

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

January 05, 2022

Bangladesh Getting Ready to Make \$8b Worth Garment Items a Month: BGMEA President

Bangladesh is gradually getting ready to cater garment work orders worth up to \$8 billion a month as the local apparel manufacturers are receiving more work orders from the international retailers and brands, a top leader of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said today.

For the first time in the history of Bangladesh, the monthly export of garment items crossed \$4 billion with the recovery of the global business from severe fallouts of the Covid-19 pandemic.

"Currently we are not capable to cater work orders of \$7 billion to \$8 billion worth of garment items per month. However we are improving our capacity gradually," said Faruque Hassan, president of BGMEA.

He spoke at the ERF Dialogue held at the office of the Economic Reporters' Forum (ERF) in Dhaka.

Source: <https://www.thedailystar.net/business/news/bangladesh-getting-ready-make-8b-worth-garment-items-month-bgmea-president-2932986>



'Shariah Assets to Make One-fourth of Bangladesh Finance's Balance Sheet in a Year'

As the first conventional non-bank financial institution (NBFI), Bangladesh Finance has opened a Shariah window at its six branches and aims to grow very fast in the Islamic finance arena.

"By the end of 2022, one-fourth of our balance sheet will be in the Shariah window," said Md Kyser Hamid, managing director and chief executive officer of the listed firm.

Right now, Bangladesh Finance Ltd has a conventional balance sheet of around Tk1,400 crore and the growth-hungry lender aims to make it Tk2,500 by the end of this year.

Source: <https://www.tbsnews.net/economy/banking/shariah-assets-make-one-fourth-bangladesh-finance-balance-sheet-year-353665>



Stocks Continue upward Movement

The Dhaka and Chattogram bourses retained an upward momentum on Wednesday.

DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 36.93 points or 0.53% to settle at 6,929 points.

"Market volatility and consecutive corrections in the last month prompted some investors to take positions on low-priced shares," it added.

As a result, the index logged a consecutive rise for the fifth straight session. However, the blue chip index DS30, and the Shariah index DSES underperformed compared to the DSEX.

Miscellaneous, pharmaceuticals, and textile sectors made the maximum contribution to the DSE's daily turnover.

Most of the sectors displayed positive performance yesterday. Among them, non-bank financial institutions, services and real estate, and textile gained most.

Source: <https://www.tbsnews.net/economy/stocks/stocks-continue-upward-movement-353674>



Tax Receipts from DSE Jump 65pc in July-Dec

The government revenue earnings from the Dhaka bourse surged by 65 per cent in July-December 2021 compared to the same period a year earlier backed by rising trading volume.

Market analysts said backed by rising turnover and bullish capital market, the government earnings from the Dhaka Stock Exchange (DSE) rose accordingly, as earning is related to turnover.

The market turnover rose significantly in the outgoing year as the buoyant investors gave boost to the capital market amid growing confidence, said a merchant banker.

The country's capital market had a good year in 2021 as the core index of the DSE posted an impressive 25 per cent growth. The daily turnover also jumped to Tk 14.75 billion on an average in 2021, which was Tk 6.49 billion in 2020.

Accordingly, the government bagged revenue worth Tk 2,389 million in July-December 2021, as against Tk 1,451 million in the same period of the previous year, showing a 65 per cent growth, according to statistics with the DSE.

Source: <https://thefinancialexpress.com.bd/stock/tax-receipts-from-dse-jump-65pc-in-july-dec-1641270983>

REVENUE EARNINGS TREND FROM DSE			
Fiscal Year (FY) 2021-22		Fiscal Year (FY) 2020-21	
July	Tk 289 million	July	Tk 188 million
August	Tk 502 million	August	Tk 246 million
September	Tk 520 million	September	Tk 275 million
October	Tk 407 million	October	Tk 216 million
November	Tk 342 million	November	Tk 183 million
December	Tk 329 million	December	Tk 343 million
Total	Tk 2389 million	Total	Tk 1451 million

Source: DSE

Lovello Share Price Jumps 42% in Four Days

The share price of Lovello Ice Cream – a brand of publicly listed Taufika Foods and Agro Industries Limited – has soared 42% in the last four trading days.

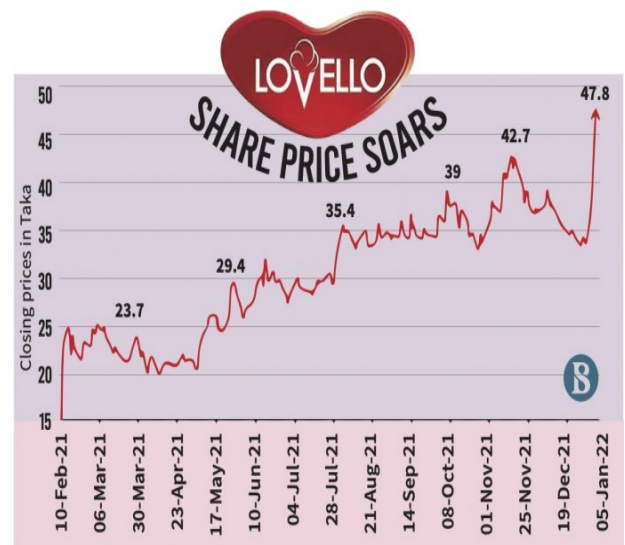
According to the Dhaka Stock Exchange (DSE) data, its share price soared from Tk33.6 on 30 December 2021 to Tk47.8 each on 5 January 2022 (Wednesday).

On Wednesday, its share price soared by 9.89% compared to the previous trading session. Taufika Foods and Agro Industries raised Tk30 crore by issuing three crore general shares at the face value of Tk10 in 2021.

In the first quarter of the current fiscal year, the company's net profit rose by 8%. During the period, its earnings per share (EPS) rose to Tk0.40, which was Tk0.37 at the same time as the previous fiscal year.

Recently, the company said the shareholders have approved a rectification of the use of the initial public offering (IPO) proceeds regarding the acquisition of plant and machinery.

Source: <https://www.tbsnews.net/economy/stocks/lovello-share-price-jumps-42-four-days-353650>



Shipping Corporation Share Price Doubles in a Month



The share price of Bangladesh Shipping Corporation (BSC) — a state-owned ocean-going vessel management company — has almost doubled in the last one month.

Its share price was Tk95.1 each on Wednesday, which was Tk47.4 in the previous trading session.

In the last nine trading sessions, the company's share price jumped by 92% from Tk49.4 on 23 December, 2021 to Tk95.1 yesterday, according to the Dhaka Stock Exchange (DSE) data.

On Wednesday, its share price rose by 9.94% compared to the previous day.

Investors flocked to buy the shipping corporation's shares as it reported a good profit in FY21 as well as in the first quarter of the current fiscal.

Recently, the board of the company has approved a 12% cash dividend for FY21. It also reported a 73.67% increase in profit in that fiscal year compared to the previous one due to an increase in shipping rate and a decrease in operation costs.

Source: <https://www.tbsnews.net/economy/stocks/shipping-corporation-share-price-doubles-month-353683>

Oil Prices Steady ahead of Opec+ Meeting

Oil prices were largely steady on Tuesday as investors expected major producers to agree to stick to their planned output increase at their meeting later in the day amid diminishing concerns over the spread of the Omicron variant of Covid-19.

Brent crude was up 22 cents, or 0.3 per cent, at \$79.20 a barrel at 0939 GMT, while US West Texas Intermediate (WTI) crude rose by 21 cents, or 0.3 per cent, to \$76.29 a barrel.

OPEC+ is expected to increase oil output for February as the group assesses only a short-lived impact on demand from the Omicron. [read more](#)

OPEC+, which groups producers from the Organization of the Petroleum Exporting Countries (OPEC) with others, has raised its output target each month since August by 400,000 barrels per day.

Source: <https://www.thedailystar.net/business/global-economy/news/oil-prices-steady-ahead-opec-meeting-2932611>



Goldman Sachs Says Bitcoin Will Compete with Gold as 'Store of Value'

Bitcoin will take market share away from gold in 2022 as digital assets become more widely adopted, Goldman Sachs analyst Zach Pandl said in a research note to clients.

Citing bitcoin's \$700 billion market capitalization, compared to the around \$2.6 trillion worth of gold owned as an investment, Goldman Sachs said that the cryptocurrency currently has a 20% share of the "store of value" market.

Bitcoin will "most likely" become a bigger proportion over time, Goldman Sachs said, in a list of 2022 predictions.

In a hypothetical scenario in which bitcoin grabs a 50% share of this market, its price would reach just over \$100,000, the note said.

Bitcoin was trading around \$46,073 on Wednesday, having struggled to make gains after falling sharply in early December. In November, it had hit an all-time high of \$69,000.

"Bitcoin may have applications beyond simply a "store of value" - and digital asset markets are much bigger than Bitcoin - but we think that comparing its market capitalization to gold can help put parameters on plausible outcomes for Bitcoin returns," Pandl wrote.

Source: <https://www.tbsnews.net/world/global-economy/goldman-sachs-says-bitcoin-will-compete-gold-store-value-353599>

Spain's Jobless Number posts Record Fall

The number of registered jobless in Spain posted a record drop in 2021 as the relaxation of pandemic restrictions boosted its key tourism sector, official statistics showed Tuesday.

The number of people registered as being out of work dropped by 782,232 last year over 2020 to stand at 3.1 million at the end of December, the labour ministry said.

That is the biggest drop since the current statistical series began in 1996 and the lowest number of jobless in the month of December since 2007, it added.

The number of registered jobless fell by 2.4 per cent, or 76,782 people, in December from November -- the 10th consecutive month of falling unemployment figures.

Spain's tourism-dependent economy contracted by 10.8 per cent in 2020, one of the worst results among industrialised countries.

But the eurozone's fourth-largest economy returned to growth in the second quarter of this year as global tourism picked up.

Source: <https://www.thedailystar.net/business/global-economy/news/spains-jobless-number-posts-record-fall-2932536>



Evergrande Shares Rise after Day-long Trading Suspension

Shares in embattled Chinese property giant Evergrande rallied on Tuesday after a day-long suspension, as the company confirmed it had been ordered to demolish part of a resort in Hainan province.

China's property firms have struggled in the wake of Beijing's drive to curb excessive debt in the real estate sector as well as rampant consumer speculation.

Evergrande confirmed on Tuesday that it had received orders to tear down 39 buildings at the Ocean Flower Island development in the southern Chinese province. The decision came from authorities on December 30 and only affected one plot of land under development, the company said in an announcement to the Hong Kong stock exchange.

"The company will actively communicate with the authority in accordance with the guidance of the decision letter and resolve the issue properly," the announcement read.

Source: <https://www.thedailystar.net/business/global-economy/news/evergrande-shares-rise-after-day-long-trading-suspension-2932551>



Disclaimer

The above is a summary of important business news published in the leading daily newspapers of Bangladesh. Please note that the news summary doesn't reflect the opinion of Alliance Capital Asset Management Limited (ACAML). Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. This report is intended for distribution in only those jurisdictions in which Alliance Capital Asset Management Ltd. is liable and any distribution outside those jurisdictions is strictly prohibited.

Alliance Capital Asset Management Ltd.

Contact Us

Address:

Sima Blossom (10th floor)
Comprehensive Holdings
Plot # 390 (Old) 03 (New)
Road # 27 (Old) 16 (New)
Dhanmondi C/A,
Dhaka-1209.

Office: +880 2 9121360 Fax
: +880 2 9120971

Developed By:

Mehnaz Tabassum Khaleel
sarah@acaml.com

Visit us on the web at:
www.acaml.com