Stock brokerages caught between clicks and paperwork

AHSAN HABIB

Investors traditionally had to visit stock brokerage offices in person to collect and fill out forms and submit documents to open beneficiary owner (BO) accounts.

That process is gradually changing, with some brokerage houses allowing investors to complete the entire process online from home.

Others have gone a step further. Investors who already have bank accounts can open BO accounts with just a click, without submitting any documents.

However, such convenience is not available everywhere. Gaps in digital services are also evident in other activities, such as depositing and withdrawing money, reflecting the uneven pace of technological advancement among brokerage houses.

Saiful Islam, president of the DSE Brokers Association of Bangladesh (DBA), said many brokerage houses struggle to invest in technology because of low market turnover.

"Technological upgrades require huge investments. But market turnover has remained low for years, making it difficult for many brokerage houses to survive, let alone invest in technology," he said.

Around 70 percent of market turnover is concentrated among just 35 brokerage houses. These firms are expanding as more investors move towards them, Saiful said.

In an increasingly globalised world, there is no alternative to technological advancement, but progress in Bangladesh remains slow, he added.

Against this backdrop, the DBA recently asked the stock market regulator to relax documentation requirements for opening BO accounts. It wants the process to be as simple as opening mobile financial services (MFS) accounts.

"There are some districts where brokerage houses have no branches. How will investors in those areas invest in the stock market?" asked Saiful, who is also a director of BRAC EPL Stock Brokerage.

The DBA is seeking simpler procedures to make all stock market trading activities fully digital within a year, he added.

DIGITAL DIVIDE AMONG HOUSES

The level of technological advancement is broadly similar among brokerage houses owned by banks and non-bank financial institutions, while many other firms are lagging behind. However, some independently owned brokerage houses have also invested heavily in technology to improve their services.



Md Moniruzzaman, senior vice-president of the DBA, said investors could open BO accounts with just a click at his brokerage house, Prime Bank Securities.

The company has also introduced a virtual account system that automatically adds transferred funds to an investor's share purchase limit.

Some other brokerage houses, particularly those owned by banks, offer similar facilities, he said.

Investors can also submit withdrawal requests online through the back-office system. The company plans to allow them to withdraw up to Tk 1 lakh at any time without delay, he added.

Mobile trading has been available since 2016, when the Dhaka Stock Exchange (DSE) launched its mobile trading app. Since then, around 50 brokerage houses have introduced their own order management systems (OMS) and mobile trading apps.

Yet many investors cannot enjoy these facilities because their brokerage houses do not offer them.

A significant number of investors also continue to place buy and sell orders over the phone. Under existing rules, they must submit a signed physical copy of each order within 24 hours of the trade.

The Bangladesh Securities and Exchange Commission (BSEC) is considering relaxing this requirement. Its chairman has said on several occasions that the commission plans to scrap the need for physical signatures.

TOO MANY PLAYERS, TOO LITTLE BUSINESS

Richard D'Rozario, a DSE director, said the stock market was initially dominated by individual investors. But institutional investors gradually gained a larger share as the market expanded.

Institutional investors can make substantial investments in technology, even when they incur losses, helping them expand their market share.

In contrast, brokerage houses have seen their income shrink as their numbers have grown disproportionately to the size of the market and its investor base, he said.

The DSE currently has 299 registered stockbrokers holding Trading Right Entitlement Certificates (TRECs), according to the BSEC. The regulator approved 55 new licences in 2021.

Richard said 50 to 60 brokerage houses would be sufficient for the market. The large number of firms has intensified competition in an already crowded market.

Instead of issuing new TREC licences, the regulator could allow existing brokerage houses to open sub-branches, he suggested.

A senior DSE official, speaking on condition of anonymity, said some brokerage houses needed to merge to remain competitive.

Otherwise, they risk being pushed out of the market as they fail to keep pace with technological advances and investors move to better-equipped firms, the official said.

Small brokerage houses are gradually disappearing worldwide. But some in Bangladesh continue to operate with only a handful of employees and remain reluctant to form partnerships or merge with others, the official added.

Richard, who is also managing director of Global Securities, agreed that some brokerage houses would need to pursue mergers and acquisitions to survive.

He said higher market turnover and additional sources of income could help brokerage houses sustain their businesses. However, investment in technology remains essential for their survival, even when market conditions improve.

Make farming pay for farmers

M JAMAL UDDIN

Agriculture in Bangladesh cannot remain sustainable if food producers cannot earn a decent living. Bangladesh has increased crop production, yet farmers face rising costs, uncertain prices, labour shortages and climate risks. The President's observation that farming is no longer profitable highlights an urgent policy challenge. The goal is to produce more and ensure that farming pays.

Bangladesh Bank's Annual Report 2024-25 says agriculture contributed 10.94 percent of GDP in FY2024-25, while 46 percent of the workforce was engaged in the sector. This imbalance threatens rural livelihoods and discourages young people from entering farming. Farmers pay for seed, fertiliser, irrigation, pesticides, machinery, land rental and labour before knowing harvest prices. Labour migration and rising wages make labour-intensive crops more expensive. Research cited by the Bangladesh Institute of Development Studies in 2025 indicated that extreme heat could reduce agricultural labour income by as much as 20 percent. Floods, droughts, salinity and irregular rainfall can destroy investments and destabilise supply.

Market structure adds to the problem. Many smallholders sell immediately after harvest because they lack storage, working capital and direct links with buyers. Farmers have limited bargaining power and poor price information. When farm-gate prices fall while retail prices remain high, producers and consumers lose. Higher output alone cannot resolve this failure. First, government support should focus on profitability. Input subsidies remain important, especially for small farmers, but should encourage balanced fertiliser use, water-saving irrigation and crop diversification. Digital farmer registries and transparent e-vouchers can direct assistance to eligible producers. Public spending should also strengthen agricultural research, extension, soil testing and climate-resilient technologies.



Agricultural progress must be measured not simply by how much the country grows, but by whether its farmers can prosper

Second, farmers need fairer markets. The government should expand price-information services, strengthen producer organisations and support cooperatives that grade, store and sell produce. Cold chains, warehouses and rural collection centres can reduce distress sales and post-harvest losses. Contract farming can create reliable outlets if agreements are transparent and disputes can be resolved. Public procurement should follow clear rules, ensure timely payments and consider production costs alongside market conditions.

Third, diversification must become a business strategy. Excessive dependence on rice limits opportunities for higher returns and better nutrition. Research and extension agencies should help farmers assess combinations of vegetables, pulses, oilseeds, fruits, livestock, fisheries and agroforestry according to local conditions. Quality seed, processing, storage and food-safety certification are essential. Links with processors, retailers and exporters can retain more value in rural communities. Fourth, mechanisation and skills development must address labour shortages. Shared machinery services, custom-hiring centres and affordable credit can give small farms access to equipment. Training should cover digital marketing, financial planning, safe pesticide use and good agricultural practices. Young entrepreneurs need support for nurseries, repair services, processing enterprises and logistics businesses.

Finally, policy must measure success differently. Alongside yields and total production, the government should track net farm income, production costs, farm-gate prices, women's earnings, post-harvest losses and climate resilience. Farmers should help design and evaluate programmes, especially those affecting tenants, women and marginal producers. Bangladesh's National Agriculture Policy already recognises profitable agriculture as an objective. Implementation requires coordination, investment and accountability. Making agriculture profitable is essential for food security, decent rural employment and economic resilience. Farmers who earn fairly can invest, innovate and encourage the next generation to continue farming. Agricultural progress must be measured not simply by how much the country grows, but by whether its farmers can prosper.

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Europe to enter winter with lowest gas reserves since 2013: IEA

AFP, *Paris*

Europe is entering winter with its lowest level of natural gas reserves since 2013, which could extend pressure on the international market into 2027, the International Energy Agency warned Tuesday.

Europe's natural gas storage reservoirs were 75 percent full at the end of October, well below the minimum target of 80 percent fixed by the European Union and at its lowest level in more than a decade, the IEA said.

Several factors explain the situation.

Natural gas liquifaction facilities in the Gulf have been damaged in US-Iran war, while transit through the Strait of Hormuz has been reduced.

Moreover European nations are filling their storage reservoirs from low levels at the end of the heating season in the spring.

Buyers had initially held off buying stocks in the hope prices would fall. Deliveries stepped up in August, September and October, but not enough to make up for the delay, the IEA said.

The amount of gas injected into storage reservoirs this season was about four percent below the average of the past five years, it added.

That makes European nations more dependent upon securing deliveries of additional supplies of LNG to meet peak demand.

It could also make more vulnerable if the winter is colder than usual, there are technical problems in the gas networi, or supply problems, said the IEA.

Germany insisted Monday that it would have enough gas for the winter despite missing a storage target.

India faces prolonged food inflation

REUTERS, *Rajewadi*

Indian farmer Amarsingh Gushinge wants to sow wheat and chickpeas in coming weeks to capitalise on attractive prices, but dwindling water supplies after below-average monsoon rains are preventing him from planting either crop.

Like Gushinge, millions of farmers, especially in southern and western India, are facing water shortages as they prepare to plant winter crops.

"There's not enough moisture in the soil to sow the next crop, and no money left to do so either," said Gushinge, 78, at Rajewadi village, about 400 km (250 miles) east of Mumbai. The Jalna district around his village has received about 48 percent less rain than average this year, the local weather office has said.

A weak monsoon mean farmers will have to sow winter crops under less favourable conditions, raising the risk of stunted growth and lower yields.

Lower crop yields could further stoke food inflation, with prices of sugar, pulses, wheat and rice already climbing amid a severe El Niño. Onions, ubiquitous in Indian kitchens and widely used in curries, as well as milk and poultry products, are also becoming more expensive.

A spike in prices of staples can anger millions of Indians - increases in onion prices have ousted state governments in elections in the past.

Higher food prices could further weaken discretionary consumption across the economy, with the weakest monsoon rains in more than a decade already dampening rural demand and dragging down sales of tractors and farm equipment.

Food inflation could reach around 10 percent in the October-December quarter, said Devendra Pant, chief economist at India Ratings and Research, citing a combination of weak rains, higher global prices and rupee depreciation.

In September, annual retail food inflation accelerated to 7.74 percent, pushing headline inflation to 5.54 percent, close to the Reserve Bank of India's upper tolerance limit of 6 percent.

Higher food prices will likely prompt the central bank to raise interest rates by a further 50-75 basis points, as it risks feeding into broader price pressures, Pant said.

He said he expects the central bank to raise rates for a second consecutive time at its December meeting, after its first hike in October.

The central bank's September Monetary Policy Report said animal protein and spices accounted for nearly half of the 200-basis point rise in food inflation between March and August, driven by higher feed and fodder, transport, packaging and energy costs, as well as bird mortality after a heat wave.

In September, meat inflation eased to 8.7 percent from 12.0 percent in August, largely due to a high base, while inflation in milk, other dairy products and eggs rose to 5.1 percent from 4.8 percent.

Animal feed, mainly corn and soybean, accounts for 60 percent -70 percent of poultry production costs, said Uday Singh Bayas, president of poultry equipment makers' body IPEMA-Poultry India.

Poultry producers have yet to fully pass on higher feed costs, and broiler prices could rise from January as higher costs and tighter supplies put further pressure on the market, said Uddhav Ahire, chairman of the Anand Agro Group.

Pulses, poultry and dairy are key sources of protein in India. Prolonged protein inflation could hurt lower-income households and force them to alter their diets, with implications for long-term health, said Madan Sabnavis, chief economist at Bank of Baroda.

Sugar output is likely to fall short of domestic consumption for a second consecutive year and may recover only in late 2028 if rains are favourable in 2027, said Rahil Shaikh, managing director of Mumbai-based trader MEIR Commodities India.

Sugar prices have risen nearly 30 percent over the past year, prompting the government to allow duty-free imports of 1 million metric tons to help bridge a shortfall, with consumption exceeding 29 million tons this year against output of less than 27.5 million tons.

But global prices are higher than domestic rates, limiting the impact of imports and making a return to last year's price levels unlikely, Shaikh said.

While India can turn to imports of sugar, vegetable oils and pulses to offset domestic production shortfalls, higher global prices, a weaker rupee and rising freight costs are making overseas supplies more expensive.

El Niño is also affecting farm production in other countries, while the Russia-Ukraine war has hit grain and sunflower oil supplies from the Black Sea region.

These factors are pushing up prices of vegetable oils, said Sandeep Bajoria, chief executive of Mumbai-based brokerage Sunvin Group.

India holds surplus stocks of rice and wheat, but prices continue to rise as supplies of the premium quality grain preferred by consumers remain tight.



Labourers fill corn into sacks at a grain market in Jalna district, in the western state of Maharashtra, on October 23. PHOTO: REUTERS

Saudi Aramco profits surge

AFP, *Riyadh*

Saudi oil giant Aramco on Tuesday announced a 34.6 percent surge in third-quarter net profit, as the Middle East war keeps crude prices soaring while the kingdom's energy infrastructure comes under regular attack.

Yemen's Iran-backed Houthis have targeted Saudi tankers, pipelines, storage facilities and refineries regularly since hostilities resumed in July, intensifying their strikes in recent weeks.

The kingdom has also had to contend with the Houthis and Iran hampering traffic in the straits of Bab al-Mandeb and Hormuz, complicating exports.

Yet Aramco -- the cornerstone of Saudi Arabia's economy and one of the world's most valuable companies -- saw its profits soar during the third quarter thanks in large part to stubbornly high oil prices.

The firm said net profit hit 135.9 billion riyals ($36.2 billion) in the third quarter, compared with around 101 billion riyals in the same period a year earlier. The results come as energy majors around the world have seen earnings surge because of disruptions to oil and gas supplies in the Middle East, pushing up refining margins and prices.

But Aramco's boss warned that the conflict continued to weigh heavily on energy security.

"Geopolitical uncertainty and attacks on key energy facilities continued to amplify the global energy supply crisis in the third quarter of 2026, with serious implications for global energy security," president and CEO Amin H. Nasser said in a statement.

Stripping out exceptional items, adjusted net income came in at 116.9 billion riyals. The median analyst consensus for third-quarter adjusted net income was $30.66 billion, according to an external estimate based on 12 analysts forecasts.

In the second quarter, Aramco reported a 44 percent year-on-year increase in net profit to 122.6 billion riyals.

- Pipeline expansion -

Nasser later noted in an earnings call that preliminary engineering had started on the planned expansion of the kingdom's vital East-West pipeline that can bypass the Strait of Hormuz and move millions of barrels of crude from the Persian Gulf to the Red Sea daily.