

Easing of margin loan rules lifts Dhaka stocks

STAR BUSINESS REPORT

Stocks recovered from a three-day losing streak yesterday, helped by the regulator's decision that made margin loans available to investors much earlier than previously.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 39 points, or 0.59 per cent, to close at 6,669.

The index climbed as the Bangladesh Securities and Exchange Commission eased the margin loan rules for the stocks moving from one category to another.

A margin loan allows investors to borrow against the value of securities they already own.

The margin loan is going to be allowed for the shares, except those belonging to the "Z" category, within seven days of the change in their status instead of waiting for 30 days to qualify.

If a stock graduates from the "Z" category, the loans will be available after

Rise of the overall market indicates that the recent sell pressure might be over, as per an analysis

seven days. Companies whose factory was closed or that can't pay dividend or hold annual general meeting are categorised as the junk or "Z" category stock.

On the DSE, 196 stocks advanced, 142 declined, and 40 remained unchanged. Turnover, an important indicator of the market, dropped nearly 16 per cent to Tk 745 crore.

The upsurge of the overall market amid lower investors' participation than yesterday indicated that the market's recent sell pressure might be over, said International Leasing Securities Ltd, a brokerage house, in its market analysis.

Prime Insurance topped the gainers' list that rose 10 per cent followed by Bangladesh Shipping Corporation, Atlas Bangladesh, Shepherd Industries, and Bangladesh Building Systems.

Meghna Condensed Milk shed the most, dropping 4 per cent followed by AMCL (Pran), Provati Insurance, Meghna Pet Industries, and Gemini Sea Foods.

Beximco Ltd was the most traded stock on the day with its shares worth Tk 68 crore changing hands. Bangladesh Shipping Corporation, Asia Insurance, Genex Infosys, and Beximco Pharmaceuticals also saw heavy trading.

The Chittagong Stock Exchange also rose. The CASPI, the main index of the bourse in the port city, surged 153 points, or 0.79 per cent, to 19,421.

Of the 299 stocks traded, 156 rose, 105 fell, and 38 did not see any price movement.



Before sunflower cultivation began last year, officials of the Department of Agricultural Extension made a commitment that they would help farmers get fair prices.

PHOTO: STAR/FILE

Farmers opting out of sunflower cultivation

Lack of a good marketing network to blame

EAM ASADUZZAMAN, Nilphamari

Although sunflower cultivation previously gave the hope of better economic prospects while also delivering healthy edible oil to the common people, farmers are losing interest in the plant for want of a good marketing network.

Edible oil can be produced by pressing sunflower seeds, which are rich in saturated fats and vitamin-E. Sunflower oil is usually sold at a high price in super shops.

But since there is a lack of seed buyers at the grassroots level, farmers are compelled to sell the seeds to seasonal traders at low prices, making them turn away from its cultivation.

Besides, before sunflower cultivation began last year, officials of the Department of Agricultural Extension (DAE) made a commitment that they would help farmers to get fair prices.

However, this promise has been left unfulfilled, according to farmers.

DAE sources informed that last year, sunflower was cultivated on 2,184 bighas of land to get a yield of 530 tonnes of seed as the government provided farmers hybrid seeds and fertilisers free of cost under the agriculture incentive and rehabilitation programme

The then deputy director of the DAE in Nilphamari, Obaidur Rahman Mondol, now in Rangpur, said they gave incentives to sunflower farmers not only for their economic benefit but also for attaining the country's self-sufficiency in producing edible oil.

Due to these drawbacks, farmers cultivated sunflowers on just 23 bighas of land this year, the sources said.

DISTRICTS IN FOCUS

Sheikh Golam Rabbani, a farmer of Purba Gurguri village in Sadar upazila, grew sunflowers on 17 bighas of land last year to get 135 maunds of seed (1 maund= 40 kilograms).

"Before cultivation, DAE officials had assured us they would arrange buyers to purchase our product at the current market price of Tk 3,200 per maund," he said.

"As I found no genuine buyer in the local market and no support from the DAE for managing fair prices, I was compelled to sell the product to seasonal buyers at only Tk 1,800 per maund."

"But if get fair prices, I'll cultivate it in double the area," Rabbani

added. Sayed Ali, a farmer of Kundopukur village, said the DAE provided them with RDS-275 variety hybrid seeds at two kilogrammes per bigha and 20 kilogrammes of chemical fertiliser as incentive.

Sunflower farmer Rabiul Islam Babu, also vice chairman of the Kishoreganj upazila parishad, said that he was upset at earning just Tk 30,000 from selling 24 maunds of sunflower seeds.

Farmers Nirmal Roy of Koya Mistripara village in Saidpur upazila, Alamgir Hossain of Purba Shimulbari in Jaldhaka, Nurul Huda of Nitai in Kishoreganj upazila, among others, said that they are eager to cultivate sunflowers but will refrain from it until buyers are available.

They informed that the cultivation cost per bigha ranges from Tk 6,000 to Tk 6,500 and an average yield of eight maunds is produced in 110-120 days.

So, it would be easy to cultivate the crop after harvesting other crops such as paddy.

If farmers get the current market price of Tk 3,200, then they can sell their product for a neat profit of about Tk 18,000 per bigha harvested, they added.

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Iran's oil exports are focus of Vienna nuclear talks

REUTERS

Iran's main focus in nuclear talks that resume in Austria on Monday will be the lifting of all US sanctions in a verifiable process that guarantees Tehran's unhindered ability to export its oil, the foreign minister said.

Negotiations with world powers to salvage Iran's 2015 nuclear accord, known as the Joint Comprehensive Plan of Action (JCPOA), are to resume in Vienna at 1800 (1700 GMT), state media reported.

"The most important issue for us is to reach a point where, firstly, Iranian oil can be sold easily and without hindrance," Iranian media quoted Foreign Minister Hossein Amirabdollahian as saying.

"The money from the oil (sales) is to be deposited as foreign currency in Iranian banks - so we can enjoy all the economic benefits stipulated in Joint Comprehensive Plan of Action."

In 2018, then US President Donald Trump withdrew from the JCPOA and reimposed stringent economic sanctions against Tehran, which responded a year later by resuming and then accelerating its enrichment of uranium, a potential pathway to nuclear weapons.

Oil exports, Iran's main revenue source, have plunged under the US sanctions. Tehran does not disclose data, but assessments based on shipping and other sources suggest a fall from about 2.8 million barrels per day (bpd) in 2018 to as low as 200,000 bpd. One survey put exports at 600,000 bpd in June.

The nuclear talks have made scant progress since they resumed last month after a five-month hiatus following the election of hardline Iranian President Ebrahim Raisi.

"Today, there is an acceptable joint document on the negotiating table that we call the December 1 and December 15 documents," Amirabdollahian said. Both documents, he said, related to the nuclear issue as well as US sanctions.

"From today, our negotiations will start on the basis of this joint document. Guarantees and verification are among the issues on the agenda," he said.

Evergrande vows 'full steam ahead' to deliver homes

AFP, Beijing

Embattled Chinese firm Evergrande will deliver almost four times the number of housing units to buyers in December than in the previous three months, its chairman said, as the real estate behemoth grapples with massive debts.

Evergrande -- drowning in \$300 billion in liabilities -- has struggled to repay bondholders and investors after becoming ensnared in Beijing's deleveraging crackdown on the bloated property sector.

But the group -- which officially defaulted on a major bond payment this month -- has insisted it will be able to complete tens of thousands of units and pay off some debts.

"Since the company's troubles began, we delivered fewer than 10,000 units in September, October and November," chairman Hui Ka Yan -- known as Xu Jiayin in Mandarin -- told a company meeting Sunday evening, according to a post on Evergrande's official WeChat account.

"There are only five days left this month, we must charge full steam ahead to guarantee the delivery of 39,000 units this month."

The new homes are across 115 developments, he said. "Absolutely nobody at Evergrande is allowed to 'lie flat'," Hui added, referring to an internet slang term for "slacking off" popular among young people.

In recent months, the company has repeatedly said it will finish its unfinished projects and deliver them to buyers in a desperate bid to salvage its debts, despite having missed a payment of more than \$1.2 billion earlier this month.

Earlier struggles to pay suppliers and contractors due to the debt crisis led to sustained protests from homebuyers and investors at the group's Shenzhen headquarters in September.



A woman is buying fruit at the Huahuan Zhenbei agricultural products market in Shanghai.

PHOTO: AFP/FILE

ICB to issue mudaraba sukuk worth Tk 1,000cr

STAR BUSINESS REPORT

The Investment Corporation of Bangladesh has decided to issue an ICB First Mudaraba Sukuk worth Tk 1,000 crore for 10 years.

The state-run listed non-bank financial institution disclosed the information through a notification on the Dhaka Stock Exchange website (DSE) yesterday.

Now, the company will complete the paperworks and seek permission from the regulators, including the Bangladesh Securities and Exchange Commission.

Mudaraba sukuk is a form of Islamic security derived from the mudaraba partnership structure. The party seeking financing enters into an agreement with a special purpose vehicle (SPV) to manage certain assets owned by the SPV.

The sukuk would be issued through private placement to eligible investors, institutional investors such as banks, insurance companies, other financial institutions, local and foreign companies, government institutions and all other social institutions like clubs and associations.

Its face value will be Tk 1,000 per unit.

To redeem the principal of sukuk, 20 per cent of the issued capital will be paid at the end of each 6th, 7th, 8th and 9th year, the company said.

US retail sales up 8.5pc this holiday season

AFP, Washington

US consumers were in the mood to spend this holiday season, with retail sales soaring 8.5 per cent over last year, a study released Sunday showed.

Online sales were up 11 per cent and in-store sales up 8.1 per cent between November 1 and Christmas Eve, according to the Mastercard SpendingPulse study. The increase, which was the strongest in 17 years, does not reflect automobile sales.

"Consumers splurged throughout the season," said Steve Sadove, senior advisor for Mastercard and former CEO of Saks Incorporated.

The boom saw "apparel and department stores experiencing strong growth as shoppers sought to put their best dressed foot forward," he said.

China to stabilise grain output and boost oilseed crop

REUTERS, Beijing

China will stabilise corn production and expand soybean output in the new year to ensure grain security, the Communist Party's People's Daily quoted the agriculture minister as saying on Monday.

"Safeguarding supply security of grains, and important agricultural and sideline products is always our top task and main priority," Minister of Agriculture and Rural Affairs Tang Renjian said in an interview with People's Daily.

"Agricultural and rural affairs departments must devote every effort to grain production, with the attitude of conducting a desperate fight, and with extraordinary and super strength."

Tang's comments come against the backdrop of lingering concern over food security in the world's most populous country as the Covid-19 pandemic continues to disrupt food supply chains and logistics across the globe.

China's soybean output this year dropped sharply from last year while corn production increased as farmers sought to take advantage of better profitability.

Tang called for abandoned land to be cultivated while maximising the potential of intercropping to ensure stable grains acreage in 2022, People's Daily reported.

The minister's messages followed the two-day annual central rural work conference held over the weekend, where China's central leadership delivered similar guideline on stable grain production and oilseed expansion, according to a state media report late on Sunday.

Beijing vowed to safeguard grain security and ensure effective supplies of livestock, fish farming products and vegetables in 2022, the Xinhua news agency reported, citing comments made at the conference. "Ensuring the supplies of primary products is a major strategic issue," Chinese President Xi Jinping said before the conference.