

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 20, 2022

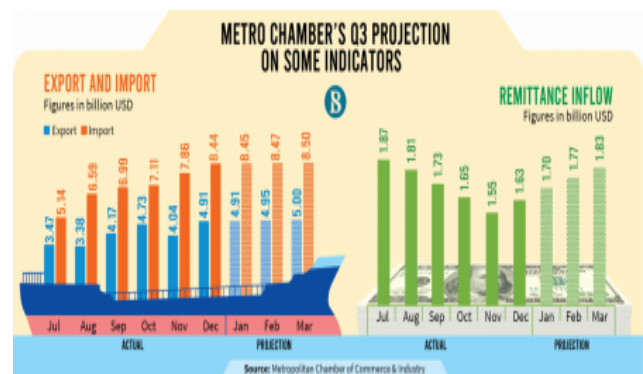
Economy on Recovery Path, Picks Pace in Q2: MCCI

Bangladesh's economic recovery from Covid-19 shocks gained further momentum in the second quarter of the ongoing 2021-22 fiscal year as almost all of the major macroeconomic indicators were in a satisfactory position, says the Metropolitan Chamber of Commerce and Industry (MCCI).

In its review of the economic situation in Bangladesh for October-December 2021, the chamber has observed that economic condition seems to have been gradually improving following the easing of pandemic-related disruptions in late May 2020, thanks to the time-befitting steps of the government alongside implementation of the stimulus packages.

In October-December 2021, exports and imports – two important drivers of the economy – did well, observes the trade body in its quarterly review report released on Friday.

Source: <https://www.tbsnews.net/economy/economy-recovery-path-picks-pace-q2-mcci-372580>



Envoy Wishes to See Sweden's Green Companies Investing in Bangladesh



The Swedish envoy in Dhaka expressed her desire to see Swedish green companies coming to Bangladesh and investing here.

Ambassador of Sweden to Bangladesh Alexandra Berg von Linde also said that Sweden was ready to facilitate the environmental goals of the Swedish companies operating in Bangladesh.

The ambassador also praised the Bangladeshi companies going green, while visiting the Gulshan office of the Metropolitan Chamber of Commerce and Industry (MCCI) on Wednesday.

Sweden saw great potential in Bangladesh's market which was reflected in the successful operations of Swedish firms in Bangladesh, including that of the clothing giant H&M.

Source: <https://thefinancialexpress.com.bd/economy/envoy-wishes-to-see-swedens-green-companies-investing-in-bangladesh-1645152855>



BSEC Cuts Minimum Investment Limit for SME Board

The market regulator has reduced the minimum investment amount to Tk20 lakh from the earlier Tk50 lakh for each eligible investor on the SME platform of both the local stock exchanges.

On Thursday, the Bangladesh Securities and Exchange Commission (BSEC) issued a directive in this regard.

According to the Dhaka Stock Exchange (DSE), more than 2,000 investors registered with the bourse through the electronic subscription system (ESS) by paying a fee of Tk10,000 each.

But from now on, there will be no charge for registration through ESS.

On 30 September last year, the country's premier bourse launched its SME platform with six companies. Currently, 10 companies are carrying out transactions on the board.

Source: <https://www.tbsnews.net/economy/stocks/bsec-cuts-minimum-investment-limit-sme-board-372307>



Ten Firms Grab One-third of DSE Turnover

The ten most-traded stocks accounted for nearly one-third weekly transactions, with Fortune Shoes dominating the Dhaka Stock Exchange's (DSE) turnover board this week.

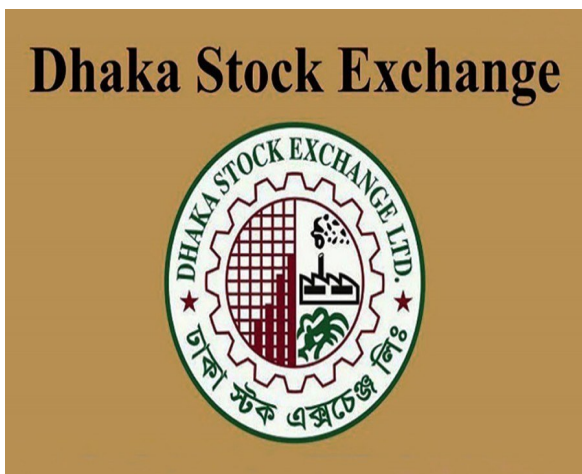
Market operators said Fortune Shoes topped the turnover list amid an influx of buyers and sellers as the footwear manufacturer posted an impressive earnings growth in the latest quarter.

According to statistics available with the DSE, some 36.97 million shares of Fortune Shoes were traded, generating a turnover of Tk 5.01 billion, which was 8.41 per cent of the week's total turnover.

The shoemaker's share closed at Tk 134.50 on Thursday, rising 10.88 per cent over the week before. Its shares traded between Tk 15.90 and Tk 141 in the last one year.

Fortune Shoes also witnessed an unprecedented price hike and increase in volume of shares although there is no undisclosed price sensitive information.

Source: <https://thefinancialexpress.com.bd/stock/ten-firms-grab-one-third-of-dse-turnover-1645243676>



BSEC Asks 5 banks to Take Steps for IPO

The Bangladesh Securities and Exchange Commission has asked five banks to take necessary steps to get enlisted with the country's stock exchanges.

On February 17 2022, the BSEC sent separate letters to the banks in this regard and forwarded copies of the letters to the Bangladesh Bank and the financial institution division of the finance ministry.

The five banks are Meghna Bank, Midland Bank, Modhumoti Bank, NRB Bank and Shimanto Bank Limited.

Of the five banks, Shimanto Bank started operations in 2016 and the rest four banks went into business in 2013.

In 2013, the central bank gave licences to nine banks on the condition that the banks would get listed on the stock exchanges in three years of their commercial operations start.

There are 60 scheduled banks operating in Bangladesh.

Of them, 33 banks are listed on the stock exchanges and the banks hold around 16 per cent of the total market capitalisation.

Source: <https://www.newagebd.net/article/163207/bsec-asks-5-banks-to-take-steps-for-ipo>



Beximco Synthetics' EGM for Exit Plan Approval

In order to secure shareholder approval for its exit plan from the stock exchanges, Beximco Synthetics Ltd will hold an extraordinary general meeting (EGM) on 10 March this year.

As per the plan, the company's sponsors and directors will buy its ordinary shares back from the general shareholders at a face value of Tk10 each.

Currently, general shareholders including institutional investors hold 5.57 crore shares of the company.

Beximco Synthetics was incorporated in 1990 with the Registrar of Joint Stock Companies and Firms as a public limited company, and got listed with the stock exchanges in 1993.

It was mainly engaged in the production and sale of Drawn Texturised Yarn (DTY), a type of polyester yarn.

Source: <https://www.tbsnews.net/economy/stocks/beximco-synthetics-egm-exit-plan-approval-372292>



StanChart Bets on Rate Hikes to Hit Lofty Goals

Standard Chartered has raised its core profitability goals and promised shareholders extra payouts, despite full year profit undershooting expectations, as it banks on inflation-battling rate hikes worldwide to boost lending.

CEO Bill Winters, who repaired StanChart's balance sheet and cut thousands of jobs after he took charge in 2015, is under pressure to boost growth and lift the bank's flagging share price. Its London-listed stock is around 45 per cent below the level when Winters became CEO.

StanChart's shares fell 4 per cent on Thursday, the second worst performers in the benchmark London FTSE index as the bank's 2021 profits missed expectations and investors digested a growth strategy reliant on rate hikes and cost cuts.

Source: <https://www.thedailystar.net/business/global-economy/news/stanchart-bets-rate-hikes-hit-lofty-goals-2964846>



Canada Inflation Hits 30-year High

Canadian inflation rose to 5.1 per cent in January -- far outpacing economists' expectations -- as price increases hit a 30-year high, the government statistical agency said Wednesday.

Rising fuel prices, along with food and shelter costs, were again major contributors to the monthly gain. The figure was up from 4.8 per cent in December.

The largest price increases at the checkout were for meat, margarine, condiments, spices and vinegars, fresh fruit and bakery products, as well as beer and wine, the agency said. Drivers also paid more at the pump as "concerns over global oil supplies in response to international political events" drove up gasoline prices, it said.

"Covid-19 pandemic-related challenges continue to weigh on supply chains," adding to consumers' fuel and grocery bills, Statistics Canada said in a statement.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/canada-inflation-hits-30-year-high-2964866>



US Industrial Production Roared back in January

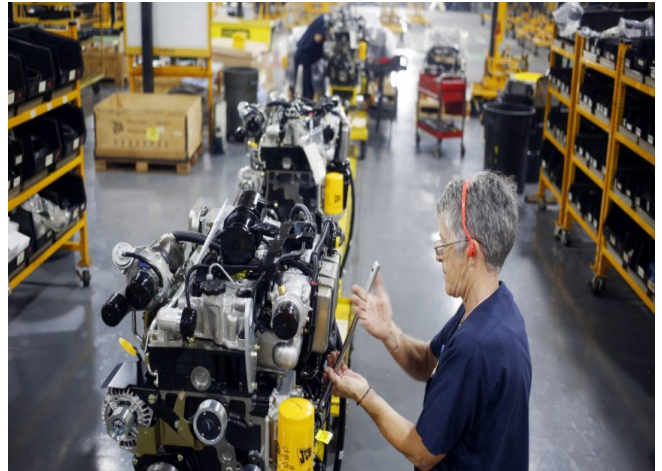
US industrial production grew more than expected in January, the Federal Reserve reported Wednesday, amid a surge in heating demand and strong mining activity.

The 1.4 per cent increase last month came after a slight decline in December, and was helped by a 9.9 per cent surge in the utilities index as weather grew colder across the United States, the largest-ever jump in its history.

Mining saw a one percent increase that was in large part due to a 6.2 per cent rise in oil and gas drilling, though it remains below its pre-pandemic level, according to the Fed.

Manufacturing output was up a more modest 0.2 per cent amid growth in most manufacturing sectors, though motor vehicles and parts production declined as automakers struggled to find semiconductors, as did coal and petroleum products.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-industrial-production-roared-back-january-2964796>



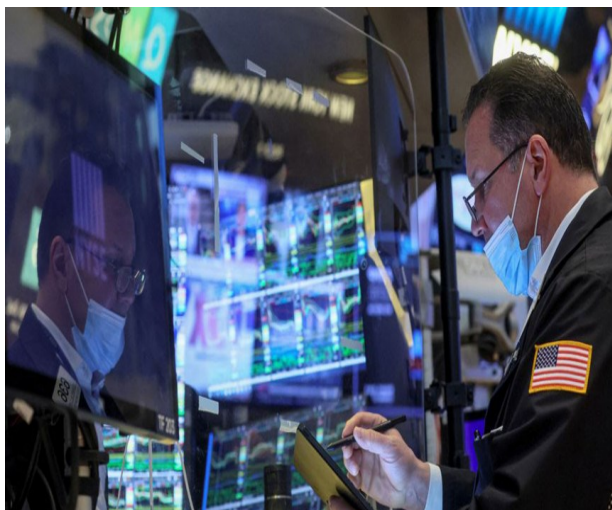
Surging Oil Prices add Another Worry for Frazzled Investors

A US stock market, already on edge from a hawkish Federal Reserve and a conflict between Russia and Ukraine, now has another worry: higher oil prices.

US crude prices stand at around \$91 a barrel after surging some 40 per cent since December 1 and earlier this week touched their highest level since 2014. Prices for Brent crude, the global benchmark, have also soared and are near 7-year highs.

Rapidly rising oil prices can be a troubling development for markets, as they cloud the economic outlook by increasing costs for businesses and consumers. Higher crude also threatens to accelerate already-surging inflation, compounding worries that the Fed will need to aggressively tighten monetary policy to tamp down consumer prices. "The stock market would really run into trouble if we went north of \$125 per barrel and stayed there for a while because that would overheat high levels of inflation," said Peter Cardillo, chief market economist at Spartan Capital Securities.

Source: <https://www.thedailystar.net/business/global-economy/news/surging-oil-prices-add-another-worry-frazzled-investors-2966051>



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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