



Stock trading on the decline

Investors cautious amid release of half-yearly reports, rising Covid cases

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STAR BUSINESS REPORT

Trade in the domestic stock market slowed constantly over the past week as investors adopted a cautious approach in their wait for the half-yearly reports of listed companies amid a worsening coronavirus situation.

As such, the average daily turnover of the Dhaka Stock Exchange (DSE) fell 25 per cent to Tk 1,229 crore last week while it was Tk 1,648 crore the week before.

The DSEX, the benchmark index of the Dhaka bourse, lost 78.1 points in total while the DSES and DS30 shed 8.4 points and 33 points respectively at the same time, according to DSE data.

"Investor participation fell as people want to see the earnings of listed companies," said Ahsanur Rahman, chief executive officer of BRAC EPL Stock Brokerage.

Many investors rearranged their portfolios considering the earnings mix while on the other hand, many others took profits as the index rose in previous weeks.

Regarding the effects of Omicron, the latest variant of Covid-19, Rahman said it had some impact on the market during the initial outbreak as people feared a fresh economic fallout.

"But things are getting better now," he added.

The country reported 20 more Covid-linked deaths with 15,440 fresh infections in the 24 hours till Friday morning.

The daily positivity rate rose to its highest-ever 33.37 per cent after testing 46,292 samples, according to the Directorate General of Health Services (DGHS).

The country's previous highest daily positivity rate (32.55 per cent) was logged on July 24 last year.

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Stocks witnessed somewhat flat sessions during the last three days of the week as investors mostly followed a "wait-and-see" approach, International Leasing Securities said in its daily market review.

Although the investors' focus was on the miscellaneous sector at the beginning of the week, it shifted to the textile sector by the end of the week as they are anticipating

growth in the sector's upcoming quarterly earnings.

The investors' activity was mostly concentrated on the miscellaneous (14.6 per cent), textile (12.4 per cent), and pharmaceuticals and chemical (11.8 per cent) sectors, it added.

Even though investor participation slipped last week, they were not in a selling spree because they are hopeful to see good performance from the companies, according to a top merchant banker.

"As a result, index movement was slightly on the low end, but saved from a big fall," he said.

The merchant banker went on to say that that people are rearranging their portfolios after considering the earnings of their scrips.

Stocks of Walton, one of the top index influencing companies, dropped more than 6 per cent last week after its disclosure of a 30 per cent fall in profits.

"Along with the earnings uncertainty, people have some fear of another nationwide lockdown amid the pandemic," the merchant banker said.

The market's price-to-earnings (P/E) ratio is 16.63, according to LankaBangla Securities. The ceramic sector holds the top sector-wise P/E ratio at 38 while the banking sector holds the lowest with eight.

No plan to raise fertiliser prices

Razzaque says

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The government is having to provide over threefold the usual annual subsidies for fertilisers in fiscal year 2021-22 due to an unusual rise in international market prices.

Yet, it has no plan to hike the prices of the key crop production input right now, said Agriculture Minister Muhammad Abdur Razzaque yesterday.

Of the Tk 28,000 crore being required, Tk 19,000 crore has been provided and another Tk 9,000 crore will be needed by next June, he said.

The minister was speaking as chief guest at a debate "Shadow parliament on the government's appropriate steps to ensure safe food" at Film Development Corporation in Dhaka, says a ministry press release.

"This huge amount of subsidy will be required due to the abnormal increase in the price of fertiliser in the international market and increase in transportation cost. Usually, we need subsidies of Tk 8,000-Tk 9,000 crore every year," Razzaque said.

Fertiliser consumption is growing every year. The amount used in agriculture was estimated at 58.65 lakh tonnes in fiscal year 2020-21.

The ministry projects that demand would reach 67 lakh tonnes during the current fiscal year ending in June.

GPH Ispat's earnings surge

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Listed steel maker GPH Ispat's profit soared in the first half of the current financial year.

The company logged Tk 94.93 crore in profits, posting a 36 per cent rise from Tk 69.64 crore recorded during the same period a year ago.

Its earnings per share was Tk 2.17 during the July to December period, which was Tk 1.59 previously. The net operating cash flow per share dropped to Tk 0.86 from Tk 3.64.

In the one month to Thursday, stocks of GPH Ispat rose around 17 per cent to Tk 59, data from the Dhaka Stock Exchange showed. Its paid-up capital was Tk 436 crore.

On December 31, the net asset value per share of GPH Ispat slipped to Tk 27.52, which was Tk 29.86 on June 30, according to the company's un-audited financial reports.

Oil hits 7-year peak

REUTERS, Bengaluru

Oil prices rose to a more than seven-year peak on Friday and recorded their sixth straight weekly gain as geopolitical turmoil exacerbated concerns over tight energy supply.

On a weekly basis, the benchmark contracts notched their longest run of gains since October.

Brent futures rose 69 cents to settle at \$90.03 a barrel, after hitting \$91.70, the highest level since October 2014.

Lack of reliable data stymies

FROM PAGE B1 households from 64 districts in three phases in 2017 and 2018.

Still though, the database remains incomplete, bringing its relevance into question as the ongoing coronavirus pandemic has rendered these statistics obsolete in the face of dynamic economic changes brought on by Covid-19.

These comments came at a webinar styled, "COVID-19 Stimulus Packages: An Analysis of Institutional Capacity, Transparency, and Accountability", organised by The Asia Foundation, Research and Policy Integration for Development (RAPID) and Economic Reporters Forum.

Pointing to how the lack of proper data can thwart any good initiative, speakers said that 50 lakh people were supposed to receive Tk 2,500 per head through mobile financial services to help ride out the crisis.

However, irregularities were detected in the

selection of beneficiaries and as a result, the proceedings were suspended, they added.

In addition, the government had announced 28 stimulus packages from March 2020 to December 2021 for various industrial and service sectors to address the coronavirus fallout.

The packages involved a total of Tk 187,679 crore, or about 6.2 per cent of the country's gross domestic product.

Bangladesh's allocation was less compared to other countries in the Asia Pacific region but even so, the implementation of many packages was slow.

"I agree that there is a lack of reliable information and so, we are working sincerely to ensure that the right information is available at the right time," said Planning Minister MA Mannan.

In any emergency situation, the enactment of rapid prevention and recovery measures is

crucial, and that is exactly what the government did amid the ongoing coronavirus crisis.

"Of course stimulus funds were disbursed through the banking sector, as was the case in many countries," he said.

And although there may have been difficulties in identifying actual beneficiaries at first, the issues were later resolved, the planning minister added.

Mannan went on to say that despite some mistakes in implementing the stimulus funds, the initiative was much appreciated both at home and abroad.

"In a study by the International Monetary Fund, we are number one when it comes to coping with Covid-19. Maybe it was an opportunity to do better but we did well overall," he said.

Mohammad Abdur Razzaque, chairman of RAPID and director of the Policy Research Institute, said organised groups

secured more benefits from the incentive package.

This is especially true for export oriented sectors that can easily reach the ears of local policymakers.

As such, informal micro, small-and-medium enterprises had little to no access to stimulus funds while it is altogether too late for incentives to reach the struggling tourism sector.

Md Khairuzzaman Mozumder, additional secretary of the Finance Division, said excluding some new programmes, 82 per cent of the incentive package had been implemented till November last year.

"We have seen in one of our studies that 6.79 crore people have benefited from the package while 1 lakh enterprises have benefited," he added.

Md Kawser Ahmed, member (secretary) of the planning ministry's General Economics Division, said they will prepare the National Housing Database within this year.



Mahbulul Matin, chairman of eCourier Ltd, and Mahbulul Anam, managing director of Expo Group, a joint venture partner of Aramex Dhaka, shake hands after signing a deal at the former's head office in Dhaka yesterday.

PHOTO: ECOURIER

eCourier, Aramex join hands to launch cross-border delivery

STAR BUSINESS DESK

eCourier Ltd, a subsidiary of Dotlines Group, and Aramex Dhaka Ltd, the local entity of the multinational logistics, courier and package delivery company, have entered into a commercial agreement to utilise their combined strengths to unlock Bangladesh's international delivery potential.

Mahbulul Anam, managing director of Expo Group, a joint venture partner of Aramex Dhaka, and Mahbulul Matin, chairman of eCourier Ltd, signed the deal at the Dotlines' head office in Dhaka yesterday, according to a press release.

"This strategic alliance will support our long-term vision to grow our business

in Bangladesh, serve customers seeking to send personal or official parcels and documents from Bangladesh to 70 global hubs, and provide opportunities to develop product and technology solutions together with eCourier for the benefit of our customers," Anam said.

"We look forward to the synergies created between eCourier's capabilities in Bangladesh and Aramex's global network," said Matin.

"Our aim is to bring new products and opportunities to Bangladeshi businesses and consumers through unique access to our networks, and our technology and logistical capabilities."

Biplob G Rahul, chief executive officer of eCourier, was present.

Textile millers

FROM PAGE B1 oriented textile mills.

The loss of the mills that produce goods for the domestic market is \$2 billion, according to Khokon.

The association also opposed the proposal of gas distributors to raise the price of the utility.

Khokon said if the government increased the gas prices by 103 per cent to 116 per cent, it would affect the price level of yarn and fabrics. Local garment exporters might not afford the increase of yarn and fabrics prices by 2 to 5 cents per kilogramme, he said.

Any price hike will disrupt the supply of yarn and fabrics and affect the plan to invest \$2.5 billion in the textile mills in the next two years to increase the spindle capacity to 15 million, he said.

Currently, the spindle capacity stands at 13.5 million.

The BTMA chief called for a long-term energy policy for the textile sector as it is vital to supply raw materials to the garment industry, Bangladesh's biggest export-earning sector.

"The government should fix the gas price for a longer period as any frequent price hike affects investment decision," said Khokon.

Currently, per unit gas price at textile mills is Tk 13.85, which has been effective from November 2019.

The Federation of Bangladesh Chambers of Commerce and Industry has already opposed the gas hike move.

Bogura's Hotel Naz Garden

FROM PAGE B1 pharmaceuticals to food, beverages and consumer products.

There has been little achievement worth mentioning of the hotel although it had come into existence 16 years back on a recipe right for success.

Shokrana had initially planned building a motel but afterwards came to know that International Cricket Council (ICC) would declare a Bogura stadium as an international cricket venue.

international guests during matches got him to end up spending Tk 15 crore just a couple of kilometres away from Shaheed Chandu Stadium.

Sprawling across 15.11 acres of land, the hotel is located at Silimpur area on Bogra City Bypass at the heart of the district, some 192 kilometres away from Dhaka.

It offers an array of 94 rooms, gardens, a bar, four ballrooms, swimming pool and a lake 160 feet long and 60 feet wide.

visited my hotel and announced it an ICC venue hotel," said Shokrana.

But no international match has taken place there since 2006.

The hotel has made it thus far catering to guests including businesspeople, government officials and non-governmental officials (NGO).

Then another hotel of the same service and quality standards was built by NGO Thengamara Mohila Sabuj Sangha in the district, increasing the competition for guests.

"Due to the pandemic, we are incurring losses of Tk 2 lakh to Tk 3.5 lakh per day...I can't run this business anymore," said Shokrana.

On word going round that he was liquidating all assets over plans to go live with his elder son in Canada, Shokrana said it was all rumours.

Referring to a common perception that people abroad do their chores themselves, he said, "My age is now 72 years. Why will I be settling in Canada? To wash my own clothes at this old age?"