

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 06, 2022

BSMA Asks Govt for Lower Duties on Scrap Imports

Bangladesh Steel Manufacturers Association urged the government for reduction of all existing duties and taxes on scrap and sponge iron imports for local manufacturers.

The demand came in a meeting of BSMA and Bangladesh Association of Construction Industry held at FBCCI office.

The meeting was apprised that in addition to the hike in the prices of scrap and chemicals, the main raw materials of steel, container and ship fares also increased in the last two years.

As a result, the production cost of rod has also gone up, having adverse impact on the country's construction sector. Due to the increase in expenditure, the country's construction companies are struggling to implement development projects within the estimated budget.

BSMA leaders informed, the price of rod produced in the country has logically increased due to increase in the price of raw material in the world market. At present, scrap costs 79 per cent additional expense, resulting in overall production costs increased by 52 per cent.

Source: <https://www.newagebd.net/article/161916/bsma-asks-govt-for-lower-duties-on-scrap-imports>



Container Ship Reaches Ctg Directly from Italy, will Leave with Export Goods Monday

Container ship the Songa Cheetah reached the Chittagong Port on Saturday and is set to leave for Italy's Porto di Ravenna (The Port of Ravenna) on Monday on the first direct commercial freight trip from Bangladesh to Europe.

A harbour pilot from the Chittagong Port moored the vessel at the Jetty no 4 in the New-mooring Container Terminal (NCT) at 1:15pm Saturday, after its arrival at the outer anchorage of the port.

Mohammad Rashed, chairman of Reliance Shipping – local shipping agent for the Songa Cheetah, said the container ship left the Port of Ravenna for Chattogram on 9 January with 945 twenty-foot equivalent units (TEUs) of empty containers and 7 TEUs of raw materials for the garments industry.

Source: <https://www.tbsnews.net/economy/container-ship-reaches-ctg-directly-italy-will-leave-export-goods-monday-366871>





Confidence Cement Associate Wins a 660MW Power Plant Contract

A consortium led by Confidence Power Holdings Limited has won the letter of intent from the Bangladesh Power Development Board to build, own and operate a 660 MW power plant at Mirsarai in the port city of Chattogram.

Confidence Power Holdings, in which listed cement manufacturer Confidence Cement owns 36% shares, owns 62% shares of the consortium, according to public disclosure by Confidence Cement.

Foreign technical partner GE Capital US Holdings Inc owns 20% of the consortium, while Confidence Power Ltd and Electropac Industries Ltd own a 9% stake each.

The approved gas or reliquefied natural gas-based combined cycle power plant will have a 22-year tenure from the date of commercial operation commencement.

Following the disclosure of the new project that would add to the Confidence Cement's consolidated revenue and profits, its share price increased 4.9% to close at Tk127.5 on Thursday in the Dhaka Stock Exchange.

Source: <https://www.tbsnews.net/economy/stocks/confidence-cement-associate-wins-66mw-power-plant-contract-366178>



Union Insurance Shares Rocket 300pc Sans PSI

The stock price of newly listed Union Insurance Company has kept rising 'abnormally' since its trading debut although there is no undisclosed price sensitive information (PSI).

On Thursday, the company's share price closed at Tk 40.90 on the Dhaka Stock Exchange (DSE). Its issue price was Tk 10 each.

This 'abnormal' price hike prompted the DSE to serve a show-cause notice on the company on February 2. In response, the insurer, however, informed the DSE on Thursday that there is no undisclosed price sensitive information behind the recent unusual price hike. The general insurer would make it to the top gainers' list almost every day since its trading debut on January 16.

Regular circuit-breakers also applied to the newly listed company, meaning the price of share could not rise above 10 per cent or fall below 10 per cent in a single day.

Source: <https://thefinancialexpress.com.bd/stock/union-insurance-shares-rocket-300pc-sans-psi-1644034549>





Top 10 Turnover Leaders Grab 30.61pc of Weekly Market Transaction

Top 10 turnover leaders grabbed 30.61 per cent of the weekly market transaction on Dhaka Stock Exchange (DSE) following investors' increased participations.

In last week, the companies posted a total turnover of Tk 386.24 million on the premier bourse DSE.

The companies contribution ranged between 1.85 per cent and 7.0 per cent in total market turnover.

Three of the top turnover leaders were also in the chart of top 10 gainers of the premier bourse DSE.

The companies are Bangladesh Building Systems, National Polymer Industries and Union Bank. During the week, the total turnover was Tk 64.29 billion of which 30.61 per cent came from transactions of the shares of top companies.

Source: <https://thefinancialexpress.com.bd/stock/top-10-turnover-leaders-grab-3061pc-of-weekly-market-transaction-1644118235>



Global Islami Bank Wants to Go Public for Tk425cr

Global Islami Bank Ltd, a fourth-generation commercial bank, has applied to the securities regulator to raise Tk425 crore through an initial public offering (IPO).

The bank applied to the Bangladesh Securities and Exchange Commission (BSEC) last week to issue shares at a face value of Tk10 under the fixed price method.

The private sector lender will invest Tk100 crore in small and medium enterprises (SMEs) considering the ample growth opportunity and mounting financing needs of the SMEs.

Besides, the bank will also invest Tk268.5 crore in government securities and bonds as secured investment.

Prime Bank Investment Limited and LankaBangla Investments Limited will be the issue managers for the Global Islami Bank's IPO.

According to sources, the bank made a profit of Tk98.54 crore after tax and provisions, while its earnings per share (EPS) stood at Tk1.91 till 30 September 2021.

Source: <https://www.tbsnews.net/economy/stocks/global-islami-bank-wants-go-public-tk425cr-366874>



Tech slump Forces IPO Hopefuls to Consider Plan B

The window for technology companies to list their shares is closing. Falling stocks have depressed valuations and made investors pickier about new listings. Private firms will have to reluctantly consider Plan B.

Many tech startups had hoped last year's record year for initial public offerings would persist in 2022. January's selloff has changed the mood. Expectations of higher interest rates hurt highly valued companies, while disappointing results from Meta Platforms, Spotify Technology and PayPal added to the gloom.

The Renaissance IPO index, which tracks companies that went public in the last two years including Uber Technologies and Airbnb, fell 20 per cent in January.

Unprofitable companies that listed in the United States last year were down an average of 32 per cent from their IPO price at the end of January, according to data provided by University of Florida Professor Jay Ritter.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/tech-slump-forces-ipo-hopefuls-consider-plan-b-2955146>



Bitcoin Mimics Stocks Rally, Hits 2-week High

Bitcoin hit its highest in two weeks on Saturday, extending the previous session's strong gains as cryptocurrencies basked in a recovery in risk appetite and a rally in stock markets.

The world's largest cryptocurrency hit \$41,983, taking gains from Thursday's lows to nearly 16 per cent, and marking a 27 per cent rise from the year's low of \$32,950.72 on January 24.

Ether, the coin linked to the ethereum blockchain network, scaled the \$3,000 level for the first time since January 21. Friday's 11per cent-plus was the biggest single-day gain for bitcoin since mid-June, and the first major bounce after weeks of being roiled, along with technology and growth stocks, by fears of faster-than-expected Fed rate hikes to curb a surge in inflation.

It came alongside a rally in US stocks, with the tech-heavy Nasdaq ending the week with gains despite the heavy volatility from earnings, including Amazon's robust growth and Facebook-owner Meta Platforms Inc's disappointing results.

Source: <https://www.thedailystar.net/business/global-economy/news/bitcoin-mimics-stocks-rally-hits-2-week-high-2955466>



Oil Prices Extend Gains as Markets Weigh Strong US Jobs Data

Stocks were mixed Friday as markets weighed a surprisingly good US jobs report against concerns over tightening monetary policy, while oil prices pushed closer to \$100 a barrel.

The United States added an unexpectedly robust 467,000 jobs in January, according to Labor Department data that also significantly raised employment increases for November and December.

While the report suggests health in the world's largest economy, another big rise in 10-year US Treasury note yields Friday focused concerns on expectations for multiple Federal Reserve interest rate hikes this year.

Worries about monetary tightening weighed on the Dow, while the S&P 500 and Nasdaq both finished higher.

All three major US indices finished the week in positive territory, with the S&P 500 winning 1.5 per cent.

Source: <https://www.thedailystar.net/business/global-economy/america/news/oil-prices-extend-gains-markets-weigh-strong-us-jobs-data-2955156>



IMF Says it is Ready to Help Sri Lanka

The International Monetary Fund is ready to discuss "options" with Sri Lanka if the government asks for financial support, its mission chief for the island told AFP on Thursday.

The Covid-19 pandemic has had a disastrous impact on Sri Lanka's economy, which has been deprived of its tourism bonanza while workers' remittances from abroad have fallen sharply.

"While the IMF has not received a request for financial support from Sri Lanka, the staff stands ready to discuss options if requested," mission chief Masahiro Nozaki said in a written statement to AFP.

On Wednesday, Sri Lanka's finance minister announced the country had sought advice from the fund and was considering seeking an international bailout. This "referred to an ongoing technical assistance mission by the IMF," Nozaki said Thursday.

Source: <https://www.thedailystar.net/business/global-economy/america/news/imf-says-it-ready-help-sri-lanka-2955381>



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