

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 14, 2021

HR Lines to Buy Four New Ships from Chinese Builder

Bangladeshi feeder vessel operator HR Lines, a subsidiary of the country's only container vessel owning firm Karnaphuli Group, is now in the final stage of negotiations with a Chinese shipbuilder over building four 3,000 TEU-capacity vessels.

The one year-long negotiation is a part of the HR's steady expansion plan to provide liner shipping services to the country's increasing imports and exports.

With its current fleet of six container vessels, the company is now operating two liner services, one on the Chattogram-Singapore-Port Klang route and another on the Chattogram-Colombo route.

According to The Loadstar, a multimodal news source for the global logistics industry, HR Lines is in advanced negotiations with Fujian Mawei Shipbuilding.

Source: <https://www.thedailystar.net/business/economy/industries/ports-and-shipping/news/hr-lines-buy-four-new-ships-chinese-builder-2228046>



Japanese Firms Keen on Entering Bangladesh's E-commerce: Envoy

Some Japanese companies are thinking of entering the e-commerce business in Bangladesh, said ITO Naoki, Japanese ambassador to Bangladesh, yesterday.

"I learned of several Japanese companies which are thinking of entering e-commerce business or selling their products through e-commerce here in Bangladesh," he said.

In future, some Japanese companies will be visible through e-commerce platforms in Bangladesh, he added.

He was addressing a session on "Ecommerce & Digital Business - Flourishing Sector to Lead the Future" at a four-day World Congress on Information Technology (WCIT) Bangladesh 2021 at Bangabandhu International Conference Center.

Source: <https://www.thedailystar.net/business/economy/e-commerce/news/japanese-firms-keen-entering-bangladeshs-e-commerce-envoy-2229376>



BSRM Firms Repeat Stellar Growth in Jul-Sep

BSRM Limited and BSRM Steels – two listed companies belonging to the country's steel market champion BSRM – continued their stellar growth in the first quarter of this fiscal year both in revenue and profit.

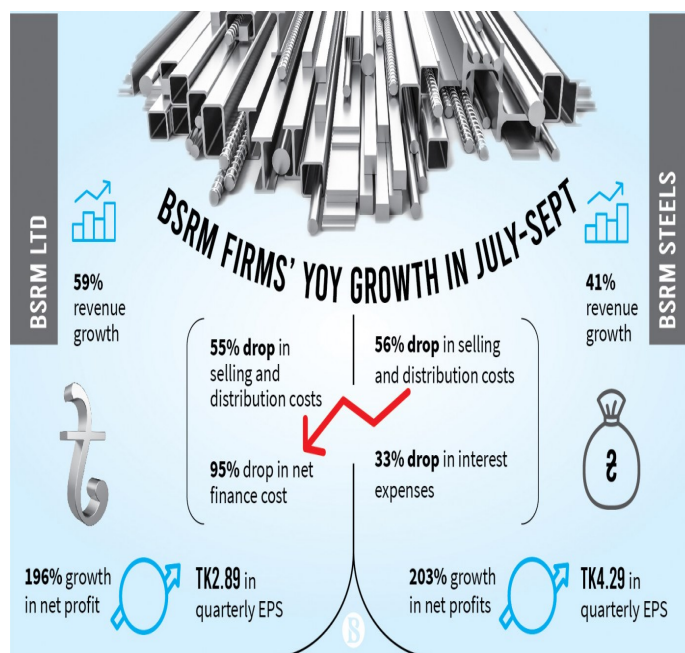
The Chattogram-based steel manufacturers posted the highest ever sales and profits in the last fiscal year ending on 30 June 2021.

With the economic recovery since the first wave of the pandemic last year, the demand for construction rods and other MS products is growing steadily as both mega-projects and private constructions are running in full swing.

According to the latest financial statements, in the July-September quarter of fiscal 2020-2021, BSRM Limited's year-on-year sales grew 59% to Tk1,538 crore.

A 55% year-on-year drop in selling and distribution costs and a more than 95% fall in net finance cost helped the company nearly triple its quarterly profit to Tk128 crore, resulting in quarterly earnings per share of Tk2.89.

Source: <https://www.tbsnews.net/economy/corporates/bsrm-firms-repeat-stellar-growth-jul-sep-329263>



Renata's Profit Grows 11% in Jul-Sep

Renata Limited – a manufacturer of pharmaceuticals and animal health products – has registered a 10.71% growth in profit for the July-September quarter of fiscal 2021-22.

Their revenue also rose 5% to Tk774.49 crore, from Tk735.29 crore in the previous corresponding quarter.

According to its financials, the profit increased to Tk139.654 crore, from Tk126.13 crore, and the earnings per share (EPS) rose to Tk14.19, from Tk12.7, at the same period a year ago.

In fiscal 2020-21, its profit grew 26% to Tk500 crore for the first time. As profit rose significantly, the company has recommended a 155% dividend, of which 145% is in cash and 10% in stocks.

Renata Limited – formerly Pfizer Limited – is one of the leading and fastest-growing pharmaceutical and animal health product companies in Bangladesh.

Source: <https://www.tbsnews.net/economy/stocks/renatas-profit-grows-11-jul-sep-329266>



ICB Profit Exceeds Tk100cr Mark after Two Years

The annual profit of the Investment Corporation of Bangladesh (ICB) – a state-owned investment bank – has surpassed the Tk100 crore mark after two years, riding on capital gains from the stock market.

Also, a decrease in interest payment against deposits and borrowings helped the ICB get a good pace in profit in the last fiscal year, says the company in a disclosure on stock exchanges on Thursday.

In fiscal 2017-18, its net profit was Tk416.32 crore but the company suffered a drastic fall in profit in the following year.

As the stock market was slow-moving during the 2018-19 and 2019-20 fiscal years, the investment bank's net profit dropped below Tk100 crore.

As the stock market gained momentum in fiscal 2020-21, the ICB profit almost doubled as its income from major sectors has increased significantly.

Source: <https://www.tbsnews.net/bangladesh/icb-profit-exceeds-tk100cr-mark-after-two-years-328507>



DSE Turnover Crosses Tk 1,500cr

Turnover at the Dhaka Stock Exchange (DSE) yesterday crossed Tk 1,500 crore for the first time in the last eight trading days thanks to higher participation from buoyant investors.

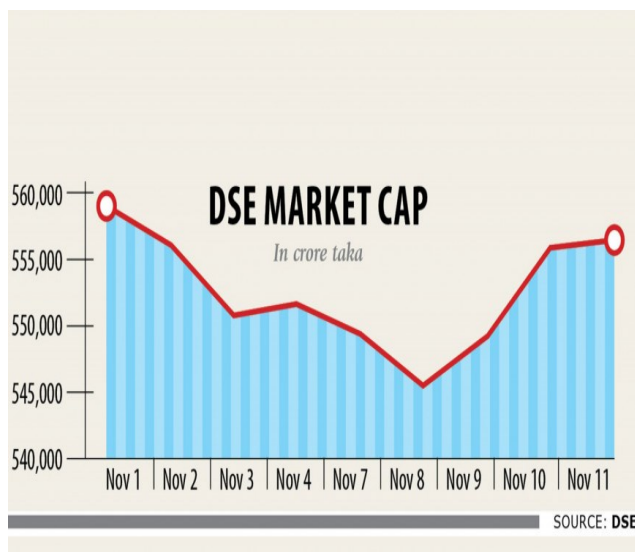
Peaking at Tk 1,506 crore, the vital market indicator increased by 29.43 per cent compared to Tk 1,163 crore the day before.

Investors have become quite optimistic about the market index and their growing participation led to higher turnover, according to market analysts.

After a long day of ups and downs, the DSEX, the benchmark index of the Dhaka bourse, rose by 13 points, or 0.19 per cent, to 6,995 yesterday.

Among major sectors, IT, miscellaneous, and services & real estate experienced price appreciation while non-bank financial institutions, cement and textiles faced correction.

Source: <https://www.thedailystar.net/business/economy/stock/news/dse-turnover-crosses-tk-1500cr-2227986>



Global Stocks Rise in Week Dominated by Inflation Fears

Global stock markets mostly climbed on Friday, edging up over a week in which the threat of inflation spooked investors -- but not enough to scuttle the rally.

US major benchmarks all gained by lunchtime in New York, paring their losses for the week and taking their cue from Europe, where the FTSE was notable in bucking the bullish Friday feeling.

The euro dropped to a 15-month low versus the dollar before steadying, with the US currency benefiting from expectations the under-scrutiny Federal Reserve will begin a series of rate rises to stamp out surging inflation in the world's biggest economy.

"Inflation is running super-hot," said Neil Wilson, chief markets analyst at Markets.com, pointing to multi-decade highs of key gauges in the US, Japan and China.

While inflation headwinds are clearly spooking some, persistently low interest rates are leaving yield-hungry investors with few options other than to keep their faith in stocks -- a scenario analysts dub TINA -- there is no alternative.

Source: <https://www.thedailystar.net/business/global-economy/news/global-stocks-rise-week-dominated-inflation-fears-2229321>



Dollar dips

The US dollar lost some ground on Friday as high inflation wreaked havoc on consumer sentiment, but the greenback was on track for its third straight weekly gain after a surprisingly strong US inflation print shocked markets on Wednesday, prompting investors to advance their bets for a US rate hike.

The dollar turned red on Friday morning after the University of Michigan survey showed a plunge in US consumer sentiment in early November to its lowest level in a decade as surging inflation cut into households' living standards, with few believing policymakers are taking sufficient steps to mitigate the issue.

With short-dated US Treasury yields edging higher -- five-year bond yields rose to a February 2020 high -- investors were ramping up bets this week that US policymakers will be forced to raise interest rates sooner rather than later.

Against a basket of its rivals, at 10:41 a.m. EST (1541 GMT) the dollar index was down 0.06 per cent at 95.0960 after falling as low as 94.991 after the consumer sentiment news.

"Consumers are clearly more worried about real income growth as inflation outpaces wages for now, and that is weighing on sentiment," said Erik Nelson, macro strategist at Wells Fargo.

Source: <https://www.thedailystar.net/business/global-economy/news/dollar-dips-2229281>

US Inflation Hits 30-year High

President Joe Biden acknowledged Wednesday that US shoppers were paying too much for everyday goods, vowing to tackle inflation "head on" after government data showed it had reached a 30-year peak last month.

The sharp spike in the consumer price index (CPI) reported by the Labor Department surprised economists and the White House alike, and came as Biden headed to Baltimore to promote the \$1.2 trillion infrastructure overhaul he argues can turn the tide.

"Today's economic reports (show) unemployment continuing to fall but consumer prices remaining too high," Biden said in a televised address from the port of Baltimore.

The president was in the east coast city to make the case that his infrastructure package, passed by Congress last week, would bring down costs and reduce supply bottlenecks.

Source: <https://www.thedailystar.net/business/global-economy/america/news/us-inflation-hits-30-year-high-2227941>



Oil-exporter UAE Accepts Future is not Oil

The United Arab Emirates accepts that oil is not its future despite being one of the world's top exporters, a visiting delegation of US politicians told AFP on Friday.

The UAE's leaders 'recognise that their future is not going to be in oil', Senator Ben Cardin said at the end of a trip that also included the COP26 climate summit in Glasgow.

Both the UAE and neighbouring Saudi Arabia, the number one oil exporter, announced net zero carbon goals in the build-up to the UN environmental meeting, which ends on Friday.

The targets were set despite plans to ramp up oil production. Net zero refers to emissions created within a country, not by products sold and consumed abroad.

'They know the world is working very hard not to be in a position to buy their product anymore, because they're going to alternative energy,' he said at the Dubai Expo world fair, which has sustainability as one of its major themes.

Source: <https://www.newagebd.net/article/154566/oil-exporter-uac-accepts-future-is-not-oil>



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