

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 13, 2022

Govt's Bank Borrowing Increases Tk2,484cr in Jul-Jan

The government's net bank borrowing in the first seven months of the current fiscal year has increased by Tk2,484 crore, reaching Tk12,681 crore, although its development expenditure has not escalated that much.

The government has borrowed Tk12,681 crore in the July-January period of the fiscal 2021-22 which is 16.58% of the total loan target for this financial year.

The government is mostly spending this borrowed money in debt servicing of the local commercial banks.

The total balance amount of the net loan until January this year stands at over Tk2.15 lakh crore.

According to data of the Bangladesh Bank, the government borrowed Tk27,154 crore from commercial banks during July-January through treasury bills and auctioning bonds. The government refunded Tk14,473 crore to the Bangladesh Bank. As a result, its total net loan from the banking system stood at Tk12,681 crore.

Source: <https://www.tbsnews.net/economy/banking/govts-bank-borrowing-increases-tk2484cr-jul-jan-369145>



Banglalink Clinches Ookla Speedtest Award Four Times Straight



Banglalink has won Ookla's recognition as the fastest mobile network in the country for the fourth consecutive time.

The mobile phone operator remains in pole position with a speed score of 20.04 on the recently published Ookla Speedtest Award report for the third and fourth quarters of 2021, a press release said.

Its median download was 13.77 mbps, while the median upload speed was 7.54 mbps.

Ookla, the global leader in internet testing and analysis, gives the most accurate and comprehensive view of worldwide network performance, quality, and accessibility based on millions of results obtained through the Ookla Speedtest app each day.

Source: <https://www.thedailystar.net/business/telecom/news/banglalink-clinches-ookla-speedtest-award-four-times-straight-2959341>

BATBC Posts 37pc Higher Profit

The British American Tobacco Bangladesh Company (BATBC), a listed cigarette maker, logged 37 per cent higher profit in 2021.

BATBC's earnings per share were Tk 27.72 for the financial year, up from Tk 20.12 the previous year, the company said in a filing on the Dhaka Stock Exchange (DSE) yesterday.

BATBC declared a 150 per cent final cash dividend for 2021, raising its total dividend to 275 per cent for the entire financial year. It has already distributed a 125 per cent interim cash dividend.

In 2020, the multinational company provided 600 per cent cash dividend and 200 per cent stock dividend.

Because of the stock dividend, its paid-up capital and the number of shares rose. As the stock split, the cash dividend dropped, according to a market analyst.

BATBC shares closed 2.64 per cent lower at Tk 627.50 on the DSE yesterday.

Source: <https://www.thedailystar.net/business/economy/news/batbc-posts-37pc-higher-profit-2959376>



Yeakin Polymer Reports Abnormal Profit in Q2

Yeakin Polymer Limited, a plastic bag packaging producer for local and export industries, has reported an abnormal profit in the October-December quarter of the fiscal year 2021-22.

During the period, the company posted a net profit of Tk4.70 crore, while it sustained a loss of Tk0.90 crore in the same period last fiscal.

Yeakin Polymer earned only Tk8.42 crore from selling products – four times higher than the same time last fiscal year, and their profit margin stood at 52% in the second quarter of the current fiscal.

Deshbandhu Polymer, Yeakin's competitor in the stock market, earned Tk24.29 crore as revenue and reported a net profit of Tk1.19 crore in the corresponding period.

At the end of the second quarter of FY2022, Deshbandhu Polymer's profit margin stood at 5%.

Source: <https://www.tbsnews.net/economy/stocks/yeakin-polymer-reports-abnormal-profit-q2-369865>



Union Insurance Price Soars 495pc in 20 Sessions

The newly listed Union Insurance Company has continued its abnormal surge of price despite there was no undisclosed price sensitive information (PSI).

The company's share price jumped 495 per cent in last 20 sessions in a row since its debut trading on January 16.

Following the abnormal price hike, the company topped the chart of top 10 gainers for last two consecutive weeks.

On the day of the debut trading, the company's share price closed at Tk 11 each in line with normal limit set in circuit breaker and finally the price jumped to Tk 65.50 each on Thursday.

In last week, the company topped the chart of the DSE's top 10 gainers with a rise of 60.15 per cent.

The company also topped the chart of top 10 gainers in previous week on the premier bourse DSE.

Source: <https://thefinancialexpress.com.bd/stock/union-insurance-price-soars-495pc-in-20-sessions-1644726964>



Stocks End on Higher Note in a Volatile Week

Stocks closed higher at the end of the volatile week on Thursday.

Investors appeared to have settled their minds over the week through analysing the recent earnings updates, observed analysts.

The majority of the listed companies have disclosed year-on-year earnings growth up to December 2021 and that rejuvenated investor confidence, said EBL Securities in its weekly market commentary.

During the week, 235 scrips advanced, 125 declined, while 26 stayed the same on the DSE.

The DSE registered Tk1,324 crore in average daily turnover last week, compared to Tk1,286 crore in the previous week.

Investors were mostly active in miscellaneous, pharmaceuticals, and engineering sectors as each made a double digit contribution to the total weekly turnover on the DSE.

Most sectors gained over the week, while travel and leisure added the maximum of 8.4% to its market capitalisation, while general insurance and service sectors followed with 3.9% gains.

Source: <https://www.tbsnews.net/economy/stocks/stocks-end-higher-note-volatile-week-369157>



Exxon Expands Oil Futures

Exxon Mobil is injecting new cash into oil trading in Europe after a retreat on its ambitious expansion plans last year, three people with knowledge of the matter said.

Exxon slashed funding for its trading division in 2020 as part of wider cuts, leaving traders without the capital they needed to take full advantage of the volatile oil market during peak Covid-19 lockdowns.

The company's cautious strategy during the pandemic sparked the exodus of some senior-level recruits from the previous couple of years, along with Exxon veterans, after they were restricted to routine hedging and deals.

Among the senior departures Reuters reported last year, Paul Butcher was due to leave in September but then stayed after Exxon decided to allocate more financing, the sources said, without providing further detail.

Source: <https://www.thedailystar.net/business/global-economy/news/exxon-expands-oil-futures-2960581>



2021 Volvo, Mercedes Boost Profits

High-end automakers Volvo Cars and Mercedes said Friday that the global supply chain bottlenecks caused them to sell fewer cars, but that their profitability rose as they were able to sell vehicles at higher prices.

Chinese-owned Volvo Cars said the global shortage of semiconductors -- an essential tech component in modern cars -- caused sales and profits to fall in the last quarter of the year.

Retail sales fell by 20 per cent to 168,000 units in the fourth quarter of the year.

But revenue fell at a smaller rate, six percent, as "strong demand had a positive effect on prices and the sale of more expensive cars" while interest in electrified cars continued to grow globally.

Revenue fell to 80 billion kronor (\$8.6 billion, 7.5 billion euros) from the same quarter in 2020 while net profit sank by 60 per cent to 2.3 billion kronor. Owned by Geely, the Sweden-based carmaker said the semiconductor shortage worsened in the second half of 2021.

Source: <https://www.thedailystar.net/business/global-economy/news/volvo-mercedes-boost-profits-2960526>



US Investors Expect more Volatility

Geopolitical worries have added another layer of volatility to an already-jumpy market as investors priced in the possibility of escalating conflict between Russia and Ukraine, though some doubted the issue would weigh on US asset prices over the longer term.

Reports of rising tensions between the two countries slammed stocks on Friday and lifted prices for Treasuries, the dollar and other safe-haven assets. Investors were already rattled by a hawkish turn from the Federal Reserve.

"The market is reacting because an actual invasion has not yet been priced in," said Michael Farr of Farr, Miller and Washington LLC. "The severity of an invasion, if one occurs, will correlate to the severity of the market's reaction."

Russia has massed enough troops near Ukraine to launch a major invasion, Washington said on Friday. It urged all US citizens to leave Ukraine within 48 hours.

Source: <https://www.thedailystar.net/business/global-economy/news/us-investors-expect-more-volatility-2960571>



Unilever Annual Profit Climbs

British consumer goods group Unilever on Thursday logged a rising net profit in 2021 but warned that soaring inflation will likely ramp up costs again this year.

Profit after tax rose 8.4 per cent to 6.0 billion euros (\$6.9 billion) last year compared with 5.6 billion euros in 2020, Unilever said in a statement.

The group, which faced fierce criticism over its failed \$50-billion bid for drugmaker GlaxoSmithKline's health care unit, ruled out any major acquisitions and pledged to return 3.0 billion euros to investors via share buybacks.

The producer of food, cleaning and beauty products, including Magnum ice cream, Cif surface cleaner and Dove soap, added that revenues advanced 3.4 per cent to 52.4 billion euros.

"The major challenge of 2021 has been the dramatic rise of input costs," said chief executive Alan Jope, referring to overhead expenses.

Source: [thedailystar.net/business/global-economy/news/us-investors-expect-more-volatility-2960571](https://www.thedailystar.net/business/global-economy/news/us-investors-expect-more-volatility-2960571)



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