

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

November 23, 2021

\$2.67b Deals with Jica to Finance MRT-1, Matarbari Power Plant

The government has inked final agreements amounting to \$2.67 billion with the Japan International Cooperation Agency (Jica) to finance the country's first underground metro rail (MRT Line-1), Matarbari coal-fired plant and also to provide Covid emergency budget support to tackle Covid-19.

ERD officials said \$1.10 billion loans from Jica would come as the second tranche for the Dhaka Mass Rapid Transit Development Project (Line 1) and about \$1.20 billion as the 6th portion to implement Matarbari Ultra Super Critical Coal-Fired Power Project.

A total of \$2.3 billion loan will be disbursed as the first tranche of the 42nd ODA Yen Loan Package from Jica, while another \$365 million will come as the second of the Covid-19 crisis response emergency support loan.

Source: <https://www.tbsnews.net/economy/267bn-deals-jica-finance-mrt-1-matarbari-power-plant-333220>



Synthetic Footwear Shipments Make Strides

Synthetic footwear and sports shoe exports from Bangladesh registered an average annual growth rate of about 20 per cent in the past five years thanks to increased demand from global brands.

During the July-October period of the current financial year, non-leather footwear shipments bagged \$133.49 million in export earnings, up by roughly 4 per cent compared to \$127.92 million during the same period in FY2020-21.

The industry's annual export earnings had reached \$344.46 million last year, a gain of a whopping 41 per cent compared to \$244.09 million in FY2017-18, shows data from the Export Promotion Bureau.

The growth in shipments is due to increasing work orders from renowned international buyers such as Fila, Graceland, Jenny Fairy, Denali Shoes, Ben Sherman, Hugo Boss, H&M, Decathlon, Steve Madden, Kappa, Skechers, and Puma.

Source: <https://www.thedailystar.net/business/economy/news/synthetic-footwear-shipments-make-strides-2900576>



StanChart Rolls out Pre-shipment Loans for Garment Makers

Standard Chartered has partnered with large global garment buyers and suppliers and disbursed US dollar-denominated pre-shipment loans under a new finance programme, which aims to support more than 20,000 apparel workers in Bangladesh.

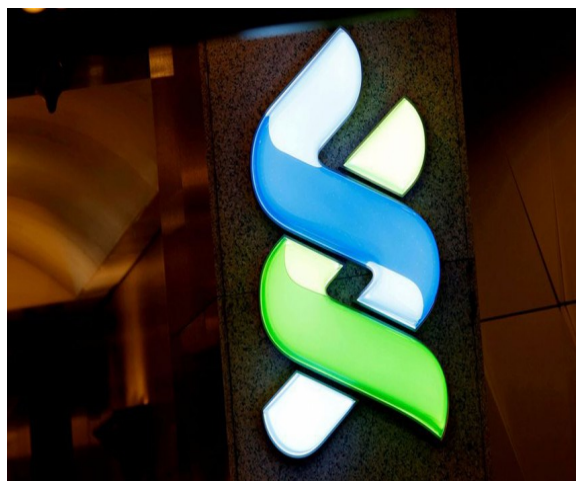
The unique Covid-19 response finance programme was designed through consultation with renowned buyers, enabling enhanced liquidity support for clients in a challenging environment, the bank said in a press release yesterday.

The bank's clients can avail one-year liquidity support for payment of wages, utilities and other operational expenses under the programme, with a moratorium period of three months.

More than 20,000 workers received their multiple months' salaries and festival bonuses on time through these loans.

The programme enabled easy access to funds for salary and other operating expenses, and provides low-cost financing with natural hedge against currency volatility, the bank said.

Source: <https://www.thedailystar.net/business/economy/news/stanchart-rolls-out-pre-shipment-loans-garment-makers-2900511>



MFS Cash-in Reaches Record Tk 19,777cr in Sept

Customers of mobile financial service operators used the cash-in service in record numbers in September as they found it convenient to make different kinds of payments through MFS amid a growing digital financial ecosystem.

As per the Bangladesh Bank's latest data, cash-in to MFS accounts increased to Tk 19,777.1 crore in September from Tk 18,669.7 crore in the previous month.

September's cash-in was the highest after the cash-in of Tk 19,428.8 crore in May 2021.

Besides cash-ins, transactions through MFS also observed a moderate increase during the month under consideration. In September, transactions through MFS reached Tk 65,141.4 crore from Tk 62,230.2 crore in the previous month. Prompted by rapid technology adoption by people, the MFS operators have brought a wide range of utility service providers under their network with a view to expanding the business after the Covid outbreak, officials of MFS operators said.

Source: newagebd.net/article/155440/mfs-cash-in-reaches-record-tk-19777cr-in-sept



Key Index, Turnover down on Dhaka Bourse

Dhaka Stock Exchange (DSE) closed Monday's session with a moderate loss both in broad index and turnover value as most of the major sectors saw price correction.

The premier bourse DSE started the day's session with a positive note and the DSE broad index DSEX exhibited ups and downs for one and a half hour as shaky investors were active from both sides of trading fence.

Soon later, the DSEX went down sharply as many investors exerted selling pressure in major sectors and the index continued its declining trend till closure.

At the end of the session, the core index settled at 7022.29 with a loss of 0.89 per cent or 63.37 points.

Shariah based index DSES declined 0.29 per cent or 4.29 points to close at 1470.97.

DS30 index comprising blue chip securities went down 0.62 per cent or 16.85 points to close at 2666.99.

Source: <https://thefinancialexpress.com.bd/stock/key-index-turnover-down-on-dhaka-bourse-1637638806>

Block Trade

Company	Maximum Price (BDT)	Minimum Price (BDT)	No. of Trade	Quantity ('000)	Turnover (BDT Mn)
ONEBANKLTD	17.1	16.1	10.0	11,030	188.51
SONALIPAPR	643.0	612.0	3.0	180	110.05
GENEXIL	166.6	166.6	1.0	471	78.44
EASTERNINS	114.5	114.5	1.0	481	55.10
PTL	87.1	78.8	9.0	536	45.70
RENATA	1,316.0	1,316.0	1.0	20	26.32
LHBL	85.5	85.5	1.0	300	25.65
BRACBANK	57.0	56.0	4.0	300	16.95
RELIANCE1	12.4	12.4	1.0	1,205	14.95
DELTALIFE	227.9	225.0	2.0	63	14.18

Source: BRAC EPL



Regent Textile Losses Jump Fourfold

Regent Textile Mills witnessed a staggering 424% increase in its losses in the fiscal year that ended on 30 June 2021, despite a 29% turnover growth.

In the last fiscal year, the loss of the company stood at Tk20.80 crore, which was Tk3.97 crore a year ago.

Its turnover stood at Tk110.87 crore, which was Tk86.12 crore in the previous fiscal year.

Regent Textile did not pay any dividend to its shareholders.

The company's annual general meeting (AGM) will be held on 30 December 2021. The record date for the AGM will be 12 December.

Most companies posted impressive profits in FY21, thanks to an increase in global demand.

In the July to October period this year, readymade garments exports increased by 21% to \$12,621.15 million.

Source: <https://www.tbsnews.net/economy/stocks/regent-textile-losses-jump-fourfold-333250>



Most Asian Markets Drop on Renewed Covid, Inflation Concerns

Asian markets mostly fell Monday with fears about renewed containment measures to battle a surge in European Covid cases adding to growing speculation that central banks will have to tighten monetary policy quicker to tame a spike in inflation.

Oil extended losses as major consumers including the United States considered releasing some of their reserves to keep a lid on prices, which have been a key reason for the jump in inflation this year.

While the Nasdaq ended at a new record above 16,000 for the first time, the S&P 500, Dow and European markets provided a negative lead after Austria said it would reintroduce lockdowns -- and make vaccination mandatory from February -- to fight a worrying jump in new infections.

Other countries including Germany, Slovakia, the Czech Republic and Belgium were also bringing in measures.

Source: <https://www.thedailystar.net/business/global-economy/news/most-asian-markets-drop-renewed-covid-inflation-concerns-2900526>



Int'l Cos Struggling to Exit Myanmar

International companies are struggling to extricate themselves from military-linked investments in Myanmar following a coup in February and face the risk of reputational damage and exposure to sanctions breaches if they fail to do so. But many are finding that exiting is proving easier pledged than done, reports The Financial Times online.

Japanese, South Korean and Singaporean companies are among those facing the prospect of being dumped by international fund portfolios for failing to sever business links with military-controlled business partners.

But nine months after the overthrow of Aung San Suu Kyi's government, international businesses have found few keen buyers for their local stakes and the country is suffering a deep economic slump and post-coup civil unrest.

'Exiting relationships with the Myanmar military is clearly more challenging since the attempted coup, but businesses must responsibly disengage, as this will save Myanmar people's lives while ending complicity in the military's atrocities,' said Yadanar Maung, a spokesperson for campaign group Justice for Myanmar.

One Singaporean company, real estate group Emerging Towns & Cities Singapore, is developing a commercial and residential project in Yangon, Myanmar's commercial hub on land leased from the military.

The company told the Financial Times that its operations were in accordance with local laws but its Singapore-listed shares have been suspended since February pending regulatory reviews.

Source: <https://www.newagebd.net/article/155329/intl-cos-struggling-to-exit-myanmar>

Covid Fears across Europe Causes Dollar to Shine, Euro to Suffer

The safe-haven US dollar traded close to a 16-month high to the euro on Monday on growing anxiety over the impact of surging COVID-19 infections in Europe, with Austria reimposing a full lockdown and Germany considering following suit.

The greenback was near its strongest since early October against the riskier Australian and Canadian dollars, with the commodity-linked currencies also pressured by a slump in crude oil.

The dollar got additional support from bullish comments by Federal Reserve officials Richard Clarida and Christopher Waller on Friday who suggested a faster pace of stimulus tapering may be appropriate amid a quickening recovery and heated inflation.

An more rapid end to tapering raises the possibility of earlier interest-rate increases too. Currently the market is priced for the Federal Open Market Committee (FOMC) to start hiking rates by the middle of next year.

Source: <https://www.thedailystar.net/business/global-economy/news/covid-fears-across-europe-causes-dollar-shine-euro-suffer-2900096>



Japan Working on Release of Oil Reserves after US Request

Japan is considering the unprecedented release of state oil reserves after a request from Washington for coordinated action to combat soaring energy prices, three government sources with knowledge of the possible plan told Reuters.

One of the sources said the government was looking into releasing from the portion exceeding the minimum amount required as a legal workaround.

Japan has never released oil from its state reserves, while oil companies have done so during the 1991 Gulf War and following the 2011 earthquake and tsunami disasters.

Chief Cabinet Secretary Hirokazu Matsuno said on Monday nothing had been decided, while Prime Minister Fumio Kishida said on Saturday the government was in the process of considering what it could do legally.

Source: <https://www.thedailystar.net/business/global-economy/news/japan-working-release-oil-reserves-after-us-request-2900521>



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