Stocks see seventh day of decline

STAR BUSINESS REPORT

The domestic stock market yesterday stretched its losing streak to seven consecutive trading sessions amid low turnover, raising concerns among investors regarding the future of their portfolios.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), slid by 51 points, or 0.81 per cent, to close the day at 6,258.

With this fall, the index has dropped to its lowest position in the last nine months, when it stood at 6,208 on July 12. The index plunged by a total of 440 points in the last seven days.

Besides, turnover at the DSE fell by 12 per cent to Tk 668 crore compared to Tk 762 crore on the previous day.

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Risk-averse investors continued their selling spree of sector-specific issues to avoid any further erosion in their portfolios, said International Leasing Securities in its daily market review.

The growing concerns about rising inflation, which reduced the peoples' real income, as well as the lower value of local currency against US dollars in foreign investors' portfolios has decreased investor confidence, it added.

All the sectors, sans tannery, witnessed price corrections yesterday. Investor activity was mostly concentrated on miscellaneous (15.2 per cent), banks (12.8 per cent), and pharmaceuticals and chemicals (12.4 per cent).

At the DSE, 67 stocks advanced, 263 declined and 50 remained unchanged.

Meanwhile, both the DS30, the blue-chip index, and DSES, the shariah based index, lost 19 points and 8 points respectively.

S Alam Cold Rolled Steel Mills topped the gainers list with a roughly 10 per cent rise while Bangladesh National Insurance, First Finance, C&A Textiles, and Emerald Oil also saw major gains.

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During the short harvesting window for litchis, around 10,000 local housewives and adolescents get the chance to earn about Tk 300 daily by working at orchards, according to officials of the Department of Agricultural Extension.

PHOTO: STAR

LITCHI FARMING in Magura grows 10 times in as many years

AZIBOR RAHMAN, *Magura*

Litchi production in Magura has increased ten fold compared to what it was a decade ago thanks to favourable weather and soil conditions this year.

As such, the optimum yields seen in the ongoing harvest season have given farmers hope of making good business by supplying the seasonal fruit to different parts of the country.

During a recent visit to orchards in the Isakheda and Hazrapur villages, it was found that litchi farmers and traders were in a jovial mood while picking the fruit with their wives and children helped arrange them in piles.

Officials of the Department of Agricultural Extension (DAE) in Magura said that 639 hectares of land under four upazilas of the district have been brought under litchi cultivation to produce an estimated 5,924 tonnes of the fruit.

However, yields may exceed expectations considering the current trend in harvesting.

The DAE officials went on to say that during the short harvesting window for litchis, around 10,000 local housewives and adolescents get the chance to earn about

Tk 300 daily by working at orchards.

And considering this year's sizeable yields, the DAE expects farmers in the district will be able to sell around Tk 60 crore worth of litchi in the ongoing season.

Magura is considered the best litchi growing district in Khulna as it has the most suitable soil for this purpose.

A mature litchi tree can produce around 12,000 to 15,000 pieces of the fruit each year while smaller ones provide about 6,000 to 7,000 litchis at the same time.

According to various farmers, maintaining a litchi orchard bears little expense.

"We only apply some phosphate and compost fertiliser to ensure good harvests. We then take the fruits to Ishakhada bazar, where they are shipped off on trucks to different districts," said Nuru Sardar, a litchi grower of Ishakhada village under Magura sadar upazila.

Sardar told this correspondent that he once sold Tk 55,000 worth of litchis from his orchard comprising 30 trees. And although he had the same number of trees in 2021, he was only able to sell Tk 25,000 worth of the fruit that year due to the damaged caused by cyclone Amphan.

This year though, favourable weather has allowed him to sell Tk 90,000 worth of litchis from his orchard, which now comprises 50 trees.

"But we need a market where we can offer our products at usual rates and besides, there are no storehouses where we can keep our products for a few days in case we need to wait out poor weather or low market prices," he added.

Khokon Mollah, another farmer from the same village, said the 110 litchi trees he planted this year bore fruit worth Tk 80,000 while he only received Tk 35,000 from selling the fruit last year.

He got 5,000 to 6,000 litchis from each tree last year while he is getting 14,000 to 15,000 from the same plants this year since their growth was not hampered by any natural calamity.

In the early season this year, he sold litchis for Tk 2,000 to Tk 2,200 per thousand pieces. He is now selling the same about for between Tk 1,100 and Tk 1,200.

During the harvesting period, many unemployed men and women can enough to care for themselves and even help their families.

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Mustard oil a solution to edible oil crisis

SAZZADUL HASSAN

There is a huge hue and cry about the recent unprecedented price hike of soybean oil. This is probably an issue that drew the media's attention the most. For the last couple of years, the price of soybean oil has been constantly on the rise due mainly to the volatile price in the international market.

Prices of soybean and palm oil have risen sharply in the last two years, and no wonder they topped the list. In 2020, the price of bottled soybean oil in the country was Tk 113 a litre, which now stands at Tk 198.

Palm oil price (loose) was Tk 78 per litre in 2020 and Tk 130 recently. Last week, the government fixed the price of loose palm oil at Tk 172 a litre, a rise of 72 per cent.

Questions have arisen what has caused the prices of edible oil to go up so sharply and so frequently?

Bangladesh imports 90 per cent of its annual demand for edible oil. The major supplying countries of soybean oil are Brazil and Argentina and Malaysia and Indonesia are the two-biggest supplying countries of palm oil.

According to a study by the International Food Policy Research Institute, the price increase is mainly due to global weather events that have taken a toll on the supplies of two key oil commodities.

Over the last six months, there's been a drought in Argentina and Brazil. Malaysia got badly hit by a devastating typhoon and had flooding. This had a big impact on its palm oil production this year.

Bangladesh imports 90 per cent of its annual demand for edible oil. The major supplying countries of soybean oil are Brazil and Argentina, while Malaysia and Indonesia are the two biggest supplying countries of palm oil

Brazil accounts for about half of global soybean exports, while Indonesia and Malaysia produce much of the world's palm oil. The Ukraine-Russia war aggravated the situation as supplies of sunflower oil have been cut off from these two countries, the two biggest suppliers of sunflower oil, causing soybean and palm oil prices to go up further.

According to the Index Mundi, the price of soybean oil in the world market was $1,411 per tonne last December. Recently, the price has gone up to $1,900 per tonne.

The price of palm oil was $1,142 a tonne in December 2021 which had reached nearly $1,700 last month. All forecasts suggest that this volatility in the edible oil price is going to stay for a longer period.

What should Bangladesh do in the backdrop of such uncertainty? The answer lies in our history and surprisingly enough, we can easily be turning Bangladesh into a self-dependent country in edible oil production.

Wondering how? In the good old days, even during the 1970s, mustard oil used to be the main cooking oil here. Since the late 1970s, soybean and palm oil slowly started to take the place of mustard oil.

The total annual demand for edible oil and fat is around 3 million tonnes in Bangladesh. We imported 2.73 million tonnes of oils and fat

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China's zero-Covid policy dashes global recovery hopes

REUTERS

A sharp slowdown in China's economy caused by its strict zero-Covid rules and Beijing's shift away from a traditional reliance on external demand have cast doubts over how much the country will contribute to future global trade and investment.

While China staged a remarkably quick recovery from its initial pandemic slump, thanks to bumper exports and factory production, analysts expect the current downturn will be harder to shake off than the one seen in early 2020.

The gloomier outlook presents challenges not only for leaders in Beijing worried about rising unemployment, but foreign businesses counting on China to resume its level of engagement it had with the rest of the world before the pandemic.

Calculations based on International Monetary Fund projections show China's expected average annual contribution to global economic growth through to 2027 at about 29 per cent. While that's a considerable addition, it contrasts with the years following the 2008 global financial crisis when that averaged closer to 40 per cent.

ANZ's chief economist for Greater China, Raymond Yeung, said Beijing's economic policies have more recently shifted to home-grown solutions and reforms, rather than the resumption of its past model that focused on greater engagement with the world.

"Successful implementation of these may pave the way to sustainable growth over the long term," Yeung wrote in a note. "However, the risk of failing to achieve a similar growth rate is higher. If MNCs (multinationals)

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A worker in a protective suit walks on a closed bridge during lockdown amid the coronavirus outbreak in Shanghai on Wednesday.

PHOTO: REUTERS

US recession risk low but Europe vulnerable

Yellen says

AFP, *Knigswinter*

The United States is unlikely to fall into a recession as interest rates rise to fight soaring inflation, the US treasury secretary said Wednesday, while warning of the risks for Europe following the invasion of Ukraine.

"I really don't expect the United States to fall into a recession," Janet Yellen said at a press conference ahead of a meeting of G7 finance ministers in Germany.

Europe is "more vulnerable and of course more exposed on the energy front" as prices rise following the Russian invasion of Ukraine, she said.

The continent is highly reliant on Russian energy imports for its energy needs, with any disruption to supplies of oil and natural gas threatening stoppages for industry.