

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

April 21, 2022

Eastern Housing's Jul-Mar Revenue Grows 74%

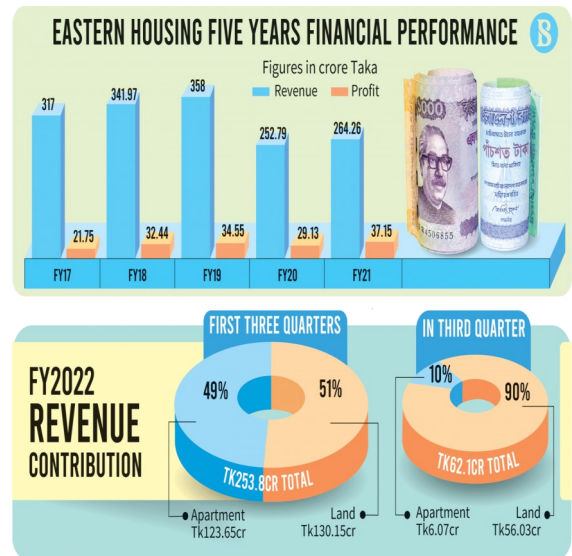
The apartment business has helped Eastern Housing, a concern of Islam Group, post a 74% year-on-year growth in revenue in the July-March period of the current fiscal year.

Its revenue stood at Tk253.80 crore, up from Tk145.45 crore a year ago. The net profit stood at Tk36.71 crore and earnings per share at Tk3.93, which are 31% higher than the same period in the previous year.

However, one of the country's pioneers in the real estate sector is focusing more on land development than the apartment business. It is focused on constructing commercial buildings. This is reflected in the company's third-quarter report. In the January-March period, its land sales increased 25% to Tk56 crore, where it earned Tk6 crore from the apartment.

Meanwhile, the company has two ongoing housing projects for middle-income people.

Source: <https://www.tbsnews.net/economy/eastern-housings-jul-mar-revenue-grows-74-406822>



Plastics Industry to Overcome Skilled Manpower Crises by Next Year



The major challenge of skilled manpower in the plastics industry is expected to be overcome by next year as the establishment of a training institute for developing skilled human resources for the business sector will end early next year.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) president and plastics entrepreneur, Md Jashim Uddin, at a programme on Wednesday said there was no training institute for the plastics industry yet. The Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) has been building institute for which it has already spent Tk20 crore.

"We have signed an agreement involving Tk15 crore today (Wednesday) to complete the rest of the work of the institute. We hope the project will be completed by early next year," Md Jashim said at a discussion programme on the 'Potentials of Toy Sector in Bangladesh', organised by the BPGMEA in the capital.

Source: <https://www.tbsnews.net/economy/plastics-industry-overcome-skilled-manpower-crises-next-year-406854>

Stocks Rise for Second Day

Stocks in the Dhaka bourse continued to rise for a second consecutive day yesterday.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), surged 76 points, or 1.16 per cent, to reach 6,606 at the end of the day.

The stocks ended in the positive as investors showed interest in stocks that had turned cheaper and put fresh bets on sector-specific issues, said International Leasing Securities in its daily market review.

The investors thanked a recent regulatory encouragement on increasing institutional fund flow alongside discouragement of aggressive selling practices, it said.

The gainers took a strong lead over the losers as out of a total of 379 issues to undergo trade, 269 advanced, 78 declined and 32 remained unchanged.

All the sectors achieved price appreciations including paper and printing of 4.1 per cent and tannery 3 per cent.



Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-rise-second-day-3009031>

RD Food's Sales, Profit Return to a Near Pre-pandemic Level

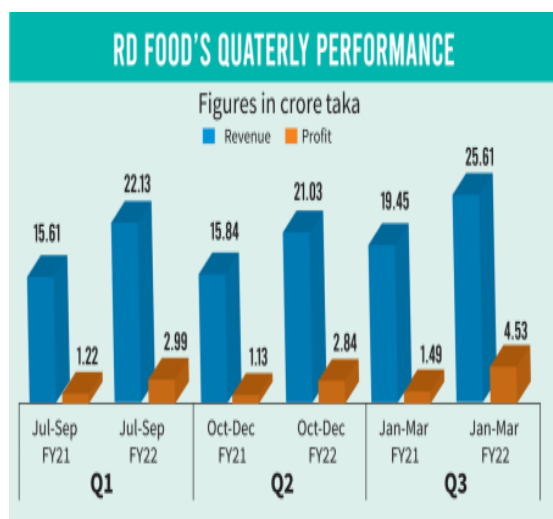
The business of Rangpur Dairy and Food Products has returned to almost the pre-pandemic level as its profit grew 169% and sales jumped 35% in the first nine months of the current fiscal year.

Due to the Covid-19 pandemic, the manufacturer of dairy and non-dairy products from milk, which got listed on the capital market in 2011, witnessed a drop in sales and profit in the last fiscal year.

Quarterly data showed that the sales and profits of RD Foods started to increase at the beginning of the current fiscal year, and continued the upward trend through March.

During the July-March period, its revenue increased by 68.77 crores, up from Tk50.91 crore a year ago, while the profit rose by 168% to Tk10.37 crore from Tk3.85 crore.

According to the company officials, in the third quarter of fiscal 2021-22, it saw a 204% growth in profit to Tk4.53 crore, and revenue jumped by 32% to Tk25.61 crore.



Source: <https://www.tbsnews.net/economy/stocks/rd-foods-sales-profit-return-near-pre-pandemic-level-406826>

UCB to Form Subsidiaries in Qatar, UAE

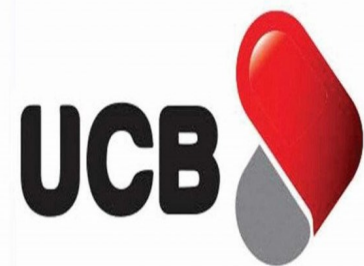
United Commercial Bank (UCB) yesterday decided to form subsidiaries in Qatar and the UAE to expand its Money Services Business (MSB) operations, according to a company disclosure on the Dhaka Stock Exchange (DSE) website.

The bank is targeting countries where many non-resident Bangladeshis reside as they require such services to send their hard-earned money back home. However, the decision taken by the listed commercial bank's board of directors is still subject to approval from the relevant regulatory authorities.

The company had earlier announced that it decided to enter Malaysia, Hong Kong and Singapore for the same business.

An MSB is a type of financial service that involves currency exchange and money transfer. Stocks of UCB rose 1.37 per cent to close at Tk 14.80 at the DSE yesterday.

Source: <https://www.thedailystar.net/business/economy/banks/news/ucb-form-subsidiaries-qatar-uae-3009046>



Bottom Circuit Breaker Increased to 5%

With the return of the market strength, the Bangladesh Securities and Exchange Commission (BSEC) has widened the bottom circuit breaker – the allowable limit for stock prices to go down in a day – to 5% from the existing 2%.

In an order to both bourses of the country, the market regulator said on Wednesday the new interim circuit would be effective from Thursday.

The upper circuit breaker is still unchanged at 10%. Earlier on 8 March, BSEC narrowed down only the bottom circuit to 2% from 10% to arrest the sharp fall in stock prices that was expedited by the Ukraine war.

The disruption slowed down the fall, but at the expense of liquidity – the availability of buyers and sellers.

As the majority of buyers were reluctant until stock prices came down to an expected low and the narrowed bottom circuit prolonged the correction phase, daily stock market turnover came down to a year-low level.

Source: <https://www.tbsnews.net/economy/stocks/bottom-circuit-breaker-increased-5-406710>



IMF Says Yen Falls Driven by Fundamentals, Urges BOJ to Keep Easy Policy

The yen's recent declines have been driven by fundamentals and would be no reason for Japan to change its economic policy, including the central bank's ultra-low interest rates, a senior International Monetary Fund (IMF) official said.

The remarks highlight the difficulty Tokyo may face if it sought international consent to intervene in the currency market to stem further yen falls, as G7 and G20 countries agree such action is justified only if exchange rates move out of line with fundamentals.

The yen has plunged to two-decade lows against the dollar, with the Bank of Japan (BOJ) continuing to defend its ultra-low rate policy in contrast with heightening chances of aggressive rate hikes by the US Federal Reserve.

Markets are rife with speculation Japan may act to resist further yen declines, perhaps by buying yen, raising interest rates or tweaking the BOJ's dovish guidance on the future path of monetary policy.

Source: <https://www.tbsnews.net/world/global-economy/imf-says-yen-falls-driven-fundamentals-urges-boj-keep-easy-policy-406914>



IMF Cuts Eurozone Growth Forecast

The war in Ukraine will weigh heavily upon economic growth in the eurozone, the IMF said Tuesday, as the conflict wreaks havoc on energy prices and the manufacturing sector.

The International Monetary Fund revised down its eurozone growth forecast for 2022 to 2.8 per cent from 3.9 per cent in its January estimate, with the region's biggest economy, Germany, taking a heavy hit.

"The main channel through which the war in Ukraine and sanctions on Russia affect the euro area economy is rising global energy prices and energy security," the IMF said in its World Economic Outlook report.

The war has hurt some countries like Italy and Germany more than other European nations because they had "relatively large manufacturing sectors and greater dependence on energy imports from Russia", the IMF said.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/imf-cuts-eurozone-growth-forecast-3009071>



Soaring Battery Costs Fail to Cool Electric Vehicle Sales

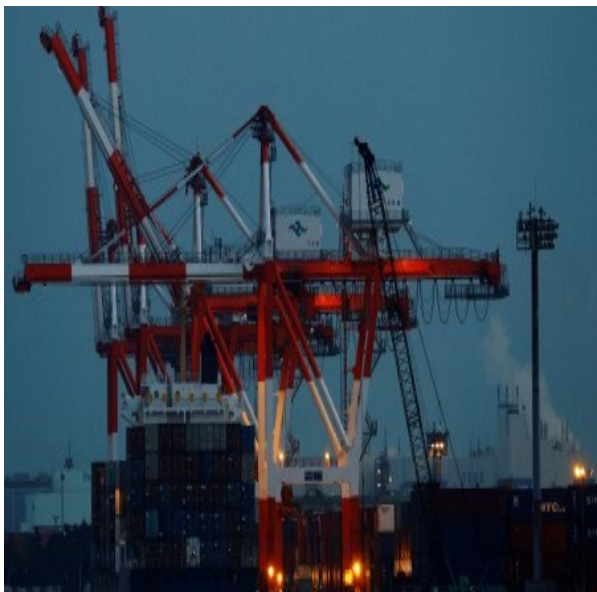
Buyers around the world are lining up to purchase electric vehicles this year even with sticker prices surging, flipping the script on a decade and a half of conventional auto industry wisdom that EV sales would break out only after battery costs dropped below a threshold that was always just over the horizon.

This year, EV demand has stayed strong even as the average cost of lithium-ion battery cells soared to an estimated \$160 per kilowatt-hour in the first quarter from \$105 last year. Costs rose due to supply chain disruptions, sanctions on Russian metals and investor speculation.

For a smaller vehicle like the Hongguang Mini, the best-selling EV in China, the higher battery costs added almost \$1,500, equal to 30 per cent of the sticker price.

But gasoline and diesel fuel costs for internal combustion vehicles have also skyrocketed since Russia invaded Ukraine, and experts noted that environmental concerns also are pushing more buyers to choose EVs despite the volatile economics.

Source: <https://www.thedailystar.net/business/global-economy/news/soaring-battery-costs-fail-cool-electric-vehicle-sales-3008236>



Japan Posts Trade Gap far Wider than Forecasts as China Exports Slow, Energy Imports Soar

Japan recorded a trade deficit in March that was more than four times wider than market forecasts, as China-bound exports slowed sharply while soaring energy prices raised the cost of imports, adding to economic challenges brought by conflict in Ukraine.

Outgoing trade was restrained by a decline in car exports and a slowdown in the growth of shipments to Japan's biggest trading partner China, data showed, indicating continuing risk from global supply constraints and the coronavirus pandemic.

The persistent trade deficit highlights the world's third-largest economy's vulnerability to soaring import costs.

That outpaced a 14.7% rise in exports, resulting in a trade deficit of 412.4 billion yen (\$3.19 billion) - eclipsing the 100.8 billion yen estimated in the poll. March marked the eighth consecutive deficit, though it was the smallest in five months.

Source: <https://www.tbsnews.net/world/global-economy/japan-posts-trade-gap-far-wider-forecasts-china-exports-slow-energy-imports>

Disclaimer

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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