

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 14, 2022

Bangladesh Plans Annual Rise in Transport, Communication Spending to Make it Efficient

The government plans to increase the budget in the transport and communication sector by 14 per cent annually to make it cost-effective and efficient to ensure the socio-economic progress of the country.

Total spending for this sector is projected at Tk 861.62 billion in FY24 while Tk 787.76 billion in FY23 with Tk 720.28 billion in the current FY22.

The allocation to the sector in FY19 was Tk 450.54 billion, in FY20, Tk 537.43 billion and Tk 601.33 billion in FY21, says a UNB report.

To achieve SDGs, the government will continue to sustain and expand the ongoing public investments in road, rail, bridge, shipping, civil aviation and telecommunication sectors in order to support a rapidly-growing economy, it said.

Source: <https://thefinancialexpress.com.bd/economy/bangladesh-plans-annual-rise-in-transport-communication-spending-to-make-it-efficient-1644750713>



Robi Applies to BTRC for 3G Phase-out

Mobile operator RobiAxiataLimited has filed a plea with the Bangladesh Telecommunication Regulatory Commission to phase out the 3G (the third generation) network operations with a view to utilising the same resources for strengthening its 4G (the fourth generation) network.

Earlier, the operator in a statement expressed its intention to phase out the 3G network operations by 2023.

The GSMA Intelligence report showed that in 2020 only 4 per cent of all the connections were 3G in USA.

In Bangladesh, 3G network users were 19.97 per cent, according to a BTRC statistics updated till November 2021.

The 4G network users were 38.11 per cent and the 2G network users were 41.92 per cent at that time.

Of the 18.13 crore mobile phone connections in the country, 3G users are 3.62 crore, 4G users 6.91 crore and 2G users 7.6 crore.

Source: <https://www.newagebd.net/article/162674/robi-applies-to-btrc-for-3g-phase-out>



BSEC Approves Queen South Textile's Stock Dividend

Queen South Textile Mills Limited has recently got the Bangladesh Securities and Exchange Commission's (BSEC) approval to issue a 10% stock dividend for its shareholders.

The company recommended the dividend for fiscal 2020-21 on 28 October last year.

To determine which shareholders are eligible to receive the stock dividend, the company set the record date for 22 February.

The company was listed on the Dhaka Stock Exchange (DSE) in 2018. Its paid-up capital is Tk130 crore, which was raised for the company's business expansion, and working capital.

In the last fiscal year, its earnings per share (EPS) stood at Tk1.25, which was 40% higher than the previous fiscal.

In the July-December period of the current fiscal, its EPS grew by 24% to Tk0.61 compared to the previous fiscal's first half.

Source: <https://www.tbsnews.net/economy/stocks/bsec-approves-queen-south-textiles-stock-dividend-370354>



Reliance Insurance Recommends 25% Cash Dividend

Reliance Insurance Limited has recommended a 25% cash dividend for its shareholders for the financial year that ended on 31 December 2021.

The recommendation came at a meeting of the company's board of directors held on Sunday evening.

But the dividend will be finally approved during the company's annual general meeting (AGM) that will be held on 30 March via a digital platform. The record date of the AGM is 7 March.

According to the company's financial statements for the year 2021, its earnings per share (EPS) stood at Tk5.59, which was 7% higher compared to the previous year.

Its net asset value per share was Tk64.39 and net operating cash flow per share was Tk7.96.

A majority of the company's directors are from its owners - Transcom Group, and Rangs Group.

Source: <https://www.tbsnews.net/economy/stocks/reliance-insurance-recommends-25-cash-dividend-370288>



Peninsula Chittagong Profit Doubles as Hotel Business Recovers

As hotel businesses are recovering due to the easing down of Covid-19 restrictions, the Chattogram-based hotel — The Peninsula Chittagong Limited — has registered a staggering 120% increase in its October-December profit for fiscal 2021-22, compared to the same period of the previous fiscal.

The hotel's profit stood at Tk3.91 crore in the second quarter of the current fiscal, doubling from Tk1.78 crore a year ago. Its earnings per share (EPS) was Tk0.33, which was Tk0.15 in the second quarter of the previous fiscal.

Also, its current fiscal's half-yearly profit surpassed its annual profit for the 2020-21 fiscal year.

In July-December 2021, the hotel's net profit increased 52% to Tk7.59 crore compared to the same six months of 2020. In the last fiscal year, its profit stood at Tk4.87 crore.

Source: <https://www.tbsnews.net/economy/stocks/peninsula-chittagong-profit-doubles-hotel-business-recovers-370255>



Stocks Post Slight Gain after Choppy Trading

Stocks edged higher on Sunday as most investors followed a cautious stance ahead of December-end earnings and dividend declarations.

The market witnessed high volatility before closing marginally higher as investors traded cautiously.

DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 3.57 points or 0.05 per cent to settle at 7,089. DSEX added 38 points in the past four consecutive sessions.

Two other indices also edged higher. The DS30 index, comprising blue chips, advanced 7.55 points to finish at 2,605 and the DSE Shariah Index gained 5.35 points to close at 1,522.

Turnover, the most important indicator of the market, stood at Tk 12.75 billion, which was 1.68 per cent higher than the previous day's tally of Tk 12.54 billion.

Market analysts said the market witnessed volatile trading in the past four trading sessions as investors traded cautiously amid profit booking tendency on sector-specific issues.

Source: <https://thefinancialexpress.com.bd/stock/stocks-post-slight-gain-after-choppy-trading-1644745693>



Oil Majors Face Backlash as Era of Big Profits Returns

Soaring energy prices have brought massive profits to oil majors -- along with fierce criticism from environmentalists and politicians at a time when consumers are left with rising bills.

US firm ExxonMobil, France's TotalEnergies, and UK giants Shell and BP announced in the past week 2021 profits totalling a whopping \$66.7 billion.

It marked a huge turnaround from 2020, when they posted losses as the pandemic emerged, prompting lockdowns that brought the world economy to a grinding halt and caused crude prices to collapse.

But oil and gas prices rallied big time last year, surging to \$70 per barrel after briefly sinking into negative territory in 2020.

Source: <https://www.thedailystar.net/business/global-economy/news/oil-majors-face-backlash-era-big-profits-returns-2961341>



US Inflation Data Hits Global Stocks

Major global stock indexes fell on Thursday under pressure from crucial US inflation data, falling technology shares and rising benchmark bond yields.

US consumer prices rose solidly in January, leading to the biggest annual increase in inflation in 40 years, which could fuel financial market speculation for a 50 basis points interest rate hike from the Federal Reserve next month.

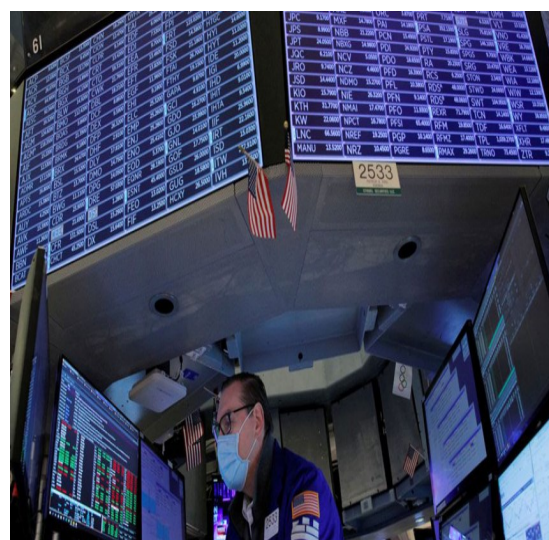
Wall Street retreated. The Dow Jones Industrial Average fell 1.47 per cent to end at 35,241.59 points, while the S&P 500 lost 1.81 per cent to 4,504.06. The Nasdaq Composite dropped 2.1 per cent to 14,185.64. It was the seventh time in 2022 that the Nasdaq lost more than 2 per cent in a session.

The S&P 500 is now down about 5 per cent in 2022, and the Nasdaq is down about 9 per cent.

The MSCI world equity index fell after clinging to gains throughout much of the session.

The pan-European STOXX 600 index closed down 0.2 per cent as rising bond yields.

Source: <https://www.thedailystar.net/business/global-economy/news/us-inflation-data-hits-global-stocks-2961416>



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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