

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

January 31, 2022

Steelmakers' Earnings Soar on Higher Sales

Profits of listed steel manufacturers have soared thanks to higher volumes of sales made after the economy opened up in full swing.

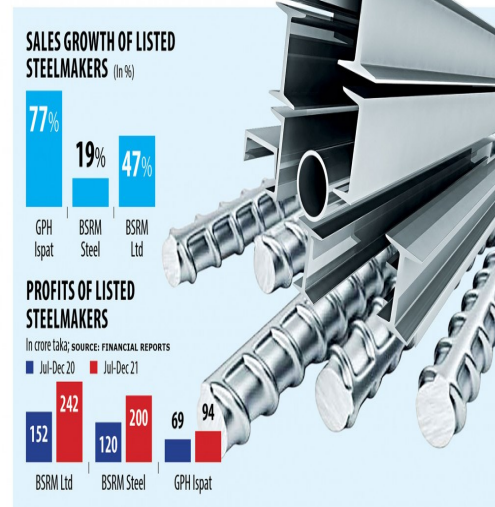
The producers claimed the higher profits did not result from higher rod prices, explaining that they had raised rod prices to make partial adjustments to an increase in price of raw materials.

Among the five listed steelmakers, the BSRM, BSRM Steel and GPH Ispat have disclosed their financial reports. Of the remainders, SS Steel mainly deals with stainless steel while RSRM Steel has not disclosed its information yet.

The first three companies logged a staggering profit growth of more than 53 per cent on an average year-on-year in the first half of the current financial year of 2021-22.

Their average sales-induced revenue growth was more than 47 per cent in the six months.

Source: <https://www.thedailystar.net/business/economy/news/steelmakers-earnings-soar-higher-sales-2950911>



ICT Division Wants Corporate Tax Waiver for IT Sector till 2030

The Information and Communication Division (ICT) will apply to the finance ministry seeking extension of corporate tax waiver for information technology firms from 2024 till 2030.

Zunaid Ahmed Palak, the ICT state minister, on Sunday during a meeting with the newly elected executive committee of Basis, chaired by its President Russell T Ahmed, said more benefits need to be given to the IT sector to reach the target of \$5 billion export by 2025.

At the meeting, the ICT Division and the Bangladesh Association of Software and Information Services (BASIS) pledged to work together to implement the 2041 Vision announced by the government of expanding local and international markets, industry branding, policy support and creating a business-friendly environment.

Source: <https://www.tbsnews.net/nbr/ict-division-wants-waive-corporate-tax-it-sector-till-2030-364357>



Vaccine Sales Boost Beximco Pharma's Profit

Beximco Pharmaceuticals Ltd posted a 45% year-on-year growth in net profits in the October-December quarter of the fiscal 2021-22, thanks to its income from Covid-19 vaccine distribution.

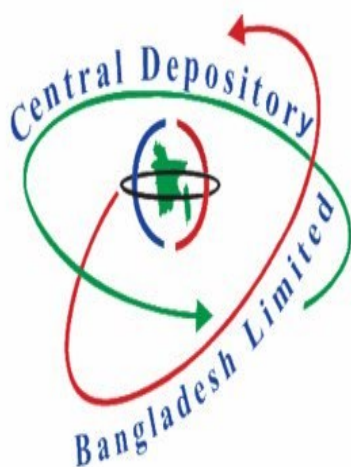
After a seven-month hiatus, the company received 8 million Oxford-AstraZeneca vaccines. Beximco Pharma is the only company in Bangladesh contracted to import the Oxford-AstraZeneca vaccine made by the Serum Institute of India.

The drug-maker earned Tk61.92 crore through distributing vaccines and reported a net profit of Tk165.63 crore in the October-December quarter of FY22. Its earnings per share (EPS) stood at Tk3.84.

Beximco Pharma published its un-audited financial report for the second quarter of FY22 at a board meeting that was held on 27 January.

But on the first trading day after publishing the quarterly report, investors did not show any interest in Beximco Pharma's earning growth and its share price fell by 1% to close at Tk196.4 per share on Sunday at the Dhaka Stock Exchange (DSE).

Source: <https://www.tbsnews.net/economy/stocks/vaccine-sales-boost-beximco-pharmas-profit-364363>



Stock Investors Can now Crosscheck Portfolios

Stock investors now can crosscheck their investment portfolios with Central Depository Bangladesh Limited (CDBL), the infrastructure backbone of the country's capital market.

To make this happen, CDBL on Sunday launched a monthly e-statement service as part of its effort to eliminate brokerage house-related irregularities.

Under the service, the beneficiary owners' (BO) account holders will receive emails describing their investments on different stocks at the end of every month's first week so that they can identify if there is anything wrong at the brokerage firm's end. The service is free of cost.

CDBL came up with such an initiative following the identification of several irregularities, where stockbrokers defrauded investors by reporting fake cash and securities balances and pseudo buy-sell order execution updates.

Source: <https://www.tbsnews.net/economy/stocks/stock-investors-can-now-crosscheck-portfolios-364387>

More Companies See Rise in Earnings per Share

A good number of listed companies including Investment Corporation of Bangladesh (ICB) saw a rise in EPS (earnings per share) for October-December (Q2), 2021 compared to the same period of the previous year.

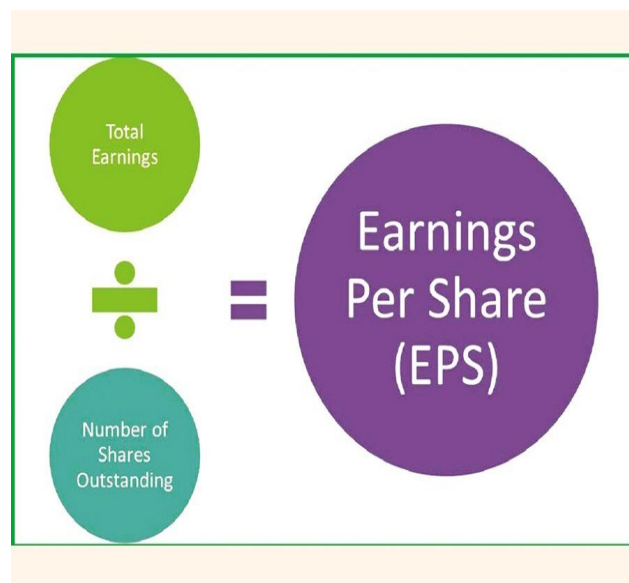
In separate disclosures, some companies attributed the rise of EPS to the advancement in capital gains and turn-over along with reduction in administrative and financial expenses.

The ICB reported a consolidated EPS of Tk 1.03 for October-December 2021 against Tk. 0.39 for October-December 2020. The company's EPS rose 164.10 per cent or Tk 0.64 for the Q2, 2021 compared to the same period of the previous year.

The consolidated EPS was Tk. 1.74 for July-December 2021 against Tk. 0.77 for July-December 2020.

The consolidated NOCFPS, however, declined to Tk (8.31), a negative value, for July-December 2021 against Tk. (6.25), a negative value, for July-December 2020.

Source: <https://thefinancialexpress.com.bd/stock/more-companies-see-rise-in-earnings-per-share-1643599497>



DSE Key Index Dips below 7,000-Mark again

Stocks ended lower on Sunday, with the core index of the Dhaka Stock Exchange (DSE) dipped below the 'psychological' threshold of 7,000-mark again.

The market opened on a positive note and the key index rose about 25 points as soon as the market opened. But, the rest of the session went down steadily amid profit booking tendency among investors.

DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 35.99 points or 0.51 per cent to settle at 6,991, after ending almost flat in the past three sessions. Two other indices also ended lower.

Turnover, the most important indicator of the market, stood at Tk 13.33 billion, which was 9.35 per cent higher than the previous day's tally of Tk 12.19 billion.

Market analysts said the risk-averse investors opted for booking profit on sector-specific stocks which failed to meet the investors' expectations in the latest quarterly earnings.

Source: <https://thefinancialexpress.com.bd/stock/dse-key-index-dips-below-7000-mark-again-1643536884>



Global: Business

China to Beef up Anti-monopoly Efforts in Pharma

China will toughen law enforcement to curb monopoly practices and unfair competition in the pharmaceutical industry as the government seeks to foster a good business environment, the industry ministry said on Sunday.

The action follows November's regulatory guidelines to stamp out monopolies in active pharmaceutical ingredients (API). China leads the world in making and exporting these products.

In a statement, the ministry of industry and information technology said it would "strengthen law enforcement against unfair competition".

It will also stiffen enforcement of anti-monopoly laws in the areas of drug shortages and APIs, prepare and adopt antitrust guidelines in the API market.

Source: <https://www.thedailystar.net/business/global-economy/news/china-beef-anti-monopoly-efforts-pharma-2950901>



Global Gas Rally to Kickstart Long-stalled US LNG Projects

High global natural gas prices are breaking a two-year logjam of new US liquefied natural gas (LNG) projects with at least three of the multibillion-dollar proposals likely achieving enough supply contracts to start construction this year, said developers and industry experts.

A Louisiana project that received a green light in 2019 was the last wholly new US plant to receive a go-ahead, benefiting from then-strong demand from China and utilities swapping to LNG from coal. A dozen others were stalled, first by the China-US trade war and then by the Covid-19 pandemic and environmental concerns.

But super-hot demand for the fuel in northern Europe and China have pushed global gas prices to near record highs, reviving financing prospects for plants that chill natural gas into liquid for transport by seaborne tankers.

A key benchmark price for natural gas deliveries in northern Europe has more than quadrupled from a year ago, to about \$30 per million British thermal units per day (mmBtu).

Source: <https://www.thedailystar.net/business/global-economy/news/global-gas-rally-kickstart-long-stalled-us-lng-projects-2950916>



Apple's Holiday iPhone Sales Surge despite Supply Shortages

Apple shook off supply shortages that have curtailed production of iPhones and other popular devices to deliver its most profitable holiday season yet.

The results posted Thursday for the final three months of 2021 help illustrate why Apple is looking even stronger at the tail end of the pandemic than when the crisis began two years ago.

At that point, Apple's iPhone sales had been flagging as consumers began holding on to their older devices for longer periods. But now the Cupertino, California, company can't seem to keep up with the steadily surging demand for a device that has become even more crucial in the burgeoning era of remote work.

Apple's inability to fully satisfy the voracious appetite for iPhones stems from a pandemic-driven shortage of computer chips that's affecting the production of everything from automobiles to medical devices

Source: <https://www.tbsnews.net/world/global-economy/apples-holiday-iphone-sales-surge-despite-supply-shortages-364177>



Prices of Power-assisted Bikes on Rise in Japan

Prices are on the rise for power-assisted bicycles, which are becoming fixtures as a means of transportation in everyday life.

This is not only because they have become increasingly popular during the Covid-19 pandemic as a means to get around while avoiding trains and buses crowded with commuters, but also because there have been global shortages of raw materials, parts and components.

Although battery-powered bicycles have drawn a lot of attention as "a winning product" because of their growing sales during the pandemic, price hikes cast a shadow over their future success in the market.

Power-assisted bikes make up a section at a retailer in central Tokyo, where models boasting energy-saving functions and lightweight features are on display.

Source: <https://www.thedailystar.net/business/global-economy/news/prices-power-assisted-bikes-rise-japan-2950881>



Disclaimer

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