

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 06, 2021

Textile Entrepreneurs to Invest \$2.5 billion by 2023

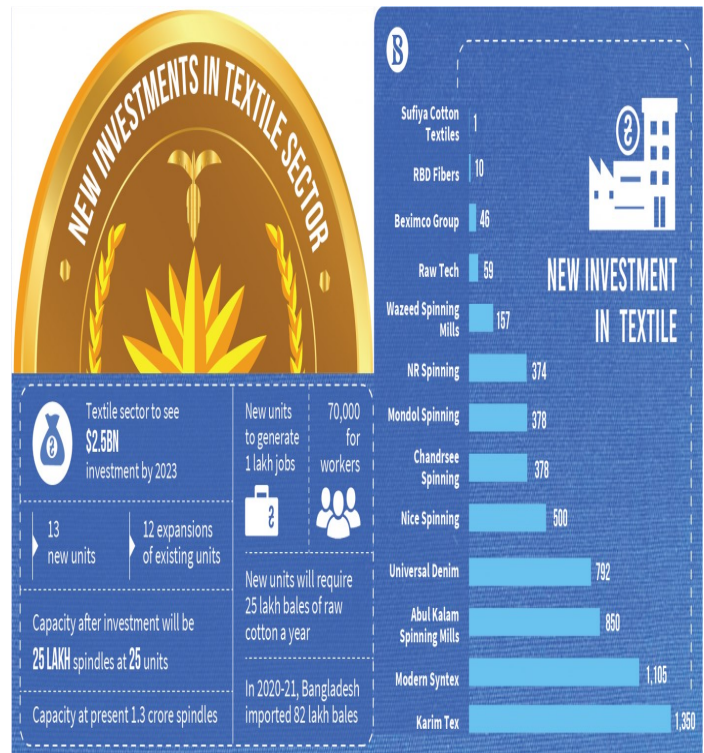
The country's textile factory owners are set to invest \$2.5 billion in the sector by 2023 to boost production capacity to meet growing demand.

The investments will mostly go into adopting new technologies. The fresh injection is also expected to generate employment opportunities for about one lakh people at 25 units, Bangladesh Textile Mills Association (BTMA) President Mohammad Ali Khokon told the media yesterday.

The latest investment is to come from Modern Syntax, Abul Kalam Spinning Mills, Universal Denim, Karim Tex, Nice Spinning, Mondol Spinning, Chandrasee Spinning, NR Spinning, Wazeed Spinning Mills, Raw Tech, Beximco Group, RBD Fibers and Sufiya Cotton Textiles.

On the other hand, Asia Composite, Maksons Group, Envoy Group, New Asia Group, DBL Group, Pride Group, ShaSha Group, among others, are also investing to expand their capacity.

Source: <https://www.tbsnews.net/economy/rmg/textile-entrepreneurs-invest-25-billion-2023-312004>



Moody's Changes City Bank Outlook to Stable

Moody's Investors Service has changed the outlook to "stable" from "negative" and affirmed issuer rating at B1 for City Bank Limited.

The rating was assigned considering the bank's strength and challenges along with the impact of current economic turmoil from Covid-19 pandemic, said a press release.

The outlook reflects Moody's expectation that Bangladesh's robust economic growth and the pandemic-related forbearance measures that eased debt repayment burden of affected borrowers would limit the banks' asset quality deterioration and support their solvency over the next 12 to 18 months.

It demonstrates improved profitability driven by higher net interest margin, improved capital adequacy ratio and concentration on SME, retail banking and trusted corporate clients to manage asset risk.

Source: <https://www.thedailystar.net/business/economy/banks/news/moodys-changes-city-bank-outlook-stable-2191641>



Domestic Tourism Flourishes after Reopening Sites

The country's tourism sector has been recovering businesses significantly as the number of domestic tourists visiting the major sites increased since their reopening in August this year.

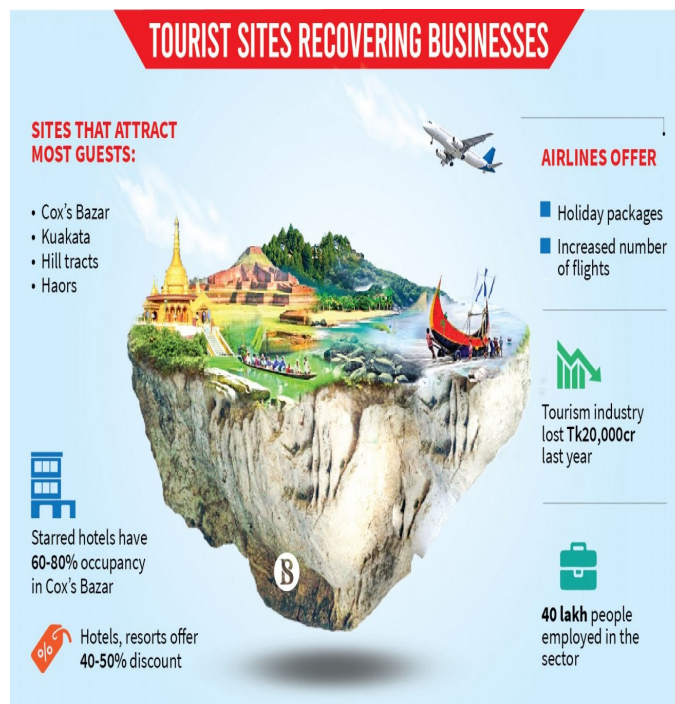
Currently, the tourist spots in Cox's Bazar, Kuakata, Rangamati, Khagrachhari, Bandarban, Khulna region, and Sylhet are most popular among the tourists.

Many hoteliers and resort owners in these areas are offering discounts and the airlines are offering special holiday packages to attract tourists.

Businesses in Cox's Bazar have been gaining momentum as a large number of tourists have been visiting there, especially during the weekend.

The number of tourists visiting Bandarban, Rangamati, and Khagrachhari, has increased significantly following the reopening of tourist spots.

Source: <https://www.tbsnews.net/economy/domestic-tourism-flourishes-after-reopening-sites-311626>



Apex Footwear Takes Apex Tannery's unit-2 on Lease for Another 20 years

Apex Footwear Limited – a manufacturer and retailer of footwear for domestic and international markets – has taken sister concern Apex Tannery's unit-2 factory on lease, for another twenty years.

"To facilitate smooth production at the company, the lease agreement with Apex Tannery was extended for another twenty years," said Md Omar Faruque, company secretary of Apex Footwear.

As per the agreement, Apex Footwear will use on lease, Apex Tannery's factory premises with land, buildings, warehouse, machinery, equipment, fittings, and fixtures of Unit-II, in Shafipur, Gazipur.

For the first ten years, the monthly rent will be Tk27.50 lakh and for the next 10 years it will be Tk30.25 lakh.

Source: <https://www.tbsnews.net/economy/corporates/apex-footwear-takes-apex-tannerys-unit-2-lease-another-20-years-311980>



Heavyweight Stocks Hold up the Indices

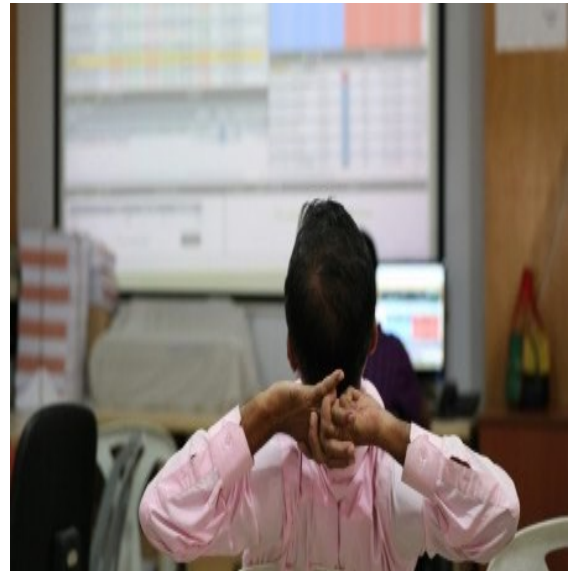
Tuesday's volatile trading ended with stock indices closing marginally higher – although the majority of scrips declined.

Heavyweight stocks, such as Beximco, LafargeHolcim, and Orion Pharmaceuticals saved the day with their gains offsetting the decline in small and mid-cap stocks over the session.

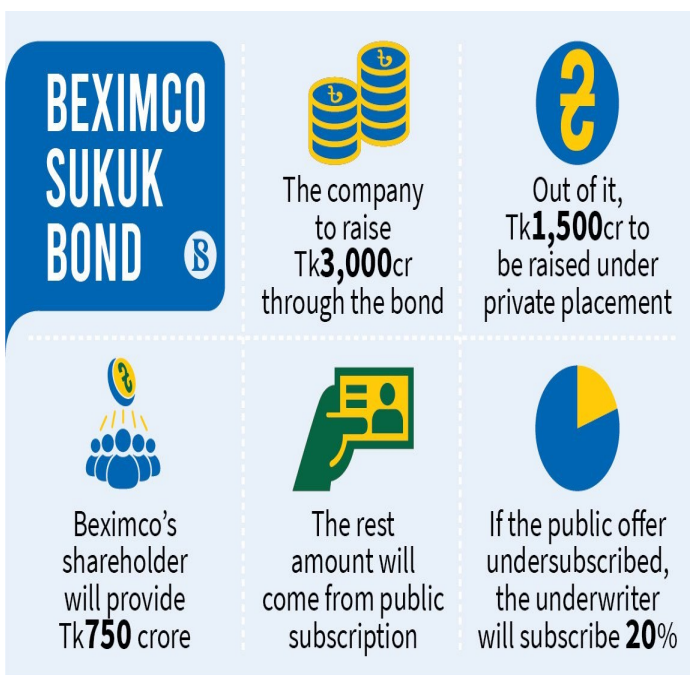
Price movement in large-cap stocks impacts market indices more than smaller-cap stocks.

The day began with a continuation of Monday's selling spree. The DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), nosedived below 7,280 points by 10.30am resulting in about a 1% intraday drop.

Investors also gained some confidence learning about the National Board of Revenue's recent rise in tax revenues, reflecting a revival of economic activity following the Covid-19 fall-out, said stockbrokers



Source: <https://www.tbsnews.net/economy/stocks/heavyweight-stocks-hold-indices-311971>



Beximco Sukuk Bond: General investors Subscribe 56% of the Public Offer

General investors have subscribed only 56% of the total public offer of Tk750 crore of the Beximco Green-Sukuk Al Istisna – the first-ever asset-backed securities by a private sector entity in Bangladesh.

Beximco Limited had earlier secured approval from the Bangladesh Securities and Exchange Commission (BSEC) to launch its Tk3,000 crore Sukuk bond for a five-year tenure.

Out of the total amount, the listed company will privately place Sukuk units worth Tk2,250 crore, of which Tk750 crore will be offered to the company's existing shareholders, and Tk1,500 crore to other investors.

Besides, Sukuk units worth Tk750 crore would be floated by public offers.

The base rate of the Sukuk was set at 9%, which means investors would be getting a 9% secured annual return.

Source: <https://www.tbsnews.net/economy/stocks/beximco-sukuk-bond-general-investors-subscribe-56-public-offer-312007>

Oil Prices Surge, Stocks Slump

Oil prices surged on Monday as OPEC+ kept to its plan to not boost output further, while US and European stocks slumped amid worries over inflation and higher interest rates.

US oil prices soared to their highest level since November 2014 after OPEC and key allies -- known as OPEC+ -- decided to stick with their planned moderate increase next month, despite the recent surge in prices. Meanwhile, the price of the main international contract, Brent oil, jumped above \$82 a barrel before finishing at \$81.26 a barrel.

Gains in European equities evaporated and US stocks sank as oil prices continued to rise after the OPEC+ announcement. Analysts pointed to higher yields in government bonds as a drag amid expectations for tightening monetary policy. The tech-rich Nasdaq led the market lower, slumping 2.1 per cent as highflyers such as Amazon and Apple lost around two per cent or more.

Source: <https://www.thedailystar.net/business/global-economy/news/oil-prices-surge-stocks-slump-2191631>



Shortages, Inflation and Slow Growth Fog UK Economy

Britain's economic bounce-back after coronavirus lockdowns is being hampered by problems in supply chains, a jump in inflation and the risk of a rise in unemployment, complicating the task for policymakers of steering the recovery.

Former Bank of England chief economist Andy Haldane says Britain is in a VILE era of volatile inflation, low expansion.

Financial markets now think the BoE is all but certain to raise interest rates by February but some economists, worried by signs of a flagging recovery, aren't so sure.

Below are some of the gauges of Britain's economy that are likely to be on the minds of economic policymakers.

Britain's inflation rate hit 3.2 per cent in August, its highest in almost a decade. Some one-off factors accounted for the record jump from July but the BoE thinks inflation is heading above 4 per cent, more than double its 2 per cent target.

Source: <https://www.thedailystar.net/business/global-economy/news/shortages-inflation-and-slow-growth-fog-uk-economy-2191671>



Binance Trading Volumes Soar despite Regulatory Crackdown

Trading volumes at major cryptocurrency exchange Binance soared between July and September, suggesting a recent crack-down by regulators across the globe has had little impact on the platform's business.

Worried about consumer protection as well as the standard of anti-money laundering checks at crypto exchanges, regulators from Britain and Germany to Hong Kong and Japan have in recent months ratcheted up pressure on Binance.

Some have banned the platform from certain activities, while others have warned consumers it was not licensed to operate in their jurisdiction. Binance has in response tightened anti-money laundering checks and cut its product line-up.

Yet Binance's spot cryptocurrency trading volumes totalled \$789 billion in September versus \$454 billion in July, data from UK researcher CryptoCompare compiled for Reuters showed, with Binance cementing its status as the world's biggest digital asset platform.

Source: <https://www.thedailystar.net/business/global-economy/news/binance-trading-volumes-soar-despite-regulatory-crackdown-2191626>



China Property Sector Woes Deepen

As investors were abuzz on Tuesday with cash-strapped China Evergrande Group's possible sale of a stake in a unit to raise as much as \$5 billion, more Chinese property developers grappled with ratings downgrades on worries about their ability to repay debt.

Evergrande is facing one of the country's largest-ever defaults as it wrestles with more than \$300 billion of debt.

The possible collapse of one of China's biggest borrowers has triggered worries about contagion risks to the property sector in the world's second-largest economy, as its debt-laden peers are hit with rating downgrades on looming defaults.

Chinese developer Sinic Holdings (Group) Co Limited became the latest to be downgraded by Fitch Ratings on Tuesday on uncertainty over the repayment of its \$246 million bonds maturing October 18.

Source: <https://www.thedailystar.net/business/global-economy/news/china-property-sector-woes-deepen-2191646>

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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