlier this month, raw jute prices had reached as much as Tk 6,500 per maund in the country's northwestern region, namely Rangpur division, where 70 of the 200 jute mills listed under the Bangladesh Jute Mills Association (BJMA) are based in.

These mills cater to both local and foreign demand for hessian, jute bags and cloth but sales were practically nil in the face of declining work orders amid the Covid-induced economic downturn.

Besides, jute production was inadequate last year due to unfavourable weather conditions, pushing prices up to their highest point in history.

Jute was cultivated on 6.80 lakh hectares of land to produce 77.25 lakh bales of the produce in fiscal 2020-21, down from 6.79 lakh hectares and 80.45 lakh bales respectively the previous year, showed data from the Department of Agricultural Extension (DAE) and Bangladesh Bureau of Statistics.

This year though, yields and acreage had increased as jute production rose by about 5 per cent year-on-year to 169,989 bales from 16,088 hectares of land in



SUZIT KUMAR DAS

Jute farmers and traders said prices fell as a result of decreased demand from millers and exporters. The photo was taken from Thanthania jute market in Saltha upazila of Faridpur recently.

TOP LOSERS IN DSE

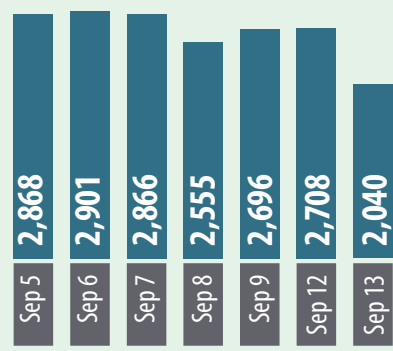
Fall in %

ICB	-8.62
Walton	-6.24
Berger	-6.13
Savar Refractories	-4.3
Bangladesh National Ins	-4.2
Bata	-4
Singer	-3.6
National Life Ins	-3.27
Delta Life Ins	-3.24
Islami Ins	-3.09

SOURCE: DSE

DSE TURNOVER

In crore taka



SOURCE: DSE

"So, the share price of these stocks fell," said a top official of a merchant bank.

However, the decision by the Bangladesh Securities and Exchange Commission (BSEC) to have these companies offload shares was a great one as it will allow more people to buy a stake, he added.

The BSEC ordered the three listed companies to offload more shares in order to comply with public issue rules.

According to public issue rules, a company needs to offload at least 10 per cent of its total shares to general investors.

However, the Walton issued 0.97 per cent of shares, the ICB 3.19 per cent and the Berger 5 per cent to investors, as per DSE data.

Meanwhile, the stock market climbed yesterday just a day after investors went

Hatchery Limited.

The ICB shed the most followed by the Walton, Berger, Savar Refractories Limited and Bangladesh National Insurance Company Limited.

Stocks of Beximco Limited were traded the most, worth Tk 149 crore, followed by Beximco Pharmaceuticals Limited, National Housing Finance and Investments Limited, NRB Commercial Bank Limited, and British American Tobacco Bangladesh Company Limited.

Chittagong Stock Exchange (CSE) also rose yesterday as the CASPI, the general index of the port city bourse, rose by 44 points, or 0.21 per cent, to 21,029.

Among 323 stocks to undergo trade, 164 advanced, 132 fell and 27 remained unchanged.

DISTRICTS IN FOCUS

Tangail district.

As a result, farmers who spent about Tk 5,000 to produce around five maunds of raw jute per bigha (33 decimals) expressed satisfaction over the yield.

But during a recent visit to the Thanthania jute market in Saltha upazila of Faridpur, this correspondent found farmers of different villages were selling jute for about Tk 2,500 per maund.

Abdul Halim Matubbar, a farmer

of Chowlia village in Saltha upazila, said he got 42 maunds of jute from his three bighas of land this year.

"I sold five maunds of jute at Tk 3,400 per maund in a local market last week but I sold another 10 maunds at Tk 2,900 per maund today [Sunday]," he said.

"I have to sell all my jute no matter what as I borrowed money to cultivate it," Matubbar added.

Rup Kumar Mandal, a jute farmer of Boutipara village under

Nagarkanda upazila said, he got 48 maunds of jute from 2.8 bighas of land this year.

"I sold five maunds of jute in Nagarkanda jute market last week at Tk 3,400 per maund but I sold about 10 maunds on Saturday at Tk 2,900 per maund," he added.

Similarly, Karuna Kanta Mandal, a farmer of the same area, said he sold 10 maunds of jute at Tk 3,500 per maund 15 days ago but the selling price has since gradually fallen.

The price of raw jute has declined as millers and exporters do not buy as much as they used to, according to Solemian Mia, a jute trader of Thantania jute market.

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GLOBAL BUSINESS

China's latest tech crackdown weighs on stocks

REUTERS

A slide in Hong Kong-based technology and internet heavyweights following Beijing's latest regulatory crackdown pushed an index of emerging markets shares on Monday to their lowest this month, while Russia's Rusal jumped on debt repayment.

Shares of tech giants Meituan, Alibaba Group and Tencent Holdings slumped between 2.5 per cent and 4.5 per cent.

In the latest in a series of increasing oversight on businesses, Beijing sought to break-up Ant Group's hugely popular payments app, Alipay, and create a separate app for the company's highly profitable loans business, the Financial Times reported on Sunday.

"Buying the dip in China equities in this environment remains akin to catching a very sharp falling knife," said Jeffrey Halley, senior market analyst, Asia Pacific at OANDA.

MSCI's Asia-heavy EM equities index fell almost 1 per cent, with gains in bourses elsewhere being muted. Investor focus was also on US August inflation data due on Tuesday for more clues on what the Federal Reserve may decide on its stimulus next week.



REUTERS

A man looks at stock market monitors in Taipei. Shares of tech giants Meituan, Alibaba Group and Tencent slumped between 2.5 per cent and 4.5 per cent yesterday.

Shares of Russia's aluminium giant Rusal jumped 9 per cent on the Hong Kong exchange, while the Moscow listing hit an all-time high after the company repaid 27 billion roubles (\$371 million) of debt to lender Sberbank ahead of schedule.

South Africa rand recovered lost ground to trade 0.3 per cent higher. President Cyril Ramaphosa said Covid-19 curbs would be eased from Monday, with a nationwide curfew to be shortened, as infections decline. Turkey's lira managed to hold on to gains, up 0.2 per cent at 8.46 per dollar, even as data showed factory activity disappointed and current account deficit narrowed less than expected.

President Tayyip Erdogan over the weekend said economic growth, exports and employment are all strong in Turkey.

Societe Generale on Monday warned investors to prepare for the lira to weaken to 8.85 versus the dollar by the year-end as political pressure increases the risk of premature policy easing.

The Belarusian rouble extended gains to a fifth straight session against the euro.

The International Monetary Fund said it will launch a virtual mission to Belarus to gather data on economy amid Western calls to restrict government access to funds.

Britain announces biggest auction round in renewable energy

REUTERS, London

The British government announced on Monday the biggest auction round of its renewable energy scheme, hoping to build up enough extra offshore wind capacity to power about 8 million homes.

Under its Contracts-for-Difference (CfD) scheme, qualifying projects are guaranteed a minimum price at which they can sell electricity. CfD contracts are offered to power generation companies at auction.

The scheme, launched in 2014, is the government's primary method of encouraging investment in low-carbon generation in Britain. The latest round, its fourth, aims to double renewable electricity capacity secured compared to the third round, when Britain allocated 5.8 gigawatts (GW), and to secure more new capacity than the previous three rounds combined, the government said.

The latest round will provide 200 million pounds (\$277 million) to support offshore wind projects and ensure Britain hits a target of 40 GW of installed capacity by 2030, up from 10.4 GW at present, the government added. It will also offer 55 million pounds to support emerging renewable technologies, with 24 million pounds reserved for floating offshore wind projects. Offshore wind turbines are now usually fixed to the seabed.

UK employers call for overhaul of tax system

REUTERS, London

British businesses demanded that finance minister Rishi Sunak stop raising their taxes and instead offer more help to meet the challenges of Brexit, Covid-19 and climate change when he makes major budget statements next month.

The Confederation of British Industry urged Sunak to "turn business taxation on its head" when it prepares new tax proposals and a three-year spending plan on 27 October.

CBI Director General Tony Danker said in excerpts of a speech to be delivered later on Monday, "The biggest concern we have as a country is the lack of expansion and momentum on the part of the government on some of the major economic options for business."

Danker tells Sunak to stop killing companies that invest in making their premises less carbon-intensive with lower carbon-intensive property tax payments, a quirk of the business rate system.

He also said more needs to be done to promote skills training, accelerate the development of new infrastructure projects, such as Britain's delayed high-speed railway and market regulations to attract more private investment to rewrite.

The CBI and other employer groups protested last week that jobs would be lost after the government increased Social Security contributions to social and health care.

This was followed in March by announcing a major increase in corporation tax from 2023 to help fix the hole in Britain's public finances left by Sunak's £350bn (\$485bn).

"I am very concerned that the government thinks that the tax business - perhaps more politically palatable - is without growth consequences," Danker said.

As well as next month's budget announcements, Sunak and Prime Minister Boris Johnson are due to discuss investment plans with business leaders and institutional investors in October.

India cuts import taxes on vegetable oils to calm prices

REUTERS, Mumbai

India has cut base import taxes on palm oil, soyoil and sunflower oil, according to a government notification, as the world's biggest vegetable oil buyer tries to cool near-record price rises.

The reduction in taxes could bring down prices of the edible oils in India and boost consumption, effectively increasing overseas buying by the south Asian country.

The base import tax on crude palm oil has been slashed to 2.5 per cent from 10 per cent, while the tax on crude soyoil and crude sunflower oil has been reduced to 2.5 per cent from 7.5 per cent, the government said in a notification late on Friday.

The base import tax on refined



A labourer carries vegetable oil packets on a tricycle as a man stands in front of his shop selling food grains, at a wholesale market in Kolkata, India.

REUTERS/FILE

grades of palm oil, soyoil and sunflower oil cut to 32.5 per cent from 37.5 per cent.

After the cuts, crude palm oil, soyoil and sunflower oil imports will be subject to a 24.75 per cent tax in total, including a 2.5 per cent base import duty and other taxes, while refined grades of palm oil, soyoil and sunflower oil would carry a 35.75 per cent tax in total.

India fulfils more than two-thirds of its edible oil demand through imports and has been struggling to contain a rally in local oil prices for the last few months.

The country imports palm oil mainly from top producers Indonesia and Malaysia, while other oils, such as soy and sunflower, come from Argentina, Brazil, Ukraine and Russia.