

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

January 27, 2022

Working Group Agrees to Strengthen Canada-Bangladesh Bilateral Relations

The Canada-Bangladesh joint working group yesterday agreed to work to strengthen bilateral commercial relations and promote trade and investment between the two countries.

Bangladesh is now one of the best investment destinations in the region thanks to its infrastructure facilities, huge domestic market and duty-free facilities in major global markets.

But Canadian investors are not yet aware of this advantage. Therefore, a joint working committee of the two countries will brand Bangladesh in Canada to strengthen investment and trade, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said in a statement today.

Source: <https://www.thedailystar.net/business/news/working-group-agrees-strengthen-canada-bangladesh-bilateral-relations-2947871>



Bangladeshi Companies Can Invest 25pc of Asset Offshore

The government issued guidelines permitting Bangladeshi entrepreneurs to make offshore equity investment to the tune of 25 per cent of net asset of a company -- to instant welcome from businesses.

Seven core conditions are tied to the investment in foreign countries -- an option big businesses of Bangladesh have long sought.

The financial institutions division of the ministry of finance has published a gazette notification on the 'Capital Account Transactions (Overseas Equity Investment) Guidelines 2022' detailing how to spread their wings beyond borders.

They will be allowed to make equity investment abroad up to 20 per cent of their average annual income from exports during the last five years or 25 per cent of net asset mentioned in the last audited financial report.

Source: <https://thefinancialexpress.com.bd/economy/bangladeshi-companies-can-invest-25pc-of-asset-offshore-1643251183>

Allowing overseas investment will enhance name and fame



Dr. A.H. Mansur

8 cos allowed to invest abroad

- DBL Group
- Mobil Jamuna
- ACI Healthcare
- Square Pharma
- Incepta Pharmaceuticals
- BSRM Steel
- Spectrum Engineering
- Akij Group

5 cos express interest

- Ha-Meem Group
- Nitol-Niloy Group
- Summit Group
- Meghna Group
- Pran-RFL Group

Seven Listed Companies Log Robust Growth in Earnings per Share

A total of seven listed companies saw robust growth in EPS (earnings per share) for October-December, 2021 compared to the same period of the previous year.

Some of the companies have attributed the rise in EPS to the sales growth. Of the companies, Marico Bangladesh has reported its EPS of Tk 27.35 for October-December 2021 against Tk. 22.68 for October-December 2020.

The EPS was Tk. 90.08 for April-December 2021 against Tk. 79.35 for April-December 2020.

The company's board of directors has declared 200 per cent interim cash dividend based on nine-month financials for the period ended December 31, 2021.

Unique Hotel & Resorts saw a robust growth in EPS for October-December, 2021 compared to the same period of the previous year. The company has reported an EPS of Tk 0.25 for October-December 2021 against the loss of Tk 0.08 per share for October-December 2020.

Source: <https://thefinancialexpress.com.bd/stock/seven-listed-companies-log-robust-growth-in-earnings-per-share-1643169614>



Eastern Bank to Issue Tk 500 crore Subordinated Bond

Eastern Bank has decided to issue its third subordinated bond, worth up to Tk 500 crore for seven years, in a bid to enhance the company's capital base.

The bond would be non-convertible, non-listed, and redeemable, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Wednesday.

Banks, financial institutions and corporates are increasingly raising funds through the issuance of bonds and sukuk in recent years.

From July to December in 2021, 16 companies got approval to raise funds of Tk 8,826 crore bonds and sukuk, according to data from the Bangladesh Securities and Exchange Commission (BSEC).

In most cases, banks and non-bank financial institutions are issuing bonds for regulatory purposes while other corporates find them as new tools for fundraising, according to a BSEC official.

Source: <https://www.thedailystar.net/business/news/eastern-bank-issue-tk-500-crore-subordinated-bond-2947831>

DSE Launches Project to Go Paperless

The Dhaka Stock Exchange (DSE) has initiated a project as part of its efforts to go paperless in order to reduce hassles and cut the expenses for the bourse and its stakeholders.

The project will cost Tk 47 lakh, and the premier exchange of Bangladesh will receive service from Indian business solution provider Addteq under the initiative.

Thanks to the paperless initiative, anyone will be able to work from remote locations, and the works for the DSE and its stakeholders will be easy, hassle-free and time-saving, Bhuiyan added.

DSE Chairman Md Eunusur Rahman said he heard that the DSE was 100 per cent automated, but in reality, it was not.

Source: <https://www.thedailystar.net/business/economy/stock/news/dse-launches-project-go-paperless-2948176>



Stocks End Flat after Volatile Trading

Stocks ended flat in the red on Wednesday after volatile trading as investors mostly followed the 'wait-and-see' approach amid rising virus cases in the country.

Meanwhile, Union Bank's shares halted at 10 per cent upper limit circuit breaker after a few minutes of debut trading on Wednesday.

The fourth-generation private commercial bank's share closed at Tk 11 each on the DSE, soaring 10 per cent -- the highest allowable limit on its issue price of Tk 10 each.

Some 58 trades were executed at the DSE with a total of 40,265 shares changing hands at the halted price as most of the IPO shareholders were unwilling to sell their stakes hoping for higher profit in future.

After witnessing high volatility, DSEX, the prime index of the DSE, saw a fraction loss of 0.13 points to settle at 7,032, after gaining over 13 points in the previous day.

Two other indices also edged lower. The DS30 index, comprising blue chips, shed 1.17 points to finish at 2612 and the DSE Shari'ah Index saw a fractional loss of 0.56 points to close at 1,504.

Source: <https://thefinancialexpress.com.bd/stock/stocks-end-flat-after-volatile-trading-1643195460>



Microsoft's Earnings Rise on Cloud Computing

Microsoft beat market expectations Tuesday with strong quarterly performance in cloud computing and software, still benefitting from the pandemic's online shifting of work, play, shopping and learning.

The US tech colossus, which announced last week a blockbuster deal to buy gaming giant Activision Blizzard, said profit jumped to \$18.8 billion in the final three months of last year.

On an earnings call, Nadella pointed to the tens of millions of people playing games such as Forza, Halo and Minecraft, many investing in "avatar" proxies for online worlds, saying that the metaverse is a natural extension.

Microsoft is also meshing virtual gathering components with non-game offerings, such as Teams online collaboration software, according to executives.

Source: <https://www.thedailystar.net/business/global-economy/america/news/microsofts-earnings-rise-cloud-computing-2948121>



Singapore State Fund Buys UK Tech Firm for \$7b

Singapore's state investment fund Temasek is acquiring a British tech firm that tests materials in a wide range of industries to ensure they are sustainable, in a deal reportedly worth \$7 billion.

Temasek agreed on Tuesday to buy Element Materials Technology from private equity firm Bridgepoint, saying the deal would enable it to offer customers more environmentally-friendly product solutions.

"We are pleased to continue our relationship with Element as it works with its customers and explores greater opportunities to be part of their decarbonisation and sustainability journeys," said Uwe Krueger, who is Temasek's head of industrials, business services, energy and resources.

Global operator Element Materials assesses cutting-edge technology across a wide variety of sectors, including aerospace, connected technology, life sciences, energy transition and transportation. The group on Tuesday said it was "well positioned" to accelerate its growth under Temasek's ownership.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/singapore-state-fund-buys-uk-tech-firm-7b-2948141>



IMF Slashes Global Growth Outlook

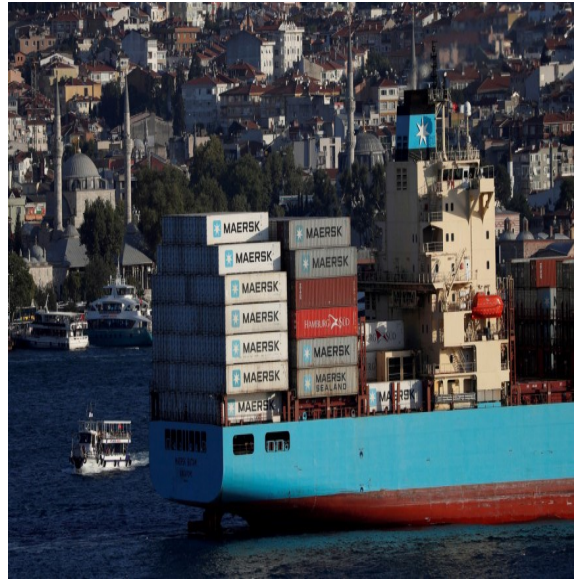
The Omicron variant of Covid-19 is creating an obstacle course for the global economy, which will slow growth this year, notably in the world's two largest economies, the IMF said Tuesday.

The Washington-based crisis lender cut its world GDP forecast for 2022 to 4.4 per cent, half a point lower than the October estimate, due to the "impediments" caused by the latest outbreak, although those are expected to begin to fade in the second quarter of the year.

"The global economy enters 2022 in a weaker position than previously expected," the International Monetary Fund said in the quarterly update to its World Economic Outlook (WEO), adding that "the emergence of the Omicron variant in late November threatens to set back this tentative path to recovery."

The outlook remains beset by risks, including geopolitical tensions and a wave of price increases hitting consumers and businesses that is expected to last longer than previously expected.

Source: <https://www.thedailystar.net/business/global-economy/america/news/imf-slashes-global-growth-outlook-2948196>



GM to Spend \$7b to Build Electric Auto Capacity

General Motors announced Tuesday plans to invest \$7 billion in the US state of Michigan as it converts assembly plants and builds batteries for the transition to electric vehicles (EV).

Calling the announcement "the largest single investment in GM history," the auto giant said the push in its Midwestern home state would create 4,000 new jobs and retain 1,000 more positions.

GM has previously projected that it will double revenues by 2030 as it ramps up EV production. The company expects 50 per cent of its North American capacity to be EVs by that date. "Today we are taking the next step in our continuous work to establish GM's EV leadership by making investments in our vertically integrated battery production in the US, and our North American EV production capacity," said Chief Executive Mary Barra.

"These investments also create opportunities in Michigan for us to bring our employees along on our transition to an all-electric future."

Source: <https://www.thedailystar.net/business/global-economy/america/news/gm-spend-7b-build-electric-auto-capacity-2948126>



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