

DSE turnover hits eight-month low

STAR BUSINESS REPORT

The turnover at the Dhaka Stock Exchange hit an eight-month low yesterday as investors went on a selling spree amid rising fear of the emergence of Omicron, a new coronavirus variant.

Dhaka Stock Exchange's turnover dropped 38 per cent from the previous day when its benchmark index experienced a fall for the second consecutive day.

The DSEX, the benchmark index of DSE, lost 0.55 per cent yesterday before closing the day at 6,882.

The turnover hit Tk 696 crore, down from the previous day's Tk 1,148 crore.

It was the lowest since April 18 when the DSE's turnover was Tk 627 crore.

The prime bourse of Dhaka remained in red for the second day straight as the shaky investors continued their selling binge in the sector-specific stocks out of the panic created by the news of first two cases of new coronavirus variant Omicron in Bangladesh, said International Leasing Securities in its daily market review.

Investors' participation has reduced to a great extent due to the absence of clear market direction, it added. Among the sectors, paper and printing, general insurance and financial institutions sectors achieved price appreciation while jute, miscellaneous and ceramic sectors witnessed price correction.

The investors' activity was mostly centered on bank (16.9 per cent), pharmaceuticals (12.6 per cent) and financial institution (11.3 per cent) sectors.

At the DSE, 101 stocks advanced, 228 declined and 48 remained the same.

Aramit Cement topped the gainers' list that rose 18 per cent followed by Sena Kalyan Insurance, Rahim Textile, GSP Finance, and Eastern Lubricants.

GSP Finance became the most traded stock with shares worth Tk 48 crore changing hands followed by Beximco Ltd, One Bank, Saif Powertec, and Sena Kalyan Insurance.

Desh Garments shed the most that dropped 8 per cent followed by Aml Pran, Northern Insurance, Bangas, and Anlima Year.

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Grafting tomato plants, a path to brighter prospects



MINTU DESHWARA

Farmers sort tomatoes at Moulvibazar's Kamalganj upazila recently. Many tomato farmers in Sylhet have secured bumper yields this year through grafting to attain higher resistance to disease.

DISTRICTS IN FOCUS

MINTU DESHWARA

Many tomato farmers in Sylhet have secured bumper yields this year by using the grafting method to grow their crops amid favourable weather conditions.

Grafting is the act of placing a portion of one plant into or on a stem, root, or branch of another in such a way that a union will be formed and the partners will continue to grow, according to Britannica.

The purpose can be to repair injured trees, produce dwarf trees and shrubs, strengthen plants' resistance to certain diseases, retain varietal characteristics and adapt

varieties to adverse soil or climatic conditions, it says.

This can be to also ensure pollination, produce multifruited or multiflowered plants, and propagate certain species, such as hybrid roses, that can be propagated in no other way, it adds.

The attempt in Sylhet was to attain higher disease resistance in order to increase overall yields.

During a recent visit to Patrakhola tea garden in Madhabpur union of Moulvibazar's Kamalganj upazila, this correspondent saw vast fields dotted with ripe tomatoes.

Tomato farmers have collectively taken lease of about 100 bighas of land near the tea garden for between Tk 5,000 to Tk 7,000 per bigha.

One such farmer, Md Abdul Matin, used grafting to cultivate

tomatoes on five bighas of land this year. It took about Tk 1 lakh to grow tomatoes on each bigha of land, including the cost of labour, saplings, natural pesticides and fertilisers, he said.

Matin has sold about Tk 5 lakh worth of the fruit so far while much of his harvest remains incomplete.

"Wholesalers from Habiganj, Kulara, Sylhet, Dhaka and other places of the country came to buy tomatoes," he added.

Monir Mia, a tomato farmer from Bangaon village, said the price of tomatoes is good this time and by cultivating the fruit commercially, he has become financially stable.

Monir cultivated tomatoes on four bighas of land for about Tk 3.5 lakh worth of the fruit so far at

roughly Tk 80 per kilogramme and expects to earn another Tk 2 lakh before the season is up.

According to officials of the Department of Agricultural Extension (DAE) in Moulvibazar, the grafting method was used to grow tomatoes on 83 hectares of land in the district this year with a production target of 990 tonnes.

About 22 tonnes of tomato were produced per hectare and many farmers are benefiting by selling grafted seedlings.

Mifta Mia, vegetable trader at Madhabpur bazar in Habiganj, said huge quantities of grafted tomatoes are being shipped all over the country and this is creating jobs for day labourers and farm hands at the same time.

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UCB Investment raises funds for 3 banks

STAR BUSINESS DESK

UCB Investment has managed to raise funds for three banks by issuing perpetual bonds.

A perpetual bond is a fixed income security with no maturity date that is treated as additional tier-1 capital.

After a 14-year hiatus, the Al Arafah Islami Bank Mudaraba Perpetual Bond made its debut at the Dhaka Stock Exchange on December 5.

This is the very first perpetual bond that got approved under the new regulation, UCB Investment said in a press release.

The allotment ceremony of the Islami Bank 2nd Mudaraba Perpetual Bond and the Sahjal Islami Bank Mudaraba Perpetual Bond were also completed.

Public offers of both bonds are fully subscribed and the trading of these bonds

will start soon at the Dhaka Stock Exchange, it added.

The IBBL 2nd Mudaraba Perpetual Bond is the largest issuance by any bank till date.

UCB Investment is the issue manager and arranger for all three bonds.

UCB Investment began this journey last year under the leadership of Tanzim Alamgir, founding managing director and chief executive officer of the merchant bank.

The company is also mandated to raise fund for different banks and non-banking financial institutions through the issuance of perpetual bonds, subordinate bonds and zero coupon bonds.

Moreover, they have already raised Tk 500 crore for the AIBL Mudaraba Perpetual Bond recently. It is the very first perpetual bond that announced its closure under the new regulation.

GLOBAL BUSINESS

US expects \$50b economic drag in 2022 due to floods



A man points to structures that have been reduced to rubble by a tornado that ripped through Mayfield, Kentucky on Sunday, leaving more than 80 people dead.

REUTERS, Washington

American businesses stand to lose more than 3 million days of operations from flooding in 2022 and will face worsening economic fallout in the coming decades as climate change fuels ever more extreme weather events, researchers said yesterday.

Next years expected damage, based on estimated trends, translates to a nearly \$50 billion annual hit for local economies in cities from Miami to Pittsburgh, according to First Street Foundation, a non-profit group that maps climate risk.

In a new study, researchers there took a rare comprehensive look at the expected flood risk to businesses and local economies in the United States - a threat often underestimated amid a focus on flooded homes and family losses.

Its a whole other dimension of

flood risk, said Jeremy Porter, head of research and development at First Street Foundation.

In total, local businesses in the United States could lose the equivalent of 3.1 million days of operations in 2022 from floods - a number estimated to hit 4 million by 2052 as flood threats grow, the report said.

Researchers found that roughly 730,000 retail, office and multi-unit residential properties - with commercial properties as well as homes - are at risk of projected flood damage today in the contiguous United States.

High-risk metropolitan areas included Miami and New York coastal spots where heightened threats are to be expected but also inland cities like Pittsburgh, which sits at the confluence of three rivers.

"Pittsburgh was a big surprise

to us. Once we started doing the analysis it made total sense, but it wasn't what we would have expected," said Matthew Eby, founder and executive director of First Street Foundation.

Nashville in Tennessee and Cincinnati and Columbus in Ohio are other moderately-sized, inland cities that are nevertheless at significant risk of flooding from nearby river overflows and extreme rainfall, according to Porter.

"You tend to think about the coasts, but its very important that we dont ignore rivers and streams," said Steven Rothstein of Ceres, a U.S.-based nonprofit working to reshape economic systems to address climate and other risks.

The study calculated the economic fallout from flood risk by projecting expected damage and repair time for buildings, in part by digging into detail such as which

floor key equipment was located on.

Getting such information into the public sphere can help individual property owners looking to make changes to cut risks, said Ibbi Almufti, a structural engineer with the engineering firm Arup.

Raising equipment out of the basement, for example, or hardening your exterior with flood walls" are among possible fixes, said Almufti, whose firm partnered with First Street Foundation on the report.

He said he was struck by the scale and growth of the anticipated threat and by rising damage in some particular U.S. locations.

For example, Bay City, Texas - about 80 miles south and west of Houston - was projected to see a 5.8% increase in the number of structures with damage over 30 years.

Asia stocks steady after Wall St rally

AFP, Hong Kong

Asia stocks held steady yesterday, despite a record-smashing lead from Wall Street, ahead of a week of major monetary policy announcements around the world.

In Hong Kong, the Hang Seng Index was down 0.17 per cent at the close, while Tokyo's benchmark Nikkei 225 index closed up by 0.71 per cent.

Friday's gains on Wall Street, where the S&P 500 piled on more than 0.9 per cent to finish at 4,712.02, eclipsed a record from last month -- and came despite figures showing the consumer price index jumped 6.8 percent in November.

The rise in inflation suggests a tapering in the US Federal Reserve's ultra-loose monetary policy will come sooner rather than later -- a change that markets have been nervously awaiting for months.

Fed chair Jerome Powell -- who will update the markets this week following a two-day policy meeting -- had already signalled plans to accelerate the tapering of stimulus payments. Many analysts expect

the central bank to hike interest rates at least twice in 2022.

But traders took the data in their stride, in part because the inflation was largely expected. In Asia on Monday, Singapore, Seoul and Taipei were marginally down, with Manila, Jakarta and Shanghai slightly up.

Wellington rose more than 1 per cent. In Tokyo, "the market is looking at the Bank of Japan's Tankan" quarterly business survey, released 10 minutes before the opening bell, said senior market analyst Toshiyuki Kanayama of Monex.

The latest survey showed Japan's major manufacturers remain cautious about the economy's trajectory, with business sentiment flat for the quarter as concerns about the pandemic linger. Some investors may take a wait-and-see attitude ahead of the Fed meeting, analysts added.

"Global equities had a solid run last week and we'll see if the goodwill lasts into what is a behemoth when it comes to event risk," Chris Weston, head of research with Pepperstone Financial, wrote in a note.

Taiwan's energy security on the line with LNG referendum

REUTERS, Taoyuan

Taiwanese voters will decide this Saturday on a new LNG terminal considered key for the chipmaking powerhouse to secure its energy supply but facing attacks from conservationists -- and from an opposition party eager to wrong-foot the government.

The referendum, which seeks to relocate the project away from an ancient algal reef and would likely delay it for years, has a reasonable chance of passing, some polls have shown.

At stake for the government is not just averting future power cuts, like those in May during a drought and heat wave, but an environmental policy that moves away from polluting coal and nuclear power, towards greener and renewable alternatives.

"If we can't build this third LNG terminal, we will really have an electricity supply problem," Economy Minister Wang Mei-hua told reporters last month.

The project would make the Datun Power Plant the island's biggest while advancing the government's goal of boosting LNG to produce half its power by 2025.

It would also help to supply Taiwan's semiconductor plants, thrust into the spotlight by a global chip shortage that has crimped supplies of cars and electronics.

Afghan currency slides sharply

REUTERS, Kabul

Afghanistan's growing economic crisis deepened on Wednesday as the afghani currency fell to the hitherto unseen level of 125 to the dollar, less than a week after breaching 100, adding to growing pressure on prices of food and other staples.

The withdrawal of foreign aid following the Taliban victory in August sent Afghanistan's economy into deep shock and it could lose 20% of its nominal value within a year, according to a United Nations report.

The shock has been reflected in the rate of the afghani, which was changing hands at around 77 to the dollar before the Taliban takeover and has since deteriorated steadily as the crisis has deepened.