Stocks break gaining streak

STAR BUSINESS REPORT

The stock index in Bangladesh yesterday broke out of a gaining streak of four sessions while turnover of Dhaka Stock Exchange (DSE) tumbled to reach less than Tk 600 crore.

The DSEX, the benchmark index of the DSE, dropped 16 points, or 0.24 per cent, to 6,666 at the end of the day.

Turnover of the DSE plummeted 33 per cent to Tk 593 crore from that the previous day.

The short term profit-booking tendency of cautious investors cut down the price of the board, said International Leasing Securities in its daily market review.

Meanwhile, the investors reduced their participation significantly in the market that caused the turnover to decrease 33.8 per cent.

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Moreover, the world's markets tumbled again as China's Covid outbreak is getting worse, it added.

At the day's end, both the DS30, the blue chip index, and DSES, the Shariah-based index, lost 9.55 points and 6.91 points respectively.

Among the sectors, general insurance rose 2.9 per cent, engineering 1.3 per cent and paper and printing increased 0.9 per cent.

As per the turnover, investors' attention was mainly concentrated on engineering (15.5 per cent), financial institutions (11.5 per cent) and pharmaceuticals & chemicals (11.3 per cent).

At the DSE, 113 stocks advanced, 222 declined and 42 remained unchanged.

United Insurance Company topped the gainers' list with a rise of about 7.85 per cent. Provati Insurance Company, Imam Button Industries, Asia Pacific General Insurance Company and Agrani Insurance Company also saw major gains.

Bangladesh Monospool Paper Manufacturing Company shed the most with a 4.98 per cent

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Although most shops in Pabna have stocked up on various goods in anticipation of increased Eid sales, traders are struggling to make the most of this festival season as customer turnout remains low.

PHOTO: AHMED HUMAYUN KABIR TOPU

Pabna traders yet to get expected Eid sales

Higher prices force many shoppers to cut budget

AHMED HUMAYUN KABIR TOPU, *Pabna*

After enduring two years of coronavirus-induced losses, shopkeepers in Pabna were eying good sales in the ongoing month of Ramadan as people buy all types of goods as part of the Eid-ul-Fitr festival.

Although customer turnout at various markets is increasing each day as the celebrations draw nearer, overall sales are yet to reach their peak as people have cut budgets to keep spending in check amid higher inflation, according to local traders.

During a visit to prominent shopping centres in Pabna, this correspondent found that shop owners have put on display a huge collection of clothing items in their stores but are not getting enough customers.

"Most female customers usually buy cosmetics along with their new dresses, but this year, most of them have cut cosmetic shopping as the prices of dresses and other necessaries have increased"

"We got very little sales during the last two Eid-ul-Fitr festivals due to the alarming Covid-19 situation when markets were kept shut," said Md Imdadul Islam, owner of Isha Matching Corner, a fashion house in the Pabna New Market.

"I have a huge collection of clothing items this year but I have not been able to sell more than 30 per cent of my products since the 20th day of the fasting month."

During a visit to his shop on Friday, it was found that although many customers were present, most of them were unable to buy anything considering the higher prices.

Shaira Ahmed, a homemaker, had planned to buy two saris, but she found out their prices to be Tk 8,000 each, which is Tk 2,000 higher than her budget.

"If I had gone ahead with the plan, I would have to give up on other shopping, so I have bought just one sari," she said.

However, Islam defended his prices, saying production costs have surged owing to higher raw material prices.

"The price of clothes has increased by Tk

150 to Tk 200 for each Tk 1,000 product in the wholesale markets due to the hike in raw material prices. So, we are bound to sell at higher prices too."

Md Alauddin, another shopkeeper in the New Market, said most middle-income people are not doing a lot of shopping this year, leading to lower sales.

"The middle-income groups are the main customers but most of them have cut their Eid shopping."

In the previous years, he used to sell more than Tk 1 lakh worth of products each day, but this year, daily turnover stands at Tk 30,000 to Tk 40,000.

"Before Ramadan, I had targeted to recover a portion of the last two years' losses, but poor festival sales have made me worried about whether I'll even be able to finish Eid stocks," Alauddin added.

Most customers generally agreed that they have had to cut down on Eid shopping this year due to the higher prices of almost all products.

"The price of necessary commodities has rapidly increased, which has, in turn, raised the cost of living. At this stage, I have to cut the budget for Eid shopping," said Md Shahidur Rahman, who teaches at a college. He usually buys two sets of clothes for each of his family members every year, but this year he is buying just a single set.

During visits to various other markets in the district town, it was also found that there were huge gatherings of people but not everyone was making purchases.

"Most female customers usually buy cosmetics along with their new dresses, but this year, most of them have cut cosmetic shopping as the prices of dresses and other necessaries have increased," said Ashraful Bari, who owns a cosmetics shop at the Khan Bahadur Shopping Mall.

Despite the huge turnout of shoppers, traders are not getting enough customers, he claimed.

"Traders wait for the sales ahead of Eid every year. However, businessmen could not post expected Eid sales due to the coronavirus pandemic in the last two years," said ABM Fazlur Rahman, director of the Pabna Chamber of Commerce and Industries. "Now, rising living costs have brought more disappointment."

However, he went on to say that Eid sales may increase in the last moments ahead of the festival, so there is nothing to be worried about at the moment.

Ha-Meem Group eyes $1b exports by 2024

REFAYET ULLAH MIRDHA

Ha-Meem Group, one of the top textile and garment manufacturers in Bangladesh, is eyeing massive expansion to export $1 billion worth of apparel items by 2024, said its owner.

In order to attain the target, the group has been expanding its business for the last few years and is going to set up a denim mill and a spinning factory in the next one year.

The group is establishing the new denim factory with an investment of $100 million in Tangail to produce five million yards of denim fabrics per month.

Its existing denim mill produces five million yards of fabrics, of which 40 per cent is consumed by the group and the remainder is sold to other garment factories.

The new spinning mill will make woven fabrics for the group's own garment factories as well for other apparel manufacturers in the country.

"Production at both denim and spinning mills will start next year," said AK Azad, chairman and chief executive officer of Ha-Meem, during an interview recently.

The entrepreneur started business in 1984 with a small factory in Dhaka's Motijheel with 57 machines after graduating from the University of Dhaka.

Today, Ha-Meem Group has 39 business concerns in various sectors, mainly textile, garment, media and tea, with an annual turnover of $966 million.

The group employs more than 65,000 workers, mostly at its textile and garment units. Another 10,000 workers will be recruited soon for the garment and textile sectors, said Azad, a former president of the Federation of Bangladesh Chambers of Commerce & Industry.

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In 2021, Ha-Meem exported garment items worth $580 million and another $200 million worth of denim and woven fabrics were sold in the local markets. The local sales are considered deemed exports.

Rifat Garments, a unit of the group, has been the biggest exporter of woven fabrics since the fiscal year of 2011-12. It won the gold trophy from the government for the fiscal year 2017-18 after racking up $172 million through the shipment of woven items. It has also been one of the top taxpayers among garment factories.

Speaking about his investment plan in the denim segment, Azad said denim fabrics have a lot of demand from garment manufacturers, and his denim factory is always overbooked with orders from international buyers.

The move from the group comes as Bangladesh has to import a lot of denim fabrics from China and Pakistan every year to meet the demand from local factories.

The country will need more denim fabrics since orders are shifting from China as international clothing retailers and brands are cutting their reliance on the world's largest supplier of apparel items.

During the interview, he also talked about the risk facing garment exporters owing to the Russia-Ukraine war and the soaring prices of raw materials and freight costs.

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PALM OIL EXPORT

Indonesia's ban leaves global buyers with no plan B

REUTERS, *Mumbai*

Global edible oil consumers have no option but to pay top dollar for supplies after Indonesia's surprise palm oil export ban forced buyers to seek alternatives, already in short supply due to adverse weather and Russia's invasion of Ukraine.

The move by the world's biggest palm oil producer to ban exports from Thursday will lift prices of all major edible oils including palm oil, soyoil, sunflower oil and rapeseed oil, industry watchers predict. That will place extra strain on cost-sensitive consumers in Asia and Africa hit by higher fuel and food prices.

"Indonesia's decision affects not only palm oil availability, but vegetable oils worldwide," James Fry, chairman of commodities consultancy LMC International, told Reuters.

Palm oil - used in everything from cakes and frying fats to cosmetics and cleaning products - accounts for nearly 60 per cent of global vegetable oil shipments, and top producer Indonesia accounts for around a third of all vegetable oil exports. It announced the export ban on April 22, until further notice, in a move to tackle rising domestic prices.

"This is happening when the export tonnages of all other major oils are under pressure: soybean oil due to droughts in South America; rapeseed oil due to disastrous canola crops in Canada; and sunflower oil because of Russia's war on Ukraine," Fry said.

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People shop for cooking oil at a supermarket in Jakarta on March 27. Indonesia's move to ban palm oil exports will lift prices of all major edible oils, industry watchers predict.

PHOTO: REUTERS/FILE

Sri Lanka exchange halts after 13pc plunge

AFP, *Colombo*

Crisis-hit Sri Lanka's stock exchange halted again Monday after a nearly 13 per cent plunge, derailing the bourse's tentative reopening after a two-week break aimed at forestalling a market collapse.

The island nation is grappling with its worst economic downturn since independence in 1948, with months of regular blackouts and acute shortages of food and fuel.

Equities have shed nearly 40 per cent of their value since January, with the local currency falling by a similar amount against the greenback in the past month.

Monday was the first morning of trade on the Colombo bourse since a weeklong Sri Lankan New Year holiday and a subsequent five-day trading halt after the government hiked interest

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