

Dhaka bourse loses 116 points in two days

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) bled for the second session in a row yesterday due to a selling spree despite a reduction in the coronavirus infection rate.

The DSEX, the benchmark index of the bourse, lost 64 points, or 0.92 per cent, to end the day at 6,926. In the last two days, the index dropped 116 points in total.

On the DSE, 77 stocks went up, 270 dropped and 33 remained unchanged, while turnover at the country's premier bourse rose 13 per cent to Tk 1,140 crore.

"Actually, the index dropped as some big players in the market took profits in the last two days," said a top official of an asset management company.

Taking profits is a general tendency but the Bangladesh Securities and Exchange



Vegetable traders purchase tomatoes right from the field amidst a rise in prices, thanks to low supply compared to demand. This is in stark contrast to the situation last year when prices were so low that it was impossible to cover labour and transportation costs, forcing most farmers to let their produce rot in the fields. The photo was taken at Barua village of Kulaghat union in Lalmonirhat sadar upazila on Friday noon.

PHOTO: S DILIP ROY

Hakkani Pulp topped the gainers' list, rising 10 per cent. Samata Leather rose 9.96 per cent and Apex Spinning gained 9.95 per cent

Commission (BSEC) should look into whether they have any ill motive to affect the index, he said, adding that the index is falling at a time when the Covid-19 positivity rate is dropping.

The current positivity rate is 7.82 per cent.

The Directorate General of Health Services reported 13 deaths from Covid-19 on Saturday, the lowest since January 2021, and 21 yesterday.

"General investors should not panic if they hold well-performing stocks," the asset manager added.

Fortune Shoes witnessed the highest turnover with Tk 190 crore. Shares of Beximco worth Tk 54 crore and that of National Life Insurance valued at Tk 39 crore also changed hands.

Orion Pharma and Bangladesh Shipping Corporation also saw heavy trading.

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Rangpur tomato growers recouping yesteryear's losses

S DILIP ROY

Last year most farmers of Rangpur had no option but with a heavy heart let tomatoes rot in the fields as prices they were selling for were far from recouping labour and transportation costs.

This year, however, they are in for better times. Tomatoes are selling at higher prices. The situation has turned around, such that farmers are not having to take their produce to the market.

Instead, vegetable traders are coming over to the fields to purchase tomatoes. The vegetable traders are also benefiting from the business this year.

According to the Department of Agricultural Extension (DAE), tomatoes have been cultivated on 9,000 hectares of land in eight districts of greater Rangpur this year. The target is to produce 3.80 lakh tonnes of tomatoes.

However, last year the cultivation area totalled 12,000 hectares. But the losses had led to many to opt out from cultivating the vegetable this year.

It costs Tk 18,000 to Tk 20,000 to cultivate tomatoes on one bigha of land. And farmers can get 120 maunds to 150 maunds (one maund equals 37 kilogrammes) of tomatoes from each bigha of land, said DAE officials.

Abdur Razzak, 56, a farmer from Barua village in Kulaghat union of Lalmonirhat sadar upazila, has invested Tk 13,000 into growing tomatoes on 20 decimals of land this year.

He has already sold 70 maunds at Tk 700 per maund and hopes to bring in a harvest of over 18 maunds to 20 maunds.

"I have made an unexpected profit farming tomatoes this year. I have

recouped last year's loss and benefited," he said.

He had cultivated tomatoes on 40 decimal of land at a cost of Tk 28,000 last year and was able to make sales worth Tk 3,000 only.

"Later, I left the tomatoes to rot in the field as prices were not high enough to cover labour and transportation costs," Razzak said.

Abdul Quader, 46, a tomato grower in the same area, said he sold tomatoes for Tk 70 to Tk 80 per maund last year but this year the rate was Tk 700 to Tk 800.

Tomatoes have been cultivated on 9,000 hectares of land in eight districts of greater Rangpur this year. The target is to produce 3.80 lakh tonnes of tomatoes

Due to the losses incurred last year, he had cultivated tomatoes on 40 decimals of land instead of the usual 100 decimals.

"Last year, I lost Tk 45,000 cultivating tomatoes."

This year, Quader has sold tomatoes grown on 40 decimals of land at Tk 1.30 lakh having spent just Tk 28,000.

"If I had the idea that I would be able to make such a profit by producing tomatoes this year, I would have planted this crop on more land."

Narendra Nath Roy, 60, a farmer from Baidyer Bazar village in Rajarhat upazila of Kurigram, has cultivated tomatoes on three bighas of land.

He got 265 maunds of tomatoes from

the land and sold it at Tk 720 per maund.

"Vegetable traders are buying tomatoes directly from the fields. I took the tomatoes to the market last year but could not sell them. We have made an unexpected profit by cultivating tomatoes this year," he said.

Mokhleshar Rahman, a vegetable trader in the municipal market in Kurigram town, said the supply of tomatoes was high but the demand was low last year.

Farmers could not sell tomatoes even when they came to the market. "This year we are going to the farmers' fields and buying tomatoes," he said.

The traders are sending tomatoes from the market to different parts of the country, including the capital Dhaka.

"Last year, we also made a loss in the tomato business, but this year we have been able to reach expected profits," Rahman said.

Khorshed Alam Sarkar, a vegetable trader from Dhaka, said that more than 100 vegetable traders from Dhaka were buying tomatoes from different parts of Rangpur.

The supply of tomatoes this year is a bit less than that last year.

"We are buying tomatoes from local vegetable traders and supplying them to vegetable markets in different parts of the country by trucks," he said.

Shamim Ashraf, deputy director of the DAE in Lalmonirhat, says although tomatoes were cultivated on a lesser extent than last year, farmers have gained expected yields this year.

"Farmers have benefited more this year by cultivating all kinds of vegetables, including tomatoes. Current market prices have encouraged farmers to cultivate a variety of vegetables."

Bangladesh capital market: Looking back and forward

MAMUN RASHID

Fifty years of Bangladesh is marked with a few significant achievements. The country became a \$400-plus billion economy in 2021. Per capita income rose to \$2,554 in FY21, which is higher than our neighbouring countries, including India.

Foreign reserves hit a record high of \$48 billion while export increased by 30 per cent, imports by 51 per cent and revenue collection by 26 per cent year-on-year in 2021.

The International Monetary Fund forecasts Bangladesh economy to grow by 6.6 per cent in FY2022.

Bangladesh may grow even at a faster pace in 2022 if the vaccination rate rises and the effect of the pandemic is well contained considering the emergence of a new variant.

Bangladesh is set to become the 24th largest economy out of 191 countries by 2036, according to the Centre for Economics and Business Research.

The capital market also had a remarkable year in 2021. The Dhaka Stock Exchange (DSE) witnessed a return of more than 20 per cent two years in a row. In fact, the DSE's 25.1 per cent return in 2021 was one of the best in the world.

The DSE also witnessed a decade-high daily average turnover and an increase in market capitalisation to GDP ratio. With a dynamic team at the Bangladesh Securities and Exchange Commission (BSEC), the market is turning a critical corner with several structural changes that can shape the future of the capital market.

The BSEC approved 22 companies, including 16 banks and non-bank financial institutions, to float bonds worth \$1.5 billion last year.

The economy was still recovering from the pandemic scars last year. The government, however, was prudent in implementing timely measures and announced incentive and stimulus packages of more than \$20 billion. The excess liquidity was a concern as the private sector credit growth was lacking momentum and was way below the central bank's target. Going forward, inflation caused by global commodity price hikes and non-performing assets piled up in the financial sector may cause a headache for the central bank.

2022 outlook for emerging and frontier markets

Frontier markets, especially Asians, were among the top 10 performing markets globally in 2021. Asian frontiers also outperformed global and regional peers by a large margin. This solidifies the idea of investing in frontiers with a strong economic footing.

Markets globally had a bull run over the past 1.5 years and now, global investors are wary of interest rate increases. Thus, more diversification into the frontier and emerging economies with strong macro fundamentals are likely to see funds inflow in 2022.

Sectors that may see FDI participation

Readymade garment, telecommunication, technology, consumer, and other manufacturing

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Bangladesh attracted more than \$20 billion in investment proposals since the beginning of the pandemic. This reflects the growing investor appetite for investment in Bangladesh

India makes record US soyoil purchases

REUTERS, Mumbai

Indian traders have contracted to import a record 100,000 tonnes of soyoil from the United States because of limited supplies from drought-hit South America, at a time when prices of rival palm oil are scaling record highs, three dealers told Reuters.

The higher purchases from the United States are expected to support US soy oil prices, which have climbed nearly 20 per cent this year to close to their highest in a decade, fuelling worries about food inflation.

The world's biggest edible oil importer traditionally buys soyoil from Argentina and Brazil, but lower bean output in these two leading exporters of the commodity forced New Delhi to turn to the United States, they said.

"Indian buyers have bought US soyoil vessels. Prices were attractive and supplies were not enough in South America," said the India head of a global trading firm, who sought anonymity because of the company's policy.

"Buying of another two vessels in the short term is possible." India usually gets two-thirds of its soyoil needs from Argentina, and the rest from Brazil.

But last season's reduced soybean output has tightened soyoil reserves in Argentina, forcing Indian buyers to shop around for alternatives, such as sunoil from the Black Sea region.

"Sunflower oil is cheaper than palm and soyoil, but some buyers are sceptical about deliveries because of geopolitical tension (in Russia)," said Sandeep Bajoria, chief executive of Sunvin Group, a vegetable oil brokerage and consultancy firm.

"They are going with soyoil."

Crude palm oil (CPO) is being offered at about \$1,575 a tonne, including cost, insurance and freight (CIF), in India for March shipments, compared with \$1,620 for crude soybean oil and \$1,515 for crude sunflower oil, traders said.



A combine harvester is used to harvest soybeans on a farmland in Chilicoy, on the outskirts of Buenos Aires.

PHOTO: REUTERS

US takes steps to counter Ukraine crisis, energy costs

REUTERS, Munich

There could be a knock-on impact to energy prices paid by American consumers from ongoing tensions between Russia and Ukraine, US Vice-President Kamala Harris said, adding that the US government is working to mitigate the effects.

Speaking in Munich, where she had been attending a security summit, Harris said the United States is taking "specific and appropriate steps" to prepare for any potential costs.

Harris also repeated President Joe Biden's assertion that Russian President Vladimir Putin had already taken the decision to attack Ukraine. Russia denies that it plans to invade.

Speaking to reporters, Harris said the United States will re-evaluate its promised aid for Ukraine in the coming days.