

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 09, 2021

South Korean Kido to Invest \$36.2m in Adamjee EPZ

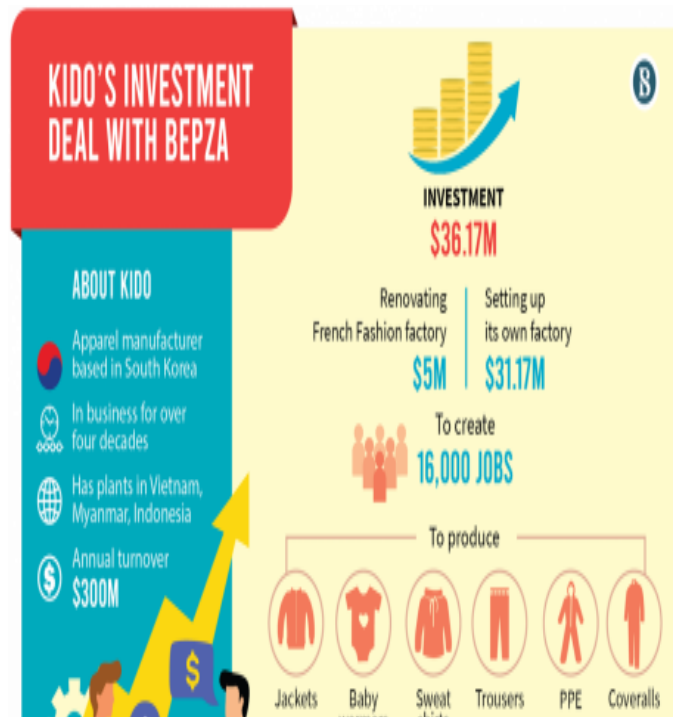
Kido Industrial Company, a renowned apparel manufacturer based in South Korea, will invest \$36.17 million in the Adamjee export processing zone (EPZ) to establish a new company and renovate an existing firm that it recently acquired.

Of the amount, the company will make a fresh investment of \$31.17 million for establishing a new company, named Kido Dhaka Company limited.

Also, the company plans to initially spend \$5 million in the renovation of the factory of French Fashion Knitting and plans on taking it up to \$14 million in stages.

Kido, which has over four decades of experience in the manufacturing industry, is expected to create an estimated 16,000 employment opportunities. The company will annually produce around 2 million pieces of cloth jackets, motorcycle safety jackets, leather jackets, fiber jackets, work jacket, sports jackets, baby warmers, soft shells, sweatshirts, vest, work-wear, coveralls, hospital gowns, protective clothes, PPE, pants, trousers, shirts, polo shirts, T-shirts, swim shots, short pants and school dresses.

Source: <https://www.tbsnews.net/economy/corporates/south-korean-kido-invest-362m-adamjee-epz-327031>



Govt to Brand Shatranji, Black Tiger Shrimp in Europe

The government plans to start branding shatranji and locally grown black tiger shrimp (or Bagda chingri in Bangla) as GI products to amplify their popularity in Europe, the biggest market for Bangladesh's exportable products.

This in effect facilitates branding highlighting traditions and reputations in the global market and creates a separate demand for the product.

The path to commercial production, marketing rights and legal protection is paved. GI-tagged products fetch higher prices compared to similar products in other countries.

Source: <https://www.thedailystar.net/business/economy/news/govt-brand-shatranji-black-tiger-shrimp-europe-2225336>



Govt to Inject more Funds into House Building Finance

The government is going to inject more funds into Bangladesh House Building Finance Corporation (BHBFC) to enable an increased number of people to have homes of their own, said Finance Minister AHM Mustafa Kamal yesterday.

As per the plan, paid up and authorised capital of the state corporation will be increased to Tk 500 crore and Tk 1,000 crore respectively from the existing Tk 110 crore, he said at the launching of the corporation's online loan repayment system at Hotel Purbani International Ltd in Dhaka.

Earlier encashment of bank cheques used to take a couple of week but it was now possible instantly through digitalisation, he said.

The online system makes use of Sonali Bank's Sonali eSheba payment gateway. Depositors get instant confirmation of transfers and the latest balance through SMS.

Source: <https://www.thedailystar.net/business/economy/news/govt-inject-more-funds-house-building-finance-2224561>



Bangladesh to Benefit from Ethiopia's Loss of Duty-free Facility in US

Bangladesh can gain from the suspension of duty-free access to the US market for Ethiopia, a potential apparel export rival as buyers prefer this African nation for low manufacturing costs, according to apparel exporters.

Industry insiders think the loss of Ethiopia's duty-free benefit will bring in more orders for Bangladeshi apparel makers.

BKMEA Vice-President Fazlee Shamim Ehsan said Ethiopia is not a big exporter, but a number of brands place orders there only because of the country's duty-free access to the US market.

The US suspension will bring good news for Bangladesh as buyers will think twice about going to Ethiopia. Investors will also refrain from investing in the country as the duty-free facility will go soon, he added.

Source: <https://www.tbsnews.net/economy/bangladesh-benefit-ethiopias-loss-duty-free-facility-us-325084>



Two Orion Companies Declare Cash Dividends

Orion Pharma Ltd and Orion Infusion Ltd – two companies belonging to Orion Group – have recommended a 12% and 10% cash dividends, respectively, for their shareholders for the financial year that ended on 30 June 2021.

The dividends were recommended at the companies' board meetings on Monday evening.

The approval of those dividends will be finalised at their annual general meetings (AGMs). Both the AGMs are slated for 19 December this year and the record date for both is 29 November.

According to the price-sensitive information released by the companies, Orion Pharma reported consolidated earnings per share (EPS) of Tk4.01 till 30 June 2021 and Orion Infusion posted an EPS of Tk1.37.

During the period, the consolidated net asset value (NAV) per share including the revaluation surplus of Orion Pharma stood at Tk79.76.

Besides, the NAV per share of Orion Infusion stood at Tk13.10.

Source: <https://www.tbsnews.net/economy/corporates/two-orion-companies-declare-cash-dividends-327010>



DSEX Dips below 6,800-Mark again

Stocks nosedived further on Monday with the prime index of the Dhaka Stock Exchange (DSE) dipping below 6,800-mark as worried investors continued to dump their holdings.

DSEX, the prime index of the DSE, went down by 56.23 points or 0.82 per cent to settle at 6,799, which is the lowest in nearly three months since August 19.

DSEX eroded more than 107 points within the past two trading sessions.

Analysts said the market remained under sale pressure as worried investors continued to cash in on stocks while institutional investors did not exhibit much exuberance amid ongoing volatility.

Two other indices also ended lower with the DSE 30 Index, comprising blue chips, losing 15.28 points to finish at 2,583 and the DSE Shariah Index (DSES) plunged 6.89 points to close at 1,437.

Source: <https://thefinancialexpress.com.bd/stock/dsex-dips-below-6800-mark-again-1636369539>



Japan Economic Stimulus Seen Topping \$265b

Japan is considering an economic stimulus package worth more than 30 trillion yen (\$265 billion) aimed at easing the pain from the Covid-19 pandemic, a plan that would require issuing new debt, Kyodo news reported.

Part of the spending will come from funds carried over from last year's budget, Kyodo reported late on Sunday.

A government panel tasked with drawing up a blueprint for Prime Minister Fumio Kishida's so-called new style of capitalism is expected to issue proposals on Monday that will lay the backbone of the planned stimulus package.

The world's third-largest economy has emerged from last year's initial hit from the coronavirus pandemic thanks to robust global demand, but faces ongoing risks from soaring raw material prices and global supply shortages.

Source: <https://www.thedailystar.net/business/global-economy/news/japan-economic-stimulus-seen-topping-265b-2225256>



Crypto Market Value Tops \$3 trillion for first Time

The world cryptocurrency market is worth more than \$3 trillion for the first time, according to calculations on Monday, as mainstream investors increasingly jump on board.

The value has reached \$3.007 trillion (2.6 trillion euros), said CoinGecko, which tracks prices of more than 10,000 cryptocurrencies.

'The crypto market is growing at a mind-blowing speed,' noted SwissQuote analyst Ipek Ozkardeskaya.

'A part of it is speculation of course, but a part of it is real,' she told AFP.

'Crypto is now making its way to traditional finance and everyone is on board.'

Bitcoin, the world's biggest cryptocurrency, hit a record-high \$66,000 last month after taking another step towards mainstream status. It surged back above \$66,000 on Monday close to its all-time peak after a five per cent jump.

Ethereum, the second biggest cryptocurrency by market value, hit a record high \$4,768 on Monday. A bitcoin features exchange-traded fund, a type of financial instrument, launched on the New York Stock Exchange in October.

No more than 21 million bitcoin can be created, helping its price to trade way above its rivals, but trading of cryptocurrencies in general has shown to be extremely volatile with massive price swings a common occurrence.

The ETF is a more accessible vehicle that puts bitcoin within the grasp of even more investors.

Some investors see cryptocurrencies as a hedge against inflation, which is surging worldwide as economies reopen after pandemic lockdowns.

Source: <https://www.newagebd.net/article/154100/crypto-market-value-tops-3-trillion-for-first-time>



Dollar Firms as US Inflation Poses Next Test

The dollar slipped on Monday, falling below the 15-month highs it hit after Friday's jobs data, as investors reassessed rate hike expectations and central banks' tolerance of inflation.

Last week, the US Federal Reserve stuck to its view that current high inflation is expected to be transitory.

The Bank of England surprised the market by keeping rates on hold and, earlier in the week, the Reserve Bank of Australia (RBA) also pledged to be patient with policy.

At 1257 GMT, the dollar index was down 0.1 per cent on the day, at 94.176, having fallen since it hit its highest level in more than a year on Friday following stronger-than-expected payrolls data.

Traders are also looking ahead to Chinese producer and consumer price data due on Wednesday, with annual producer price growth seen surging to 12 per cent in perhaps a harbinger of further price pressure to come through global supply chains.

Source: <https://www.thedailystar.net/business/global-economy/news/dollar-firms-us-inflation-poses-next-test-2225261>



Some Investors Look to Diversify amid Big Tech Rally

Rising valuations and hefty year-to-date gains for big technology stocks are pushing some investors to diversify away from the sector that has led markets for years.

Tech stocks have soared this year, and their big weighting in the S&P 500 has helped push the index to records with a 25.1 per cent year-to-date gain in 2021.

Some investors are worried the valuations may have ascended into nosebleed territory. Google-parent Alphabet, for instance, trades at a 12-month forward price-to-earnings ratio of 26.6, compared to a valuation of 21.1 for the S&P 500.

Apple Inc is valued at 26.2 forward earnings, while the information technology sector, up nearly 28 per cent this year, carries a forward P/E of 26.4. While gains in big technology stocks have boosted the S&P for more than a decade now, their heavy weighting could sink the index if tech falls out of favor. Microsoft, Apple and Amazon, Wall Street's three most valuable companies, account for close to 15 per cent of the S&P 500's market capitalization, according to Refinitiv Datastream.

Source: <https://www.thedailystar.net/business/global-economy/news/some-investors-look-diversify-amid-big-tech-rally-2225316>



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