

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

August 17, 2021

€50m French Loan for Renewable Energy, Women Entrepreneurs

The government recently signed a €50 million (Tk496.92 crore) Credit Facility Agreement (CFA) agreement with Agence Française de Développement (AFD) to be administered through the Bangladesh Infrastructure Finance Fund Limited (BIFFL), to finance energy efficiency, renewable energy, and women entrepreneurship projects.

The credit line will be provided by the Bangladesh government to the public non-banking financial institution BIFFL, to finance investments in the fields of energy efficiency, the production of renewable energies, mainly in rural areas, and women's entrepreneurship.

AFD, the French government arm that deals with overseas aid, has been operating in Bangladesh since 2012. It supports development projects for urban development and infrastructure, power & green energy, as well as corporate and social responsibility programs.

Source: €50m french loan for renewable energy, women entrepreneurs (tbsnews.net)



Banglalink Ranked the Fastest Mobile Network for 3rd Time

Banglalink has been declared as the fastest mobile network in the country by Ookla for the third consecutive time. It has earned the top spot in the latest Ookla Speedtest Award report for Bangladesh during Q1-Q2 2021 with a score of 17.12.

With millions of results obtained through its app each day, Ookla has the most accurate and comprehensive view of worldwide network performance, quality, and accessibility, claimed Banglalink in a press release on Monday.

The press release says that as part of Banglalink's objective to offer superior digital experiences to customers, it has acquired a total of 9.4 MHz spectrum in the latest BTRC spectrum auction, and retained the top position among all private operators in the country in terms of spectrum per subscriber.

Source: Banglalink ranked the fastest mobile network for 3rd time (tbsnews.net)

Bank Asia to Build Largest Network through Post Office Banking

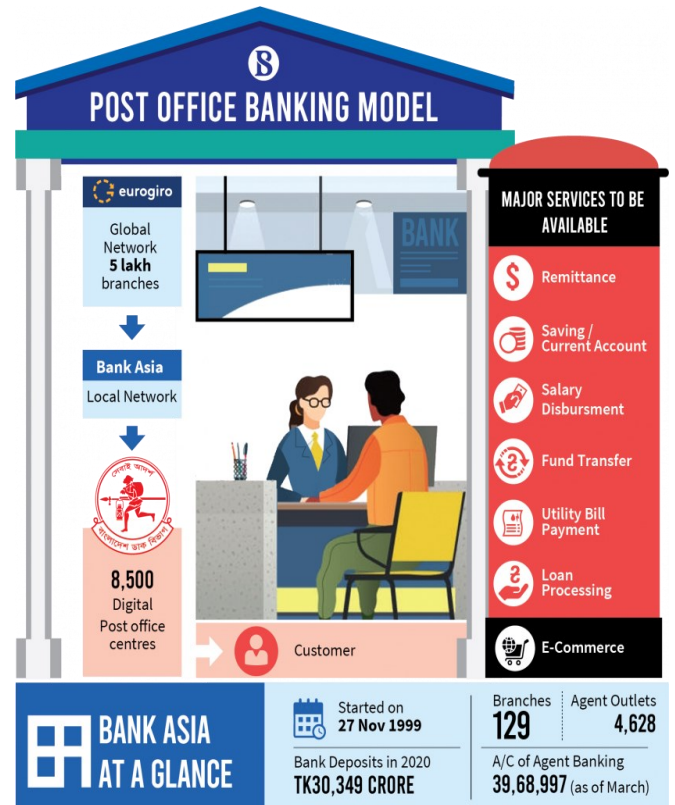
Bank Asia is set to build the largest banking network both locally and globally through the introduction of post office banking by engaging postal outlets across the country in providing financial services.

Under the new business concept, the private sector bank will provide financial services through postal outlets joining hands with the postal department of Bangladesh.

In the local networking part, the bank will provide financial services through 8,500 digital post offices across the country, appointing digital post office entrepreneurs under the post office banking agreement with the Bangladesh Post Office.

For global networking, the bank will connect with Eurogiro, a global payment community that is widely connected with post banks, postal organizations and payment service providers across the globe. Bank Asia is going to be the first Bangladeshi bank to get connected with Eurogiro. Under the agreement with Eurogiro, the bank will engage all postal outlets with the global payment platform to provide remittance services.

Source: Bank Asia to build largest network through post office banking (tbsnews.net)



Success in Salt Tengra Production in Jashore

Fish farmers in Jashore have been successful in cultivating 'Southern Salt Tengra' fish by artificial insemination process, which has opened the door of commercial production of this endangered local fish in the country.

Many farmers have already started producing this fish commercially in ponds and enclosures after collecting the fry from hatcheries.

Local fisheries department officials said commercial cultivation of this fish is very profitable. It will also help keep the endangered fish alive. According to the Bangladesh Fisheries Research Institute, there is a great demand for Salt Tengra fish in the local and international market as it is very tasty. Once this fish could be found in abundance in the water bodies of the coastal areas of the country. But it is now declining due to environmental changes.

Source: Success in Salt Tengra production in Jashore (tbsnews.net)

DSE Market Capitalization and Volume Reaches Record High

The stock market is forging up, leaving behind the recently emerged cautions about a liquidity-driven rally and moderate overhauling of interest rates.

Indices at the Dhaka Stock Exchange (DSE) reached new highs with new records in total market capitalization and also in the number of securities traded in a single session.

For the first time in the bourse's history, the number of traded shares and mutual fund units crossed the 100-crore mark, while the total market capitalization stood at a record high of Tk549.05 lakh crore. DSEX, the broad-based index at the capital city bourse, increased by 49.5 points or 0.74% to close at 6,749.

Total turnover increased by 10.98% at the DSE and stood at Tk2,954 crore on the day. Out of the 375 issues traded, 204 advanced, 146 declined, and 25 remained unchanged there.

On the sectoral front, textile, financial institutions and banks contributed most to the day's total turnover.

Source: DSE market capitalization and volume reaches record high (tbsnews.net)



Housing Share Price Rising sans PSI

National Housing Finance & Investment is witnessing an unprecedented price hike and increase in volume of shares despite no undisclosed price sensitive information (PSI).

Within a week, the non-bank financial institution's share price rose more than 51 per cent to close at BDT 67.10 on Monday. It was also the two years' highest closing price on the Dhaka Stock Exchange (DSE).

The company's share price was BDT. 44.40 a week earlier on August 3. Its share traded between BDT. 28 and 67.10 each in the last one year, according to data from the DSE.

The National Housing Finance & Investment, which was listed on the DSE in 2009, disbursed a 15 per cent cash dividend for the year ended on December 31, 2020. In 2019, it provided a 10 per cent cash dividend.

The company's earnings per share (EPS) jumped to BDT. 0.56 for April-June 2021 as against BDT. 0.32 for April-June 2020.

The company's paid-up capital is BDT 1.17 billion and authorized capital is BDT. 2.0 billion, while the total number of securities is 117.03 million.

Source: National Housing share price rising sans PSI (thefinancialexpress.com.bd)



HSBC to buy Axa's Singapore insurance business

HSBC has agreed to buy the Singapore unit of French insurance giant Axa as the British banking group expands its foothold in Asia, the companies announced Monday.

HSBC makes 90 per cent of its profit in Asia and has said it plans to redouble efforts to seize more of the market in the region.

The bank has agreed to acquire Axa Singapore, the city-state's eighth largest life insurer, for \$575 million (487 million euros).

"This is an important acquisition that demonstrates our ambition to grow our wealth business across Asia," HSBC chief executive Noel Quinn said in a statement. "Wealth is one of our highest growth and highest return opportunities, and plays to our strengths as an Asia-centred bank with global reach," he said.

The bank said it plans to merge the operations of HSBC Life Singapore and Axa Singapore once the deal, which is subject to regulatory approval, is completed.

Singapore is a "strategically important scale market for HSBC, and a major hub for its ASEAN wealth business," the banking group said, referring to the Association of Southeast Asian Nations.

Axa said it expects the transaction to be completed in the fourth quarter. The sale is part of Axa's "simplification journey" in the region, said the French insurer's Asia and Africa chief executive, Gordon Watson.

Source: HSBC to buy Axa's Singapore insurance business | The Daily Star

China economy under pressure



China's factory output and retail sales growth slowed sharply and missed expectations in July, as new Covid-19 outbreaks and floods disrupted business operations, adding to signs the economic recovery is losing momentum.

Industrial production in the world's second largest economy increased 6.4 per cent year-on-year in July, data from the National Bureau of Statistics (NBS) showed on Monday. Analysts had expected output to rise 7.8 per cent after growing 8.3 per cent in June. Retail sales increased 8.5 per cent in July from a year ago, far lower than the forecast 11.5 per cent rise and June's 12.1 per cent uptick.

Consumption, industrial production and investment could all slow further in August, analysts from Nomura said in a note, due to Covid-19 controls and tightening measures in the property sector and high-polluting industries. Production controls sent crude steel output to the lowest monthly level since April 2020 in July.

Source: China economy under pressure | The Daily Star

UK Employers Have Strongest Hiring Plans in over 8 Years

British employers plan to increase staff numbers by the most in more than eight years over the coming months and few intend to make staff redundant when government furlough support ends next month, a survey showed on Monday.

The quarterly survey by Britain's Chartered Institute of Personnel and Development added to signs of labour market shortages as the economy emerges from the coronavirus pandemic, though it offered less evidence of wage or inflation pressures.

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The CIPD survey also showed staff shortages, especially in the hospitality sector where many employers shed staff during the pandemic due to lengthy closures of hotels, pubs, restaurants and other venues.

Source: UK employers have strongest hiring plans in over 8 years | The Daily Star



US investors lean on blank-check firms for energy transition targets



Former US oil investment bankers, portfolio managers and executives have formed over 20 listed blank-check companies to take renewable energy companies public, with more listings expected. Investors are rushing to form these companies, known as Special Purpose Acquisition Companies (SPACs), as capital shifts from traditional oil and gas investments to low-carbon alternatives.

SPACs have been most active in the technology and healthcare industries, but the alternative energy space is heating up.

More than 412 SPAC IPOs raising \$121 billion have taken place so far in 2021, up from 247 raising \$83 billion total last year, said Jay Ritter, a professor at the University of Florida specializing in IPOs. Healthcare, financial technology and autonomous vehicles continue to be heavily represented, but alternative energy is gaining traction, the data shows. Many of the renewable SPACs that are currently publicly filed with the SEC have raised about \$250 million or more. They are looking to buy privately-held companies that produce batteries for renewable energy storage, hydrogen storage solutions, carbon storage, and even some drilling for natural gas, a lower-carbon fossil fuel, according to SEC documents reviewed by Reuters.

Source: US investors lean on blank-check firms for energy transition targets | The Daily Star

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