



Farmers are seen picking potatoes as harvesting is going on in full swing in the Thakurgaon and Panchagarh districts. The photo was taken recently.

PHOTO: QUAMRUL ISLAM RABAIYAT

What is your risk appetite in the capital market?

M SHAHRIAR AZAD BHUIYAN

In the capital market, the risk is defined as the willingness to accept the possibility of losses, the ability to admit market fluctuations, and the inability to forecast what will happen next. Technically, risk appetite refers to the maximum amount of risk that you, as an investor, are willing to take to achieve your goals before the risk outweighs the benefits.

We all face some level of risk in our daily lives, whether it's simply walking down the street or investing in the stock market. Your risk appetite is influenced by your age, income, and investment goals, and it is subject to change over time.

For example, when you are young, it is obviously true that you don't bother to take higher risks, but if you are a bit older, then you will think of so many pros and cons of the outcomes.

The capital market is a financial market segment that offers investors the opportunity to invest in long term securities like stocks and bonds. However, for short term investments like day trading, every investment involves some level of risk by nature.

Here it shows you lucrative gains within a day. However, 70 per cent to 80 per cent of the day trading ended with losses. As a result, investors

should understand the total amount of risk they are undertaking and must adjust the total amount of return accordingly. Otherwise, the investment decision would not be fruitful.

Over the years, I have seen that when a new investor comes to invest in Bangladesh's capital market, a majority of investors tend to hurry up. The tendency is to feel as if this is the last chance to become rich. The psychology is that the stock market will shut down in the next month, so I have to make the most of it to become rich. However, the reality is a bit harsher and different from people's perceptions.

Due to this perception, investors' objective

Many brokerage houses don't have any risk management tools to control the high margin loan exposure. Here, the institutions should be stricter in implementing rules and regulations



Potato growers in a panic for price slump

QUAMRUL ISLAM RABAIYAT,
Thakurgaon

Potato growers of Thakurgaon and Panchagarh districts are distraught over apprehensions of incurring huge losses for a second year in a row as the market has seen a sharp fall in prices.

Aiming to make a quick buck, growers cultivate early varieties of the tuber crop that usually sell for between Tk 25 and Tk 40 per kilogramme during the initial harvesting period from late November to mid-January.

But amid the ongoing harvesting season, farmers are having to sell each kilogramme of potato for about Tk 6 to Tk 10, which is lower than the production cost.

The growers cultivate BARI Alu-7 (diamond), BARI Alu-13 (granula), BARI Alu-25 (Esterik) and Cardinal for early harvest to reap extra profits, said sources.

Market experts said the situation had stemmed from a lack of buyers from southern districts, including Dhaka and Narayanganj.

Besides, an abundant supply of other winter vegetables at fair prices has led to decreasing demand for the freshly harvested potatoes, leading to lower prices.

During a recent visit to different villages in the two districts, this correspondent saw that harvests were bringing little



cheer to growers struggling to recover production costs due to the drastic fall of prices.

Samshe Ali of Fakhdanpur village in Thakurgaon sadar upazila said he cultivated the BARI Alu-13 (granula) variety on one bigha of land at a cost of about Tk 22,000.

His efforts yielded 2,100 kilogrammes of potato that sold for Tk 7 per kilogramme. As such, he earned Tk 14,700, incurring a loss of Tk 7,300. However last year, he had made a profit of Tk 20,000.

Makbul Rahman of Salondar village said he cultivated the diamond variety on six-bighas of land investing

dropped.

Abu Hossain, deputy director of the Department of Agricultural Extension (DAE) in Thakurgaon, said growers cultivated the tuber crop on 27,677 hectares of land against a target of 28,515 hectares with a production target of 679,798 tonnes.

Of the total land being used, early variety potatoes are being grown on about 8,000 hectares, with 102,713 tonnes of the crop having already been harvested from 5,478 hectares.

Last year, growers produced 741,226 tonnes by cultivating potatoes on 28,515 hectares of land.

In Panchagarh, the DAE set a target to cultivate potatoes on 9,950 hectares of land to produce 207,259 tonnes.

Growers have cultivated the tuber crop on 9,870 hectares of land in the area and harvested 8,555 tonnes of potatoes from 455 hectares already.

Last year, 206,734 tonnes of potatoes were produced by cultivating 9,950 hectares of land, sources said.

Abu Hossain said the market price of potato would increase once last year's stocks were consumed.

"If potato export is increased, it would have a positive impact on the country's economy along with changing farmers' fate as well," Hossain added.

It's not wrong to have a day trading; it's happening all over the world. The wrong idea is that you can't expect a miracle overnight to double or triple the capital gain from your initial investment within a couple of days.

When an investor comes to the market with such an appetizer or need, it apparently becomes high risk for the market. In various cases, I have seen that those investors don't even have any financial literacy to invest in which companies or not.

In most cases, they go after rumours or follow gamblers' traps. They don't even hesitate to purchase junk shares. The shares were purchased at high prices, and when the price fell, they blamed the regulators and the government, which is totally unacceptable. As a result, I think, it will take a long time to break the shackles of the investors and face reality.

READ MORE ON B2

China's economy grows 8pc in 2021

AFP, Beijing

China's economy expanded at its fastest pace for 10 years in 2021, according to an AFP poll of analysts, but its strong recovery from the Covid-19 pandemic is threatened by Omicron and a property sector slowdown.

The eight percent growth would be well above the government's target of more than six percent, and comes on the back of a strong start to the year as a "zero-Covid" policy allowed the country to lead the global economic recovery.

China's exports surged nearly 30 per cent last year on solid global demand as countries reopened from pandemic lockdowns, boosting its stuttering economy.

But the country's recovery in the second half of 2021 was hobbled by a series of outbreaks -- with officials reimposing strict containment measures -- as well as power outages caused by an emissions reduction drive, supply chain problems and surging energy costs.

While the forecast marks a healthy annual tick -- up from 2.3 per cent in 2020 -- those issues put a dampener on factory activity and led to businesses shuttering.

They were compounded by a crackdown on debt in the property sector, which accounts for a huge part of the economy. "Key factors... were the impact of power shortages, the residential construction sector slowdown and moderating retail sales," said Rajiv Biswas, Asia-Pacific chief economist at IHS Markit.

The analysts tipped growth of just 3.5 per cent on-year for the fourth quarter, down from 4.9 per cent the previous three months and 7.9 per cent from April-June.

And headwinds from the construction sector slowdown, as well as the impact of Covid measures on consumer spending, will likely pose a "significant drag" on growth this year, Biswas added.

US industrial output slows in December

AFP, Washington

A downturn in the US manufacturing sector in the final month of 2021, notably the hard-hit auto sector, caused overall industrial output to dip in December, the Federal Reserve said Friday.

Industrial production slipped 0.1 per cent, surprising economists expecting a modest increase, as manufacturing fell 0.3 per cent in the month, according to the data.

Amid the ongoing shortage of key computer chips that has hampered auto manufacturing, motor vehicles and parts fell 1.3 per cent in December and was about six percent lower than a year earlier, the Fed said.

That decline ended a two-month streak of gains and offered "a sign that the sector's travails are far from over," said Kathy Bostjancic of Oxford Economics.



Female workers produce solar photovoltaic modules used for small solar panels at a factory in Haian in China's eastern Jiangsu province.

PHOTO: AFP