Oil prices surge 1.7% on Iran concerns

REUTERS, *London*

Oil prices extended gains on Tuesday as heightened concerns surrounding major producer Iran and potential supply disruptions overshadowed the prospect of increased crude supply from Venezuela.

Brent futures jumped $1.06, or 1.7 percent, to $64.93 a barrel by 0934 GMT, hovering at its highest since mid-November. US West Texas Intermediate crude climbed $1.02, or 1.7 percent, to $60.52.

"The oil market is building in some price protection against geopolitical drivers," said PVM Oil Associates analyst John Evans, highlighting the potential exclusion of Iran's exports, trouble around Venezuela, talks around the Russia-Ukraine war and over Greenland.

The oil market is building in some price protection against geopolitical drivers, said an analyst

Iran, one of the top producers of the Organization of the Petroleum Exporting Countries, is facing its biggest anti-government demonstrations in years. A government crackdown against protesters that a rights group says has killed hundreds and led to the arrest of thousands, drew a warning from US President Donald Trump of possible military action.

Trump said on Monday that any country that does business with Iran will be subjected to a tariff rate of 25 percent on any business conducted with the United States. Iran exports much of its oil to China.

"With the US and China having reached a trade truce, we question whether the US would want to rock the boat again with additional tariffs on China," ING strategists said.

UNREST SUPPORTING BRENT'S PREMIUM

Brent crude oil's premium to Middle East benchmark Dubai rose on Tuesday to its highest since July as geopolitical tensions in Iran and Venezuela supported the global price marker, LSEG data showed.

"Unrest in Iran has added about $3-4/barrel in geopolitical risk premium in oil prices, in our view," Barclays said in a note.

Markets are also grappling with concerns of additional crude supply hitting the market due to Venezuela's anticipated return to exports.

Farmers say prolonged low temperatures and reduced sunlight have damaged seedbeds, causing seedlings to turn yellow or white, leading to leaf rot and, in severe cases, gradual die-off.

PHOTO: S DILIP ROY

Cold wave takes a toll on Boro seedbeds

Farmers say achieving production target will be harder as rice drives half of food inflation

SUKANTA HALDER, S DILIP ROY *and* SUZIT KUMAR DAS

A biting cold wave for around the past two weeks, coupled with thick fog, has swept across large parts of the country this winter, damaging an estimated 20 percent to 50 percent of Boro paddy seedlings in several regions.

Farmers say prolonged low temperatures and a lack of sunlight have affected seedbeds, leaving seedlings yellow or white, causing leaf rot and, in severe cases, gradual die-off.

Paddy seedlings need sunlight for healthy growth. Cold weather and prolonged cold cover slow development and weaken plants at an early stage.

The damage this season has left farmers worried about meeting the February transplantation window for Boro -- the country's largest paddy variety. Many say they may be forced to prepare new seedbeds, which would push up costs and reduce the area they can cultivate.

The Department of Agricultural Extension (DAE) has set a target to cultivate Boro paddy on 50.53 lakh hectares this season, with a production goal of 2.27 crore tonnes. Farmers fear the damage caused by the cold spell could make those targets harder to achieve.

On Sunday, the cold wave was sweeping across nine districts, down from 19 districts earlier, according to the met office. The impact remains visible in several farming belts.

Northern districts have been among the worst affected, with seedbeds damaged in Rangpur, Lalmonirhat, Kurigram, Gaibandha and Nilphamari districts.

Badiar Rahman, a Boro farmer at Rangpur Sadar upazila, said he prepared Boro seedbeds on 24 decimals of land, but nearly half of the seedlings had turned white and pale, making them unsuitable for transplantation.

Preparations are underway to lift seedlings and transplant them into fields within the next week, said Rahman. But he was worried about the lack of healthy plants.

In Kurigram, farmer Nazir Uddin of Burirhat village at Rajarhat upazila said about 20 percent of the seedlings on his 15 decimal seedbed had been damaged by the cold wave.

"As a result, I will not be able to cultivate Boro paddy on the full land I had planned," he added.

Abdul Hamid, a Boro farmer from the central Bangladesh district Rajbari, said he spent Tk 20,000 preparing seedbeds on nine decimals of land to produce 34 kilogrammes of seedlings.

"Because of the cold wave, around 35 percent to 40 percent of the seedlings have died. As a result, I will not be able to cultivate as much land as I had planned due to the shortage of seedlings," he said.

Similar problems have been reported from the northeastern district of Netrokona.

Pijush Mitra of Singher Bangla union in the district said the cold wave over the past few days has disrupted normal seedbed growth. In some places, seedlings are turning yellowish or white, and some are dying.

Farmer Haque Mia of Dhalamulgaon village at Purbadhala upazila of the same district said the severe cold has slowed growth and caused leaf rot in many seedbeds.

"If the cold intensifies further, we will have to prepare new seedbeds, which will increase costs," said Mia.

Local agriculture officials acknowledge the damage but say assessments are still underway.

Rajbari Sadar upazila Agriculture Officer Md Jony Khan said some Boro seedlings had been damaged by the cold wave, although the exact extent of the losses has yet to be determined.

"As weather conditions have improved, we are advising farmers to prepare new seedbeds where earlier ones were damaged," he added.

Sirajul Islam, additional director of Rangpur regional Department of Agricultural Extension (DAE), said seedbeds in the region have been partially damaged.

"Seedlings in many areas are turning white and pale, and normal growth is not occurring. Efforts are underway to assess the full extent of the damage," he said.

Md Amirul Islam, deputy director of DAE in Netrakona district, said there is always a risk of seedbed damage during severe cold spells.

"After receiving reports, we are providing necessary advice to farmers at the field level," he said.

Agricultural economist Jahangir Alam said farmers need timely alerts and guidance to protect crops from cold and fog. He said concerned officials must act more responsibly to minimise losses.

Mohammad Khalequzzaman, director general of the Bangladesh Rice Research Institute (BRRI), said if sufficient sunlight returns, crops can often recover. Prolonged cloudy weather, however, increases the risk of lasting damage.

He said farmers should follow guidance issued by the Bangladesh Agricultural Meteorological Information System and take protective measures during cold spells.

Any shortfall in Boro production could add to broader inflationary pressures. In August last year, the General Economics Division of the Planning Commission said rice prices were a major contributor to food and overall inflation. More than half of the food inflation in July was driven by rice prices, reflecting the sensitivity of the food staple market to disruptions in domestic supply.

[The Daily Star's Netrokona correspondent Jaydul Islam also contributed to this report]

When auditor appointment rules are disregarded

DIPOK KUMAR ROY

Audit practice is governed by two regulatory frameworks. The first consists of domestic laws covering the appointment, reappointment and removal of auditors, the convening and adjournment of AGMs, auditor rights and powers, and statutory requirements for financial statements. In practice, International Financial Reporting Standards are applied to ensure global alignment in content and disclosures. The second framework relates to the technical conduct of audits, guided by applicable laws, regulatory directives and the International Standards on Auditing.

This analysis focuses only on auditor eligibility, specifically issues surrounding appointment, reappointment, removal and AGM requirements.

In many cases, except for listed companies, banks, financial institutions and insurance companies, where auditors are replaced under regulatory directives after three years, the removal procedures set out in Section 211 of the Companies Act, 1994, are not properly followed. The law requires that an auditor may be removed only at an AGM, through a special notice, and with an opportunity for the incumbent auditor to address the members.

In practice, companies often appoint a new auditor at the AGM without observing these requirements, leaving the outgoing auditor unaware of the reasons for removal. In some instances, auditors are improperly removed at an EGM in the middle of the year following disagreements over professional judgment, despite the Act providing no authority for auditor appointment or removal outside an AGM.

Such non-compliance can lead to the appointment of lower-quality auditors, particularly where existing auditors raise professional or quality concerns. Outgoing auditors generally issue professional clearance in line with ethical standards but often refrain from highlighting the legal non-compliance to avoid unnecessary conflict.

A casual vacancy in the office of an auditor is dealt with separately under the Companies Act, 1994. As a general rule, the board may fill such a vacancy. However, where it arises from an auditor's voluntary retirement before the AGM without consenting to reappointment under the proviso to Section 210(1), the board's authority is restricted. In this situation, the proviso to Section 210(7) requires the vacancy to be filled by the members at the AGM, ensuring shareholder oversight and statutory compliance.

It is also observed that auditors are sometimes appointed for multiple pending financial years at the same time, which is inconsistent with statutory requirements. Keeping accounts, audits and regulatory filings pending for several years is unlawful, and conducting audits for multiple years in one exercise undermines transparency and financial accountability. Under the Companies Act, auditors must be appointed annually at each AGM to hold office from that AGM until the next, unless lawfully removed as discussed earlier.

Only where a court directs the presentation of outstanding audit reports for the condonation of delayed AGMs may auditors be appointed for multiple years in accordance with that order. In the absence of a specific court directive, there is no legal basis for appointing auditors for several years at once.

In summary, the statutory framework makes it clear that auditor appointment and removal are matters vested exclusively in shareholders at the AGM, except in cases of casual vacancy, which may be filled by the board in line with Section 210(7). The Companies Act, 1994, provides no authority for appointing or removing auditors at an EGM, or for appointing auditors for multiple pending years without a court directive.

To uphold audit quality, transparency and professional integrity, auditors and regulators must ensure strict compliance with these legal provisions and refrain from accepting or endorsing practices that deviate from statutory requirements.

The writer is a fellow member of ICAB and a partner of Basu Banerjee Nath & Co, Chartered Accountants

Alphabet hits $4tn valuation as AI refocus lifts sentiment

REUTERS

Alphabet briefly hit $4 trillion in market valuation on Monday, as the Google parent's sharpened artificial intelligence focus allayed doubts about its strategy and thrust it back to the forefront of the high-stakes race.

In the latest sign that its efforts were paying off, Alphabet said the next-generation of Apple's AI models will be based on Google's Gemini under a multi-year deal.

The company's class-A shares rose as much as 1.7 percent to $334.04 to hit a record high before giving up those gains.

A Reuters report earlier this year said that Samsung Electronics plans to double this year the number of its mobile devices with AI features powered by Gemini.

Alphabet last week surpassed Apple in market capitalization for the first time since 2019, becoming the second most valuable company in the world.

The milestones mark a remarkable change in investor sentiment for Alphabet, with its stock surging about 65 percent in 2025, outperforming its peers on Wall Street's elite group of stocks, the so-called Magnificent Seven.

The shift was fueled by the company quelling concerns that it let an early AI advantage slip by turning a 'once-overlooked cloud unit into a major growth engine and drawing a rare tech investment from Warren Buffett's Berkshire Hathaway.

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Nestlé and Unilever's India engine risks stalling

REUTERS, *Mumbai*

India is piling into consumer giants' basket of troubles. Unilever and Nestlé are losing pricing power in the world's fifth-largest economy amid growing competition from nimble upstarts. It's an unwelcome headache for the groups that are trying to revive their more established markets in Europe and the US With no easy fixes, the problem may require expensive remedies.

Consumer titans were once synonymous with boringly predictable earnings. But a recent bout of management churn and intense competition has made them about as predictable as the start-ups they are now battling for market share. Last February, $140 billion Unilever replaced its CEO Hein Schumacher with its finance chief Fernando Fernandez to accelerate its growth plans. It also grappled with rising commodity prices and spun out its ice cream unit at a disappointing valuation.

Nestlé is enduring an even trickier time. The $240 billion Kitkat maker is on its third CEO in less than three years and is dealing with a decline in sales in Europe and the US These factors have weighed on the groups' share prices which are flat versus the same period last year, underperforming Europe's Stoxx 600 which is up nearly 20 percent in the same period.

In ordinary times, these groups could rely on their Indian businesses to compensate. Indeed, historically they performed better than their parents' businesses in developed markets. At its 2016 peak, sales at Nestlé India grew nearly 16 percent, eight times the pace of the Swiss group's European business and four times that of its Americas unit. As recently as 2021, Hindustan Unilever was growing turnover at a punchy 18 percent as Europe and the Americas only managed under 5 percent.

But those dynamics are changing.

A worker pushes shopping baskets next to packets of Nestle's Maggi noodles inside a Reliance supermarket in Mumbai. Unilever and Nestlé are losing pricing power in India amid growing competition.

PHOTO: REUTERS/FILE

During the year ended March 2025 sales at HUL grew just 2 percent, down from double digits two years earlier. Meanwhile, Nestlé's Indian business grew 1 percent in 2024. That run rate means India can barely contribute much more to these groups' top lines than it currently does - 2 percent and 11 percent for Nestlé and Unilever respectively.

More concerning for investors, however, is the effect this is having on these groups' profitability. EBITDA margins of Hindustan Unilever and Nestlé India are off pandemic-era peaks and could remain below those levels at least until 2027, according to forecasts compiled by Visible Alpha.

The bosses of these businesses blame the recent weakness on rising commodity prices and high inflation which, coupled with stagnating incomes in the aftermath of Covid, have diminished Indians' purchasing power.

The danger for investors is the decline may intensify. Affluent urban Indians are increasingly shopping for essentials on e-commerce platforms Eternal and Swiggy, which use a network of mini warehouses to deliver everything from milk to umbrellas in 10 minutes. These

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