

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 12, 2021

Roadmap Outlined to Take Agro Exports to Two Billion Dollars

The government is planning a roadmap to take the exports of agriculture products to \$2 billion within the next two years.

The Bangladesh Agricultural Development Corporation (BADC) has suggested setting up research cells at agriculture research institutes and seed expansion by importing seeds and making them local climate tolerant to boost agricultural production as part of the roadmap.

The draft roadmap revealed on Monday at an event identifies major problems in increasing exports of vegetables, potatoes, fruits and processed agricultural products and makes a number of recommendations toward addressing them.

If these recommendations are implemented, the BADC said, it will be possible to earn an estimated \$1.634 billion in the fiscal 2021-22 and \$2 billion in 2022-23 through exports of vegetables, potatoes, fruits and processed agricultural products.

Source: <https://www.tbsnews.net/economy/roadmap-outlined-take-agro-exports-two-billion-dollars-314599>



Capital Market Can Help Achieve SDGs: Experts

The stock market, insurance and pension funds could actively contribute in financing the roughly \$928 billion needed by Bangladesh to achieve its Sustainable Development Goals (SDGs) within 2030 as bank lending alone will not suffice, various experts told a webinar yesterday.

The country needs an additional \$928.48 billion from 2017 to 2030 to implement the SDGs, as per the findings of a recent study.

Besides, the BSEC has worked to make the bond, mutual funds and secondary stock markets more vibrant.

As such, the domestic stock market has a variety of fundraising boards, such as the alternative trading board and SME board aside from the main board.

Source: <https://www.thedailystar.net/business/economy/stock/news/capital-market-can-help-achieve-sdgs-experts-2196346>

Northern Malta Growers Grab Hold of Domestic Market

Sweet orange grown in the country's northern districts such as Thakurgaon, Panchagarh and Dinajpur are dominating the local fruit market this season thanks to increased demand and reasonable prices.

Besides, fruit traders prefer to sell the locally produced sweet orange (*Citrus sinensis*), commonly known as malta in Bangladesh, as they can collect it as per their requirements directly from various orchards in the region.

People are seemingly more interested in the locally grown malta rather than the imported ones since the local variety comes at reasonable prices and are preservative free, said Aminul Islam, a fruit trader of Kalibari in Thakurgaon municipality.

Source: <https://www.thedailystar.net/business/economy/news/northern-malta-growers-grab-hold-domestic-market-2196321>



Saif Powertec to Build Inland Container Depot in Chattogram



Saif Powertec Limited, the terminal operator of Chattogram port, is going to begin construction of a new inland container depot (ICD) with an estimated expense of Tk300 crore.

The new ICD will be built in the Halishahar area on the outskirts of the port city on a 21.29acre land owned by the Bangladesh Railway.

The planned container depot will have the capacity to handle over one lakh containers a year, said people linked to the project, adding that it will create about 500 jobs and contribute to a yearly business of Tk120 crore.

According to the agreement, Saif Powertec will hand over a fully operational ICD after a 20-year term, when the operating entity will be selected through an open tender.

Belal Uddin, managing director of CCBL, said a total of 14 companies, including four foreign ones, bought schedules to bid for the ICD construction. Experience in the ICD sector, including container terminal operation, handling of at least 50,000 TEUs of containers were conditions for the ideal candidate for the project.

Source: <https://www.tbsnews.net/economy/saif-powertec-build-inland-container-depot-chattogram-314710>

Secondary Trading of Treasury Bills and Bonds Jumps in Q1

Transactions of the government's treasury bills and bonds in the secondary market jumped significantly in the first quarter (July-September) of the current fiscal year (FY22).

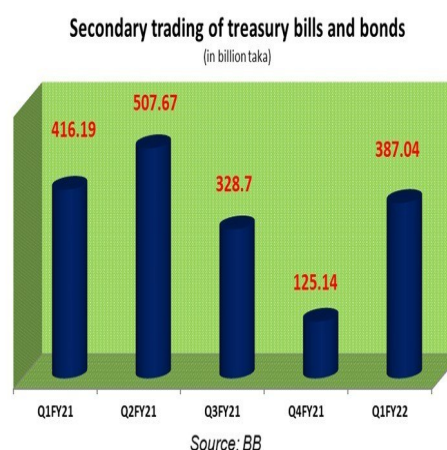
Bangladesh Bank statistics showed that the secondary trading of the government's fixed-income tradable securities was recorded at Tk. 387.04 billion in the first quarter of FY22.

The value was Tk. 416.20 billion in the same period of the past fiscal year (FY21).

The combined transaction of short-term and long-term securities was recorded at 125.14 billion in the last quarter (April-June) of FY21.

The combined value of the annual secondary transactions of treasury bills and bonds stood at Tk. 1377.70 billion (or Tk. 1.37 trillion) in FY21. In FY20, the transaction value was recorded at Tk. 594.77 billion.

Source: <https://thefinancialexpress.com.bd/trade/secondary-trading-of-treasury-bills-and-bonds-jumps-in-q1-1633930975>



Stocks Fall as Investors Cash out Profits

Shares on the Dhaka Stock Exchange (DSE) dropped yesterday as investors cashed out profits.

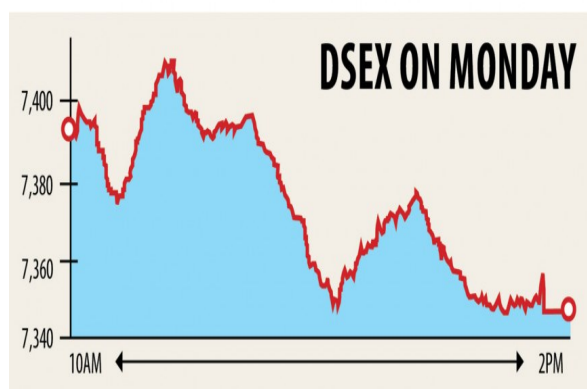
The DSEX, the benchmark index of the premier bourse of the country, fell 22 points, or 0.3 per cent, to close the day at 7,345.

Turnover, one of the key indicators of the market, decreased 5.8 per cent to Tk 1,848 crore. It was Tk 1,962 crore a session earlier. The stocks slipped into the red as the investors opted for booking quick gains on sector-specific issues, according to an analysis of International Leasing Securities Ltd.

The key index touched the 7,400-point mark within the first hour of the trading. But the momentum did not sustain amid sales pressure induced by the profit-booking during the remaining period of the session.

Risk-averse investors cashed profits on paper, travel, services, telecom, fuel and power stocks, which had seen an upward movement in the prices in the past few sessions.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-fall-investors-cash-out-profits-2196311>



Asian Markets Mostly up as Traders Keep Eye on Inflation

Most Asian markets rose on Monday to extend last week's rally after US lawmakers averted a painful debt default, but another jump in oil prices added to inflation concerns as the Federal Reserve prepares to taper its ultra-loose monetary policy.

A big miss on US jobs creation last month did little to change expectations that the Fed will start winding back its massive bond-buying programme as it looks to keep a cap on price rises just as the global recovery shows signs of slowing.

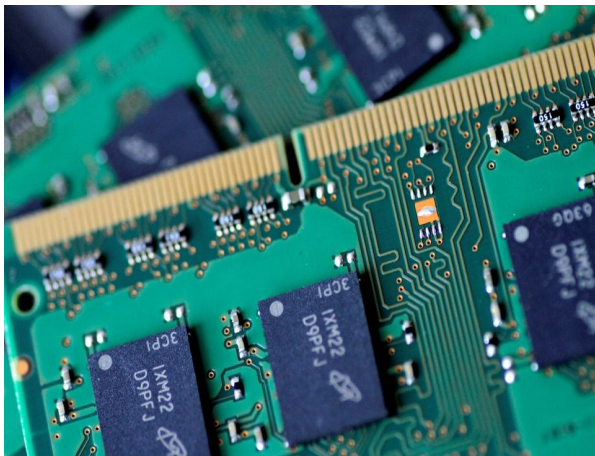
The US Labor Department said just 194,000 new posts were taken up last month, less than half what was forecast, owing to weakness in the service sector, though there was an upward revision to gains in the previous two months.

Wall Street's three main indexes ended in the red, but Asia fared much better in early exchanges on Monday.

Source: <https://www.thedailystar.net/business/global-economy/news/asian-markets-mostly-traders-keep-eye-inflation-2196256>



Global Chip Shortage Means Cars Won't Come with Certain Features



Toyota has already reduced 40% of its global production due to the ongoing shortage of chips, which is likely to hamper the Bangladeshi local market by pushing up the price.

The global chip shortage is now causing automakers to opt-out or pause from using some of the high tech features including driver assistance systems.

As modern cars are becoming more and more technology-dependent, the demand for semiconductor chips has gone up in recent years. Toyota has already reduced 40% of its global production due to the ongoing shortage of chips, which is likely to hamper the Bangladeshi local market by pushing up the price.

Other global brands have decided to go for an alternate route by excluding certain features rather than cutting their production.

Source: <https://www.dhakatribune.com/business/2021/10/11/global-chip-shortage-means-cars-won-t-come-with-certain-features>



Oil Price Jumps on Global Energy Crunch

Oil prices rose by about 2 per cent on Monday, extending gains as an energy crisis grips major economies amid a pick-up in economic activity and restrained supplies from major producers.

Brent crude was up \$1.45, or 1.8 per cent, at \$83.84 a barrel by 1336 GMT, its highest since October 2018. US West Texas Intermediate (WTI) crude rose \$1.71, or 2.2 per cent, to \$81.06 for its highest since late 2014. "Oil prices are likely to continue climbing in the short term," said Commerzbank analyst Carsten Fritsch.

Prices have risen as more vaccinated populations are brought out of coronavirus lockdowns, supporting a revival in economic activity, with Brent advancing for five weeks and US crude for seven.

The pace of economic recovery combined with cold weather have increased the demand for energy, while pressure on governments to accelerate the transition to cleaner energy have slowed investment in oil projects to boost supplies.

Source: <https://www.thedailystar.net/business/global-economy/news/oil-price-jumps-global-energy-crunch-2196231>



Major Coffee Buyers Face Losses as Colombia Farmers Fail to Deliver

Coffee farmers in Colombia, the world's No 2 arabica producer, have failed to deliver up to 1 million bags of beans this year or nearly 10% of the country's crop, leaving exporters, traders and roasters facing steep losses, industry sources told Reuters.

World coffee prices have soared 55% this year, mainly due to adverse weather in top producer Brazil, prompting Colombian farmers to default on sales clinched when prices were much lower in order to re-sell the coffee at higher rates.

Many are opting to see losses now and write the purchases off as defaults rather than wait and risk even bigger losses if farmers still don't deliver next year and prices rise further, according to a senior trader at another global trade house.

Source: <https://www.tbsnews.net/world/global-economy/major-coffee-buyers-face-losses-colombia-farmers-fail-deliver-314542>

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