

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 21, 2021

Hamza Textiles Gets \$22.7mn IFC Fund

The International Finance Corporation has invested \$22.7 million in Bangladesh's Hamza Textile Limited to help the local company to build a modern, green factory.

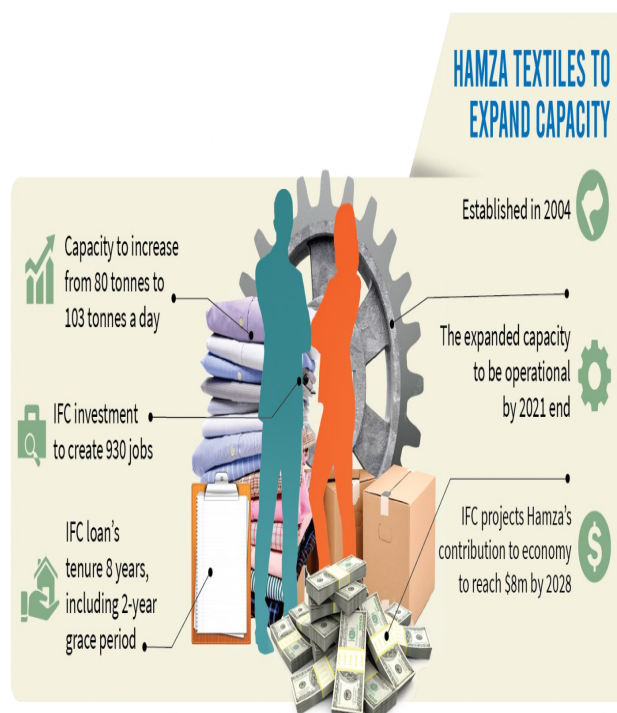
The new factory is set to create more than 900 direct new jobs. The expanded operation is also expected to contribute \$8 million to Bangladesh's economy directly and indirectly through local supply chains by 2028.

Furthermore, around \$15 million will also be injected in economic activities generated by the additional income of employees, and boost opportunities for micro-, small-, and medium-enterprises in the supply chain.

Hamza Textile Ltd was established in 2004 as a fabric dyeing and finishing company of Dulal Brothers Ltd (DBL) Group located at the Mymun Industrial Complex in Kashimpur, Gazipur.

The family-run DBL Group, comprising 28 companies, started operations in the RMG sector in 1991 and has interests in other industries, including ceramic tiles manufacturing, dredging, telecommunications, and the manufacturing of semiconductors.

Source: <https://www.tbsnews.net/economy/rmg/ifc-invests-227mn-hamza-textiles-creates-scope-900-new-jobs-318046>



Agent Banking up 15% in Aug

Agent banking transactions expanded 15% in August compared to the previous month of this year, thanks to comparatively better economic activities with the improvement of the Covid situation.

According to the latest report by the Bangladesh Bank, the transactions rose by around Tk5,000 crore to Tk37,513 crore in one month.

Moreover, loan disbursements also grew by Tk262 crore in one month.

Agent banking, which started its journey more than eight years ago to provide banking services to the country's rural population, expanded 65% in fiscal 2020-2021 on the back of large remittance inflows and comparatively better economic activities in rural areas amid the pandemic.

Source: <https://www.tbsnews.net/economy/banking/agent-banking-15-aug-318379>



BSEC Approves Tk300cr Bonds for DBH

The Bangladesh Securities and Exchange Commission (BSEC) has approved a non-convertible zero-coupon bond of Tk300 crore in favour of Delta Brac Housing Finance Corporation (DBH) Ltd, a non-bank financial institution (NBFI).

The maximum discount rate will be 6% and its per-unit price has been set at Tk40 lakh.

The bond units will be sold to banks, corporate bodies, financial institutions, and other institutional investors through private placements.

Delta Brac Housing Finance aims at investing the bond proceedings in the housing sector as loans.

IDLC Investments Ltd will act as the trustee and UCB Investment Ltd will be the arranger of the bond.

The company is the market leader in housing finance in Bangladesh. It posted a net profit of Tk49.69 crore in the January-June period of 2021, which is 83.34% higher than that of the corresponding period of the previous year.

Source: <https://www.tbsnews.net/economy/stocks/bsec-approves-tk300cr-bonds-dbh-318361>



BD Lamps Returns to Profit after Pandemic Gloom

Beating Covid-19 fallouts, electric bulbs manufacturer Bangladesh Lamps Limited has returned to profit due to a cut in finance cost and surge in other incomes from huge losses in the last fiscal year.

The company has reported a Tk4.77 crore profit while its earnings per share (EPS) stood at Tk5.10 for the 2020-21 fiscal.

According to the company, its board of directors has recommended a 20% cash dividend for shareholders. It had paid 10% cash dividends to its shareholders although it incurred losses.

In the previous fiscal year, the company incurred a loss of Tk9.25 crore for covid-19 while the loss per share was Tk9.88.

As it recovered from the pandemic blow in FY21, the company said its profit significantly rose because of an increase in revenue and other income, and a cut in finance cost.

Source: <https://www.tbsnews.net/economy/stocks/bd-lamps-returns-profit-after-pandemic-gloom-318352>





Mobil Jamuna Lubricants Declares Higher Dividend as Profit Surges

Mobil Jamuna Lubricants (MJL) Bangladesh Limited, the country's largest lubricant company, has declared a 55% cash dividend for the shareholders for FY21 as its profit surged 36%.

In the previous fiscal year, the company paid a 45% cash dividend as its profit declined 6% due to the Covid-19 shock.

The company's share price slightly increased during yesterday's trading session at the Dhaka Stock Exchange. At the end of day, its shares closed at Tk98.70.

During the last fiscal year, its consolidated earnings per share stood at Tk7.53, which was Tk5.52 in the previous year.

According to the company's financial statement, the overall business environment was nearly steady despite the pandemic. That is why the demand for its products increased in the last fiscal year compared to the previous fiscal.



Source: <https://www.tbsnews.net/economy/stocks/mobil-jamuna-lubricants-declares-higher-dividend-profit-surges-318328>

HC Allows Merger of Emirates Cement and Power with HeidelbergCement

HeidelbergCement Bangladesh Ltd has got a nod from the High Court for merger with Emirates Cements and Emirates Power.

Emirates Cement Bangladesh Limited has an annual production capacity of 6.60 lakh tonnes and Emirates Power Company Limited has a capacity of 10 MW.

Earlier, Heidelberg's shareholders approved the merger agenda in the extraordinary general meeting.

Now, German-based multinational company, which manufactures cement under its popular brands - Scan Cement and Ruby Cement, has no further bar to amalgamation with the two companies.

HeidelbergCement earned Tk205 crore from Emirates Cement in the first three quarters of 2021. But as a non listed firm, Emirates Cement has to pay 30% corporate tax. After amalgamation, it will pay 22.50% tax.

Source: <https://www.tbsnews.net/economy/stocks/hc-allows-merger-emirates-cement-and-power-heidelbergcement-318316>



Global: Business

Devaluation of Pakistani Rupee against US dollar Continues

Devaluation of the Pakistani rupee against the US dollar continued as the greenback touched a historic high of 173.2 rupees in interbank trading on Monday.

The US dollar closed at 171.18 rupees on Friday, and on Monday opened higher at 173.2 rupees, after the local currency nose-dived by 2.02 rupees, or about 1.2 per cent, web-based financial data and analytics portals reported.

The Pakistani rupee has suffered depreciation by 13.75 per cent against the greenback since May this year when it started surging from 152.27 rupees.

Local economic analysts believed that the high demand for the greenback as well as the rise of petroleum prices in international markets are among the key factors of devaluation of the local currency. In the wake of the surging US currency, local importers have bought a bulk of dollars from the local market, leading to the continuous surge of the US dollar.

Source: <https://www.newagebd.net/article/152210/devaluation-of-pakistani-rupee-against-us-dollar-continues>



China Evergrande Shares Fall in Resumed Trade after \$2.6 billion Deal Collapses

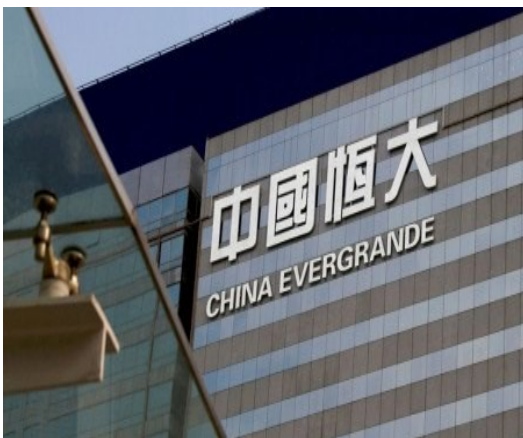
Shares of China Evergrande Group slid as much as 14% on Thursday after a deal to sell a \$2.6 billion stake in its property services unit fell through, in the latest blow to the developer whose massive debt woes have rattled global markets.

Evergrande said on Wednesday it had scrapped a deal to sell a 50.1% stake in Evergrande Property Services Group Ltd to Hopson Development Holdings Ltd as the smaller rival had not met the "prerequisite to make a general offer".

Both sides appeared to trade blame for the setback, with Hopson saying it does not accept "there is any substance whatsoever" to Evergrande's termination of the sales agreement, and it is exploring options to protect its legitimate interests.

Two sources told Reuters last week the \$1.7 billion sale of its Hong Kong headquarters had failed amid buyer worries over Evergrande's dire financial situation.

Source: <https://www.tbsnews.net/world/global-economy/china-evergrande-shares-fall-resumed-trade-after-26-billion-deal-collapses>



First Fund Linked to Bitcoin Futures Debuts on NYSE

Bitcoin took another step closer to mainstream investing Tuesday with the launch of a new security on Wall Street tied to futures of the cryptocurrency.

To mark the occasion, ProShares, leader in exchange-traded funds, a type of investment linked to an index, rang the opening bell of the New York Stock Exchange on Tuesday.

The Bitcoin Strategy ETF, trading under the "BITO" ticker, rose 4.9 percent to \$41.94 in its first session, an eagerly-anticipated event in the world of crypto-money that boosted bitcoin futures.

The arrival of the fund helped propel bitcoin back near its all-time high. Near 2030 GMT, the digital currency stood at \$64,313, less than \$600 short of its April record.

Unlike mutual funds, which are traded only once a day, ETFs can be transacted throughout the trading session, making them more like individual stocks and increasingly popular with everyday investors.

Source: <https://www.tbsnews.net/world/global-economy/first-fund-linked-bitcoin-futures-debuts-nyse-318439>



IMF cuts Asia's growth forecast, warns of supply chain risks



The International Monetary Fund on Tuesday slashed this year's economic growth forecast for Asia and warned that a fresh wave of Covid-19 infections, supply chain disruptions and inflation pressures pose downside risks to the outlook.

China's economy will grow by 8.0% this year and 5.6% in 2022, but the recovery remains "unbalanced" as repeated coronavirus outbreaks and fiscal tightening weigh on consumption, it said.

Any "untimely policy normalization or misconstrued policy communications" by the US Federal Reserve could also trigger significant capital outflow and higher borrowing costs for Asian emerging economies, the IMF said.

In its regional outlook report, the IMF cut this year's economic growth forecast for Asia to 6.5%, down 1.1 percentage point from its projection made in April, as a spike in Delta variant cases hit consumption and factory output.

Source: <https://www.tbsnews.net/world/global-economy/imf-cuts-asias-growth-forecast-warns-supply-chain-risks-318418>

Disclaimer

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