Stocks rally for fourth day amid optimism

STAR BUSINESS REPORT

Stocks rose for the fourth consecutive day yesterday boosted by the growing optimism among investors after recent slides.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), gained 12 points, or 0.18 per cent, to close at 6,978. In the last four days, it added 275 points.

Investors are hopeful about seeing a positive outcome from the meeting between the Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) in presence of the finance minister, said a stock broker.

The upcoming meeting is aimed at solving the disputes between the two regulators after their last week's meeting ended without any concrete decisions.

At the centre of the disputes is two decisions from the BSEC.

Recently, the commission has ordered all the listed companies, including banks and non-bank financial institutions to deposit their undistributed dividend to the stock market stabilisation fund.

It also allowed banks and NBFIs to declare dividend from the current year's profits despite having cumulative losses.

But, the central bank ordered them not to follow the BSEC order.

The row has spooked the confidence of investors, the broker said. "If we get a proper solution on the issues, the investors will get their confidence back."

The premier bourse ended up marginally higher over the last session as investors remained active, said International Leasing Securities in its daily market review.

Throughout the session, the market moved up and down several times before ending in the positive territory, it said.

Selloffs were noticed in the miscellaneous, telecommunication and general insurance sectors. However, the optimistic investors continued their buoyancy in the IT, jute and textiles sectors.

Turnover, an important indicator of the market, fell 3 per cent to Tk 887 crore.

On the DSE, 218 stocks advanced, 118 fell, and 35 remained unchanged.

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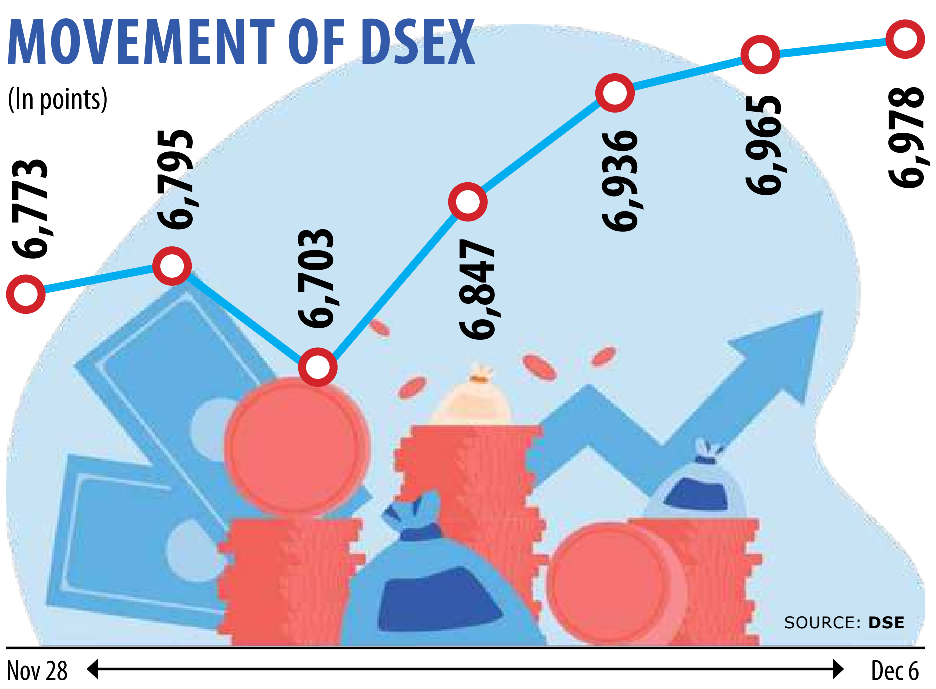

Farmers trying out alternative edible oil

Perilla seed cultivation shows promise, can help the country meet its edible oil needs

DISTRICTS IN FOCUS

EAM ASADUZZAMAN, *from Nilphamari*

Bangladesh is trying out cultivation of a plant which various Asian regions consider a handy source of ingredients essential to health.

Perilla is an annual plant in the Lamiaceae family. It originated in Southeast Asia and has been grown in various Asian regions since antiquity, says Japan External Trade Organization (JETRO).

In South Korea, perilla leaves are typically eaten with grilled meat or used as an ingredient of kimchi. In Japan, it is mainly perilla seeds that are eaten. Perilla oil is a mainstay in the cooking-oil section of major supermarkets, but it's still not very well-known in other countries, says the JETRO.

The edible oil extracted from perilla seeds contains 60 per cent omega-3 fatty acids which prevents high blood pressure, cardiac disease and diabetes, said Prof HMM Tarique Hossain of agronomy at Sher-e-Bangla Agriculture University.

It also lacks the harmful omega-6 fatty acid responsible for obesity which is found in many edible oils in the market, he said.

Agriculture Minister Mohammad Abdur Razzaque had directed officials to launch a pilot project to boost perilla seed cultivation last year, according to Md Abdul Quiyum Majumdar, an agriculture officer in Dhaka.

Since then, farmers in 45 upazilas across the country, including Nilphamari, have successfully cultivated the summer crop in collaboration with the Department of Agricultural Extension (DAE).

The DAE officials and researchers as well as edible oil producing and marketing companies have high expectations for the crop.

PHOTO: EAM ASADUZZAMAN

Shahjahan Mia, a farmer of Kishoreganj upazila in Nilphamari, is seen among a sea of his perilla plants. Its seeds can be processed to make edible oil which various Asian regions consider a handy source of ingredients essential to health. The photo was taken recently.

Currently perilla seeds are imported, with stores in the capital selling it for Tk 2,200 per kilogramme. It was first brought to Bangladesh from South Korea a few years ago.

The National Seed Board under the agriculture ministry then registered the crop under the name "SAU Perila-1" and released it for cultivation in January 2020.

Perilla seeds were then cultivated on an experimental basis later that year by a team of researchers from Sher-e-Bangla Agriculture University led by Prof Hossain. Under the initiative, the plants were has successfully cultivated on 14 bighas of land.

"Perilla is now being cultivated on 42 acres of land across Bangladesh this year and companies like Lal Teer Seed Ltd, a concern of City Group, are increasingly showing interest in the plant," Majumdar said.

Shahjahan Mia, a farmer of Kishoreganj upazila in Nilphamari, said the DAE had inspired him to grow the crop on 30 decimals of land by providing the seeds free of cost alongside technical assistance.

Shahjahan transplanted 30-day old saplings in mid-August before harvesting the plants in early November to get 5.5 maunds (one maund equals around 37 kilogrammes) of seed.

And by processing 10 kilogrammes of seed at traditional mills in the area, he secured 3.3 litres of edible oil.

However, Shahjahan went on to say that that he would rather sell the seeds to other farmers at high prices seeing their enthusiasm to begin cultivation as well.

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GLOBAL BUSINESS

Weaker foreign demand sinks German industrial orders

REUTERS, *Berlin*

Weaker demand from abroad drove a much bigger than expected drop in German industrial orders, including cars, in October, data showed on Monday, further clouding the growth outlook for manufacturers in Europe's largest economy.

A pandemic-related scarcity of microchips and other electronic components has caused massive supply bottlenecks and production problems in Germany's mighty automobile industry and other important sectors of the economy.

Orders for goods 'Made in Germany' dropped 6.9 per cent on the month in seasonally adjusted terms after a revised rise of 1.8 per cent in September and a plunge of 8.8 per cent in August, figures from the Federal Statistics Office showed. A Reuters poll of analysts had pointed to a smaller decline of 0.5 per cent on the month in October.

"After incoming orders climbed to an all-time high in mid-2021, the index has lost more than 16 points in recent months," the economy ministry said, adding that the second sharp decline within three months put a further damper on the economic outlook.

Excluding distorting factors from bookings for big ticket items such as planes, industrial orders were still down 1.8 per cent, the data showed.

The drop was driven by a decline in foreign orders of more than 13 per cent on the month, with demand from countries outside the euro zone such as China particularly weak. Orders from domestic clients rose 3.4 per cent.

"New lockdowns in Asia are slowing industry in Germany," VP Bank analyst Thomas Gitzel said. He added that the current wave of coronavirus infections across the globe was putting a renewed burden on the world economy.

A worker at German manufacturer of silos and liquid tankers, Feldbinder Special Vehicles, moves rolls of aluminium at the company's plant in Winsen.

REUTERS/FILE

Alibaba overhauls e-commerce businesses

REUTERS, *Shanghai*

Alibaba Group Holding Ltd said it will reorganise its international and domestic e-commerce businesses and replace its CFO - changes that come as the tech giant grapples with an onslaught of competition, a slowing economy and a regulatory crackdown.

It will form two new units – international digital commerce and China digital commerce which it said was part of efforts to become more agile and accelerate growth. The international digital commerce unit will include AliExpress which sells to retail buyers particularly in Europe and South America, its Southeast Asian e-commerce business Lazada and Alibaba.com which is more focused on selling to overseas business customers.

It will be headed by Jiang Fan, who had been in charge of its main Chinese retail marketplaces, and the change is seen in line with Alibaba's aim to make 'globalisation' a key focus area in addition to cloud computing and domestic consumer spending.

Globalisation "helps Alibaba to get new traffic volume externally (and) seek new growth potential while China has been increasing supervision," said Hong Kong-based Guotai Junan analyst Danny Law.

The China digital commerce unit will include Alibaba's two main marketplaces, Tmall for established brands and Taobao which welcomes all kinds of merchants. It will be led by Trudy Dai, who has previously overseen a number of Alibaba platforms.

The new structure for domestic e-commerce puts Dai in charge of all China retail marketplaces, including Taocaicai – its community e-commerce service, Taobao Deals as well as Lingshoutong, a retail management platform for mom and pop stores, said 86research.com analyst Xiaoyan Wang. "This could possibly unlock more synergies via cross-selling and integration of supply chain," she said.

Alibaba also announced that deputy chief financial officer Toby Xu will succeed Maggie Wu as CFO from April, describing his appointment as part of the company's leadership succession plan. Xu joined Alibaba from PWC three years ago.

The e-commerce giant's Hong Kong-listed shares slid 6 per cent in early morning trade, tracking Friday declines made in the United States. US-listed shares of Chinese firms have tumbled on concerns about stricter regulatory scrutiny at home in the wake of plans by Didi Global Inc to delist from the New York Stock Exchange. Hit by weaker growth for the economy and fierce competition from a plethora of rivals, Alibaba last month slashed its forecast for annual revenue growth to its slowest pace since its 2014 stock market debut.

It also saw sales at its banner event, online shopping festival Singles Day, grow at their slowest rate ever.

Chinese regulators have also cracked down on the tech and other sectors, particularly on anti-trust issues that have seen Alibaba abandon a policy of requiring merchants to exclusively set up shop on its platforms.

Bitcoin tumbles 5pc after weekend battering

REUTERS, *New York*

Bitcoin tumbled almost 5 per cent on Monday as the start of the week offered little respite to the world's largest cryptocurrency after a bruising weekend where at one point it lost over a fifth of its value.

The world's biggest cryptocurrency suffered its biggest daily drop in a month, falling as low $45,000 per coin. The drop extended a slump of nearly a fifth from a record high of $58,354 hit on Sunday – though bitcoin remains up around 60 percent for the year.

The cryptocurrency market has been running hot this year as big money managers begin to take the asset class seriously and have made large purchases that have driven even more confidence among small-time speculators.

Earlier this month, electric carmaker Tesla said it had invested around $1.5 billion in bitcoin and expected to begin accepting payment for its cars and other products with it soon, which helped vault bitcoin above $50,000 but may now lead to pressure on the company's stock price as it has become sensitive to movements in bitcoin.

Evergrande braces for debt deadline after doubting ability to pay

REUTERS, *Hong Kong*

After lurching from deadline to deadline, China Evergrande Group is again on the brink of default, with pessimistic comments from the property developer raising expectations of direct state involvement and a managed debt restructuring.

Having made three 11th-hour coupon payments in the past two months, Evergrande will again face the end of a 30-day grace period on Monday, with dues this time at $82.5 million.

But a statement late on Friday saying creditors had demanded $260 million and that it could not guarantee enough funds for coupon repayment prompted authorities to summon its chairman - and wiped over a sixth off its stock's market value on Monday.

Evergrande was once China's top-selling developer but is now grappling with more than $300 billion in liabilities, meaning a collapse could ripple through the property sector and beyond.

Its statement on Friday was followed by one from authorities in its home province of Guangdong, saying they would send a team to Evergrande at the developer's request to oversee risk management, strengthen internal control and maintain operations.

The central bank, banking and insurance regulator and securities regulator also released statements, saying risk to the broader property sector could be contained.

Short-term risk from a single real estate firm will not undermine market funding in the medium or long term, said the People's Bank of China. Housing sales, land purchases and financing "have already returned to normal in China", it said.

Analysts said authorities' concerted effort signalled Evergrande has likely already entered a managed debt-asset restructuring process to reduce systemic risk.

Morgan Stanley in a report said such a process would involve coordination between authorities to maintain normal operation of property projects, and negotiation with onshore creditors to ensure financing for projects' development and completion.