Stocks fall as investors stay cautious

STAR BUSINESS REPORT

Stocks fell yesterday, snapping a two-day gaining streak, as investor sentiment remained cautious despite a 90-day suspension of fresh US tariffs on most countries.

The market had closed lower last week, weighed down by concerns over the US decision to impose 'reciprocal tariffs', which dampened trading activity in the first session after the Eid vacation.

The Dhaka Stock Exchange's benchmark DSEX index dropped 13.93 points, or 0.27 percent, to close at 5,205.23 last week.

Yesterday, the DSEX dropped 35.55 points, or 0.68 percent, to settle at 5,169.68.

The Shariah-based DSES index slipped 0.57 percent to 1,166.21, while the DS30, comprising blue-chip stocks, lost 0.82 percent to close at 1,911.97.

Turnover also declined, falling 23 percent to Tk 414.31 crore from Tk 540.16 crore in the previous session, reflecting weakening investor interest.

Of the 395 issues traded, 79 advanced, 270 declined, and 48 remained unchanged.

Eastern Cables emerged as the top gainer with a 9 percent rise, while Prime Bank posted the highest loss, dropping 11 percent.

Eastland Insurance's profit fell 6% in 2024

STAR BUSINESS REPORT

Eastland Insurance saw its profit decline in 2024 due to lower earnings from insurance premiums.

The company posted a net profit of Tk 8.95 crore in 2024, down 6 percent year-on-year, according to a recent price-sensitive information (PSI) disclosure.

Eastland's shares rose 1.66 percent to Tk 18.40 in mid-day trading yesterday at the Dhaka Stock Exchange (DSE).

The company reported earnings per share (EPS) of Tk 1.07 for the year ended December 31, 2024, compared to Tk 1.14 in the previous year, as per the PSI.

The insurer attributed the drop in EPS to a decline in net profit after tax.

Eastland's net operating cash flow per share (NOCFPS) dropped to Tk 0.76 in 2024 from Tk 0.83 a year earlier, due to lower net premium income.

Meanwhile, its net asset value (NAV) per share also declined owing to a fall in the market value of its investment in securities.

The company's board has recommended a 10 percent cash dividend, the same as last year, for general shareholders, excluding sponsors and directors.

The total amount of dividend payable to general shareholders stands at Tk 4.9 crore.

Founded in 1986, Eastland Insurance is headquartered in Dilkusha, Dhaka. The company was listed on the DSE in 1994 and had a paid-up capital of Tk 83.88 crore as of December 31, 2023.

PHOTO: S DILIP ROY

Farmers look after their crops with care, as growing vegetable seeds requires constant monitoring and attention. Seed production in the northern region began 15 years ago and has now expanded to 80 villages across five districts in Rangpur.

Rangpur farmers see success in vegetable seed production

Rake in Tk 500 crore annually

S DILIP ROY

Over the past 15 years, farmers in Rangpur have transformed their agricultural practices by shifting from reliance on imported seeds to supplying homegrown ones across the greater northern region and other parts of the country.

Currently, around 1,200 farmers across 80 villages in five Rangpur districts produce more than ten varieties of vegetable seeds, including brinjal, tomato, cabbage, gourd, bean, bitter gourd and chillies.

They annually produce 50 tonnes of seeds on around 1,000 hectares of land, selling them to private firms for around Tk 500 crore.

Nearly 18 years ago, Lalmonirhat farmer Pishulal Roy, 68, began growing vegetable seeds on four to five decimals of land. He is recognised as the first vegetable seed producer in Lalmonirhat.

After cultivating seeds independently for two years, he came into contact with a representative from a seed company. With their support and guidance, he started commercial seed production.

Seeing his success and profitability, around 15-16 villagers became interested in seed cultivation. Roy says many farmers still seek his advice on seed production.

The Department of Agricultural Extension (DAE) says farmers in Lalmonirhat, Kurigram, Gaibandha, Rangpur and Nilphamari are not only profiting from seed production but also contributing to the country's overall vegetable supply.

"Rangpur's soil is well-suited for vegetable seed production," said Shafiqul Islam, additional director of the DAE in Rangpur.

However, seed production success depends on farming expertise, as Islam said only skilled farmers with technical knowledge can reliably grow seeds.

Narayan Chandra Roy, a 46-year-old farmer from Fulgachhi village in Lalmonirhat Sadar upazila, is one such grower. For him, seed cultivation requires constant monitoring and meticulous care.

Roy has been producing seeds for 15 years, and now he earns around Tk 10-12 lakh per year by selling directly to seed companies.

Alongside 15 others in his village, he grows seeds for brinjal, tomato, cabbage, gourd, and other varieties.

The farmer said the production hovers around 4-12 kgs per bigha, depending on the crop.

"Sixty to sixty-five percent of my income covers labour costs, but I still net Tk 3-4 lakh yearly," Roy told The Daily Star. "The companies buy directly, so we face no hassle in sales."

In the 2023-24 season, the country's vegetable seed demand was 3,060 tonnes, 85 percent of which was met by government supplies. Private firms sourced the rest from farmers like Atul Chandra Roy of Durakuti village.

Roy, 44, has been growing seeds for 14 years. He said companies pay between Tk 3,000 and Tk 24,000 per kilogramme, depending on the variety.

"This work has brought us prosperity," Roy told The Daily Star. "My whole family helps, though it requires patience. After expenses, I earn over Tk 3 lakh per year from my 4-5 bighas of land."

From Rajarhat upazila of Kurigram, seed grower Akter Hossain said production requires slightly elevated land and protective cover in winter.

The 55-year-old farmer, who has been into seed cultivation for around a decade, said, "We are seeing real economic gains."

According to DAE official Shafiqul Islam, while southern Bangladesh doesn't produce vegetable seeds, Rangpur now supplies the entire country. "It is a sharp contrast to 15 years ago, when imported seeds used to dominate vegetable farming in the northern region."

"Only aware, skilled farmers succeed in this," he said. "But where conditions are right, and with our technical support, they are thriving."

Finding a co-founder

BEN JEFFREYS

You've got an idea that you think will go big with you at the helm. You battle it out for months -- building, testing, learning. Then you're ready to pitch to some investors and the feedback is ... overwhelmingly negative. You're just a single person with an early-stage idea. Come back to me when you hit X -- they say.

We think of big, successful tech companies as having these solo visionaries -- Steve Jobs, Bill Gates, Elon Musk, Jensen Huang. But less well known is that each of these visionaries also had co-founders with skills complementary to their vision. In fact, if you check the Magnificent 7 stocks, six of those seven global tech leaders all started with co-founders (Bezos at Amazon being the outlier).

Finding the right co-founder can be one of the most critical decisions a startup founder makes. While some entrepreneurs choose to go it alone, having a co-founder can provide key advantages that significantly improve a startup's chances of success. Investors, too, tend to favour startups with strong co-founding teams, seeing them as more resilient and better equipped to handle the challenges of scaling a business.

I've experienced this firsthand as a co-founder. In the early days, having co-founders meant I had someone to challenge ideas, refine strategies, and push the business forward. And as I was the main operator, they held me accountable to key goals. Startups require expertise across multiple areas -- product development, sales, marketing, operations, and finance -- and it's rare for one person to excel at all of them. A well-matched co-founding team can fill gaps in knowledge and provide strategic insights that a solo founder might miss.

The startup journey is intense, filled with high-pressure moments, unexpected setbacks, and long hours. Having someone to share the burden can make a significant difference in maintaining motivation and resilience. Many startups fail not because of flawed ideas, but because founders burn out under the weight of responsibility. A co-founder serves as a built-in support system, helping navigate difficult decisions and keeping the company moving forward even in challenging times. There were plenty of moments where I thought we were done and it was my co-founders who helped me to continue to believe, and also to realise when I was kidding myself.

However, while having a co-founder brings many advantages, founders must be careful in choosing the right partner. Disagreements on company direction, decision-making, or work ethic can create long-term conflicts that hinder progress. It's crucial to have open discussions early on to ensure both founders are aligned on the company's goals, workflow, and operating principles.

On clarity, a common mistake I've personally seen is co-founders with uneven cap tables. If you truly believe they are a co-founder, keep it simple and split 50/50. Uneven cap tables constantly bring you back to the question: does my workload represent my share? And it's a death spiral conversation. You will both work more than you expect at the start. Remember, you'll both be diluted by investors anyway (most founders end up with less than 10 percent of the company over time), and options pools can be used to rebalance equity if workloads change over time.

So how do you find a co-founder if you don't have one? Go talk to anyone, everyone and then even more so. Be clear on your idea and what you're looking for in a co-founder. This is actually your first pitch, you're just asking for sweat rather than money. Sooner or later, you will find the right person, or even multiple people. It will happen.

And if it doesn't, you need to ask yourself the hard question -- is my idea convincing enough for someone else to actually invest in? Confronting this first brutal fact is your first resilience test and it will tell you whether you really are cut out to be an entrepreneur.

The author is the co-founder and CEO of ATEC Global.

Global trade dynamics amid US-China tariff war

ZAHID HUSSAIN

The impact of Trump's "reciprocal" tariffs (TRT) remains uncertain, but it has undeniably divided the world into three distinct blocs: the US, China, and the rest of the world (ROW) -- excluding Canada and Mexico, which appear to be caught in no man's land. Among these, the US and China, the two largest global economic powers, are locked in a gruelling tariff war, while the rest of the world has extended offers to negotiate.

The bilateral trade in goods between the US and China faces the risk of being severed due to the imposition of steep tariffs: a combined 125 percent plus 20 percent by the US against China, and a retaliatory 125 percent by China effective April 12, alongside the 15 percent tariff it enacted on March 10, 2025.

These measures could severely hinder mutual sales, though the demand for these goods will persist. Both nations will need to seek alternative sources to fulfil their needs. Exports from these alternative sources in the ROW are subject to a 10 percent TRT, but China imposes no equivalent tariff on them.

GLOBAL IMACT OF TARIFFS

The 10 percent TRT on countries outside the US and China is set to remain in effect for at least 90 days following the pause on April 10, 2025. If neither China nor the US backs down during this period, nations in the ROW could become increasingly attractive as intermediaries for trade between the two economic giants.

The trade volumes affected by these tariffs hold substantial global significance. In 2024, merchandise trade between the US and China totalled $583 billion, with $144 billion in US exports to China and $439 billion in imports from China to the US.

Due to the tariffs, China's share in US imports is forecasted to decrease from 14 percent to 4 percent (The Budget Lab, April 10, 2025), potentially creating approximately $167 billion in export opportunities for other nations to the US.

China's exports to the US are predominantly machinery, electronics and telecommunications equipment, which are categories that include computers, broadcasting devices, and office machine parts. Other significant exports encompass clothing, textiles and footwear.

In 2024, Chinese imports from the US accounted for 5.5 percent of their total imports. If this share decreases in proportion to the decline projected in the US, it could drop to 1.5 percent, thereby generating $105 billion in export opportunities for other countries to China.

US exports to China encompass a wide range of products, including electronics, machinery, nuclear reactors, agricultural goods, oil, vehicles, plastics, pharmaceutical products, perfumes, toiletries, and cosmetics.

The above estimates are partially invalidated by the exemption from TRT granted to smartphones, semiconductors, chips, laptops, computer monitors and various electronic parts. But the general direction of change still holds, especially since the exemption does not include the 20 percent tariff on Chinese goods for China's alleged role in the fentanyl trade.

US President Donald Trump's reciprocal tariff has divided the world into three distinct blocs: the US, China and the rest of the world—excluding Canada and Mexico.

PHOTO: REUTERS/FILE

Under the TRT regime, the US and China will seek identical goods or close substitutes from third countries to replace trade that previously occurred directly between them (e.g., smartphones). Both countries will face elevated costs compared to pre-TRT levels. Trade with third countries will arise whenever the tariff-inclusive price from those nations is lower than the tariff-inclusive price of similar goods from China.

The wide gap between the US tariffs -- 10 percent TRT plus pre-exiting tariffs on most countries (total 25 percent in case of Bangladesh for instance) and 145 percent on Chinese goods except high tech items -- makes other countries particularly appealing during the current TRT regime. While a reduction in the 10 percent TRT is possible after the 90-day period, the ongoing tit-for-tat tariffs between the US and China are likely to persist beyond this timeframe.

REDIRECTION OF US-CHINA TRADE

Markets are quick to capitalise on ripe opportunities, often finding ways to navigate enduring trade barriers and exploit newly emerged arbitrage prospects. This can involve malpractices like transhipment -- routing goods through third countries -- or strategies such as resourcing and relocating operations to leverage tariff disparities. Consequently, fresh trade and investment opportunities will arise in sectors like textiles, footwear, machinery, and other categories within the broader US-China trade spectrum.

US garment and footwear importers can establish partnerships with companies in alternative locations, driving expansion in global production for these industries. US companies catering to Chinese consumers and producers often maintain production capacities outside the US -- for instance, car manufacturing facilities in Mexico. Such companies can adopt similar redirection strategies, leading to increased production of goods that China imports from other parts of the world outside the US.

How will US and Chinese plants, previously dedicated to bilateral markets, handle the problem of excess capacity? They might contemplate relocating their operations, but such choices depend on understanding

READ MORE ON B2