

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 16, 2021

Chattogram Custom Revenue Sees 23.09% Growth in 4 months

The country's largest customs station, Chattogram Custom House, has seen steady growth in the first four months of the current fiscal year.

The revenue collection has increased by 23.09% compared to the same period of the last fiscal year after imports became normal overcoming the pandemic crisis, according to Chattogram Custom House data.

The revenue growth was 3.05% in July, 35.09% in August, 34.01% in September and 22.28% in October.

In the four months from July to October of the 2020-21 fiscal year, Tk14,245.73 crore revenue was collected against a target of Tk19,757.40 crore. The collection deficit was 27.90% less than the target.

During the period of the current fiscal year, Tk17,651.91 crore revenue was collected against a target of Tk20,164 crore. The collection deficit was 12.46% less than the target.

Source: <https://www.tbsnews.net/economy/chattogram-custom-revenue-sees-2309-growth-4-months-330142>



Dhaka Seeks Abu Dhabi's Support for Duty-free Access to Gulf Nations

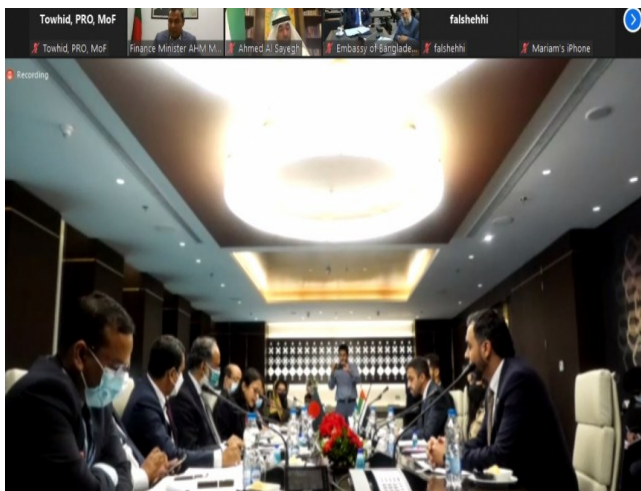
Dhaka has sought Abu Dhabi's support for duty- and quota-free access to the markets of the Gulf Cooperation Council countries to reduce trade gap with the United Arab Emirates (UAE).

Bangladesh made the call at the joint commission meeting with the UAE at InterContinental Dhaka in the capital today.

Bangladesh exported goods worth \$495.85 million to the UAE while it imported goods worth of \$1.31 billion.

According to the Economic Relations Division, the total trade between the two countries in fiscal year 2020-21 was \$1.8 billion.

Source: <https://www.thedailystar.net/business/news/dhaka-seeks-abu-dhabis-support-duty-free-access-gulf-nations-2230576>



Square Textiles Quarterly Profits Grow 945% as Sales, Margin Jump

Square Textiles Ltd registered a staggering 945% growth in profit for the first three months of the current fiscal year, thanks to an increase in sales and profit margin.

The profit in the July-September period of this year alone was equal to two-thirds of what the listed textile company earned over the entire 2020-21 fiscal year.

The company's earnings per share (EPS) shot up to Tk2.30 in the quarter, which was only Tk0.22 in the same quarter of 2020 and Tk3.41 over the 2020-21 fiscal year.

The profit jump was caused by increased production and price of the yarn it produces, the company said in its disclosure.

That helped to improve the company's profit margin while it also produced more as the modernisation efforts increased the efficiency of its mill.

Source: <https://www.tbsnews.net/economy/stocks/square-textiles-quarterly-profits-grow-945-sales-margin-jump-330181>



Bashundhara Paper Re-Bounds Following School Reopening

In the first quarter of the current fiscal year, the company registered a 31% growth in profit riding on increased paper sales.

Besides, sales of its tissues and hygienic products in the local market as well as exports rose significantly during the period.

"After the reopening of educational institutions, sales and businesses grew significantly. At the same time, exports also rose," said M Mazedul Islam, company secretary of Bashundhara Paper.

The prolonged closure of educational institutions to curb the spread of novel coronavirus caused a significant drop in sales of Bashundhara Paper, said Mazedul, adding, "But sales of tissue and hygienic products rose. As a result, the company did not face a severe blow, unlike many others."

Source: <https://www.tbsnews.net/economy/stocks/bashundhara-paper-rebounds-following-school-reopening-330175>



Cost Control Helps Apex Footwear Post Higher Quarterly Profits Defying Lockdown

Apex Footwear Limited posted a 21% year-on-year growth in profit in the first quarter (July-September) of this fiscal year, despite a drop in both the export and local market sales.

Its quarterly earnings per share (EPS) increased to Tk2.40 from Tk1.98 a year ago.

Internal cost control alongside a drop in raw material costs helped the company more than offset the revenue drop in the quarter.

The listed footwear maker's quarterly revenue dropped 29% in the July-September quarter to Tk282 crore, which was nearly Tk400 crore in the same period of 2020.

Export revenue in the July-September period of this year dropped 39% year-on-year as it shipped 29% fewer pairs of shoes, compared to the first quarter of the previous fiscal year, according to the latest disclosure.

Source: <https://www.tbsnews.net/economy/stocks/cost-control-helps-apex-footwear-post-higher-quarterly-profits-defying-lockdown>



BSEC Repeals Index-linked Margin Loan Control Mechanism

The Bangladesh Securities and Exchange Commission (BSEC) has opted out of its stance to reduce margin loans from 80% to 50% as soon as the key stock market index goes above 8,000 points.

Now, broker and merchant banks can provide margin loans up to 80% of their clients' equity against all the marginable securities having a price to earnings ratio of up to 40 no matter where the index is.

Earlier in August, the securities regulator said if the DSEX remains below 8,000 mark, the margin loan ratio can be as high as 80% of client equity and that would come down to 50% if the DSEX travels above the 8,000 mark.

Investors then began to fear that the market might face a sharp selloff, especially by investors who borrow from brokers and merchant banks on top of their own money to buy stocks, if the DSEX reaches 8,000.

Source: <https://www.tbsnews.net/economy/stocks/bsec-repeals-index-linked-margin-loan-control-mechanism-330160>



Asian Markets Rise

Asian equity markets mostly rose Monday to build on a recent run-up following another healthy showing on Wall Street, though inflation concerns continue to dampen the mood.

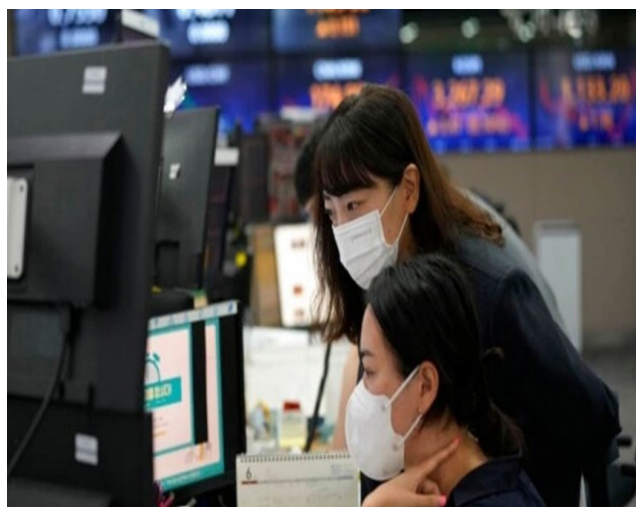
While optimism about the global economic recovery remains intact, the rise in prices at rates not seen for decades has traders increasingly worried that central banks will have to tighten monetary policy quicker and more sharply than previously thought.

And data out of the United States last week showing consumer sentiment at a 10-year low indicated that the issue is being felt more in people's pockets, putting pressure on the Federal Reserve to step in.

However, for now officials are sticking to their view that the inflation spike will be temporary and peter out as supply chain problems are resolved.

Tokyo enjoyed a strong showing after data showing the economy contracted more than forecast in the third quarter raised hopes the government will unveil a huge stimulus programme to stoke a recovery.

Source: <https://www.thedailystar.net/business/global-economy/news/asian-markets-rise-2230976>



Russian Central Bank Says High Inflation a 'Disaster'

Russia's central bank chief warned Monday that record-breaking inflation was a 'real disaster' for the country and urged the government to take action.

Inflation in Russia has been rising steeply for months, reaching 8.1 per cent year-on-year in October — a record since 2016 and more than double the central bank's target.

Like around the world, food prices have skyrocketed, in a blow for a population with little savings.

'Inflation is a real disaster that makes people poorer,' central bank chief Elvira Nabiullina said in an address to Russia's lower house of parliament.

Nabiullina, who is one of the few officials occasionally critical of government policies that are typically ordered by President Vladimir Putin, said that 'high inflation really destroys prosperity'.

'Inflation should return to the four per cent target at any cost,' she told the State Duma.

The respected central bank chief has been sounding the alarm about rising inflation for months, raising the key rate — currently at 7.5 per cent — several times this year to curb skyrocketing prices.

Source: <https://www.newagebd.net/article/154766/russian-central-bank-says-high-inflation-a-disaster>

Coal Stocks Lose Ground after Glasgow Climate Deal

An international agreement to reduce coal use has seen mining share prices fall, but tight supply of the commodity provided a floor for a sector that has chalked up huge gains this year.

UN climate talks in Glasgow ended on Saturday with a deal targeting fossil fuel use. Wording was softened to call for a "phase down" rather than "phase out" of coal after lobbying from India among others.

"The reality is that coal is going to be used during the next decade or so. It's still going to be a cash generator," said Mathan Somasundaram, chief executive officer at Sydney-based research firm Deep Data Analytics.

Big miners China Shenhua Energy and Yanzhou Coal fell 1 per cent and 3 per cent respectively in Hong Kong, where the broader stock market was mostly steady. An index of mainland-listed miners fell about 1 per cent.

In Indonesia, the world's biggest coal exporter, declines were exacerbated by surging production in China, a top customer. No 1 miner Bumi Resources fell 3 per cent while Adaro Energy and Indika Energy tumbled 5 per cent and 6 per cent respectively.

Source: <https://www.thedailystar.net/business/global-economy/news/coal-stocks-lose-ground-after-glasgow-climate-deal-2230991>



China's Factory Output, Retail Sales See Surprise Jump

China's economy showed signs of stabilising in October, according to data on Monday, with retail sales and factory output beating expectations as a power supply crisis appeared to ease.

The recovery in the world's second biggest economy has been losing steam for much of the year after a swift bounceback from harsh lockdowns to contain Covid-19, with officials earlier citing an "unstable and uneven" economic rebound.

Power outages in recent months caused by emission reduction targets, the surging price of coal, and supply shortages also had impacted some factory production.

But industrial production grew 3.5 per cent on-year last month, up from September, said the National Bureau of Statistics, as China worked to boost coal production and ease the energy shortage.

Source: <https://www.thedailystar.net/business/global-economy/news/chinas-factory-output-retail-sales-see-surprise-jump-2230996>



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