

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

September 5, 2021

Bangladesh Gets Membership at BRICS NDB

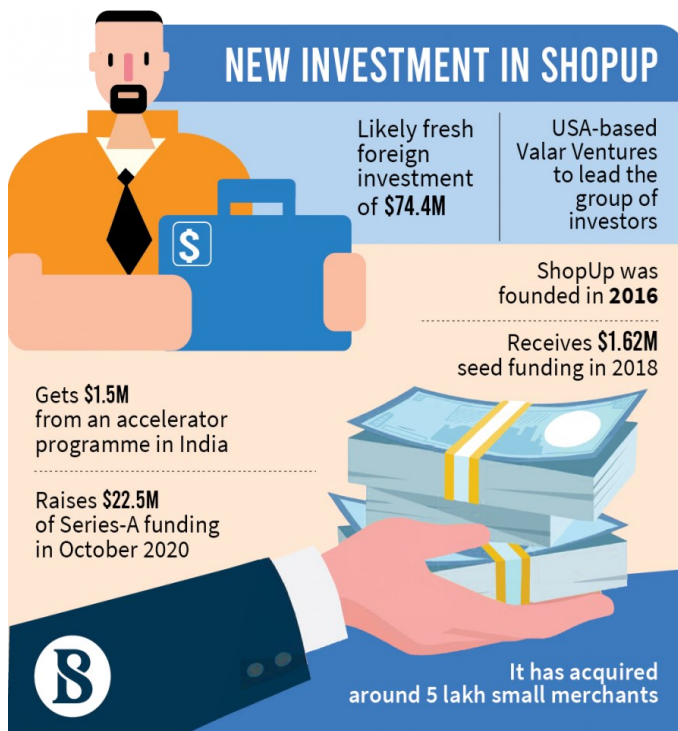
Another avenue for infrastructure funding has opened up for Bangladesh as the country becomes a member of the New Development Bank (NDB), also known as BRICS bank.

Bangladesh is one of the first three countries to be members of the new global lender apart from its five founders – Brazil, Russia, India, China and South Africa, a group of major emerging economies, BRICS in short.

Economists say Bangladesh needs to formulate bankable sustainable projects to avail funding from the bank.

"We are delighted to welcome Bangladesh, one of the world's fastest-growing economies, into the NDB. Bangladesh joining us in the year it celebrates the 50th anniversary of its independence is an important milestone," NDB President Marcos Troyjo said in a statement yesterday.

Source: Bangladesh gets membership at BRICS NDB (tbsnews.net)



ShopUp Going to Get over \$74m in Fresh Funding

ShopUp, the country's largest business-to-business (B2B) marketing platform to support small neighborhood shops and online sellers, is reportedly going to receive a fresh round of venture capital funding of more than \$74 million from a group of investors led by USA-based venture capitalist Valar Ventures.

DealstreetAsia, a Singapore-based investment industry portal, reported on Friday that ShopUp had already secured \$74.4 million in a fresh round of funding. They cited regulatory filings by the investors to the Accounting and Corporate Regulatory Authority (ACRA) of the city-state.

Earlier, in October last year, the home-grown retail tech startup raised \$22.5 million of Series-A funding from a group of investors co-led by Sequoia Capital India and Flourish Ventures, which still is the highest ever Series-A fundraising by any Bangladeshi startup.

Source: ShopUp going to get over \$74m in fresh funding (tbsnews.net)

RMG Export to US Grows by 28pc in Jan-July

Bangladesh's apparel export to the United States continued to rise for the last couple of months as the US economy started rebounding, overcoming the Covid pandemic woes.

Readymade garment exports to the US, the largest export destination for Bangladesh, in January-July of 2021 grew by 28.04 per cent to \$3.7 billion from \$2.89 billion in the same period of 2020, according to the US Department of Commerce's Office of Textiles and Apparel data.

In July 2021, Bangladesh's RMG exports to the US market increased by 35.2 per cent while Vietnam, the main competitor of Bangladesh in the area of business, witnessed a 1.3-per cent negative growth in the market.

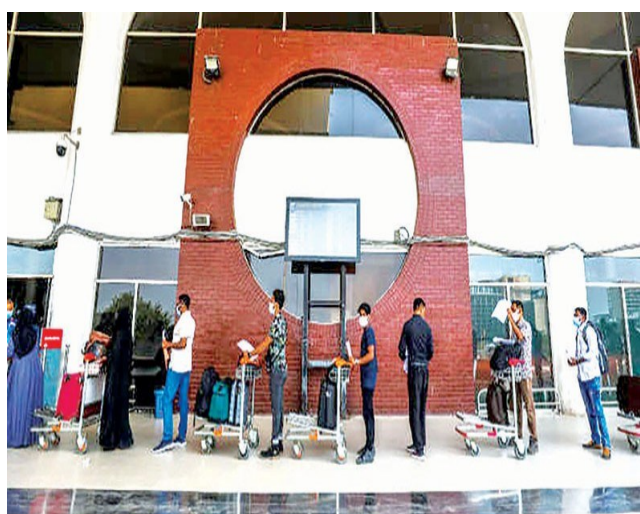
Exporters said that the US government lifted almost all the Covid retractions after a massive vaccination programme and opened up all the business activities.

The US consumers started visiting stores in a big way after the pandemic restrictions were lifted and the demand for apparel products has been increasing gradually, they said.

Source: RMG export to US grows by 28pc in Jan-July (newagebd.net)



Remittance Earnings from US, UK Double in Four Years



The country's remittance earnings from two western countries — the United States and the United Kingdom — have doubled in the last four years, a reflection of growing employment and migration of Bangladeshi nationals to these two countries.

With increased earnings from the two countries, the US turned out to be the second-largest source of remittance for Bangladesh in the April-June period of 2021. In April-June of 2017, the US was the third source of remittance for Bangladesh. Bangladesh's remittance earnings from the US stood at \$490.05 million in the April-June period of 2017.

Besides the US, the inflow of remittance from the UK has increased by 110.96 per cent or \$226.9 million in the last four years. Earnings from the UK increased to \$507.44 million from \$240.54 million during the period.

Source: Remittance earnings from US, UK double in four years (newagebd.net)

DSEX Closes near 7,000

Stocks at both Dhaka and Chattogram bourses are on a steady rise as a buying spree continues amid the increasing participation of investors.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose near to the 7,000 mark at the end of the week.

In continuation to the two previous sessions' bull run, the broad-based stock index gained 0.94% on Thursday to close at 6,981 – the record high for the index launched in 2013 to carry the baton of its predecessor broad index DGEN.

The rallies observed across the trading board of the bourses as investors' enthusiasm pushed 237 of the DSE scrips higher against a correction in 105 of the scrips, while the price of 31 remained unchanged on Thursday.

Analysts thank regulatory measures to make the directors of the poorly governed or performing listed firms accountable to their public shareholders as investors are demonstrating more confidence in low-cap scrips.

Source: DSEX closes near 7,000 (tbsnews.net)



Coppertech Expects 160% Growth in Sale

Coppertech Industries Limited is expecting to increase sales by 160% to Tk180 crore with its new project which successfully commenced recently.

For the new project the company has installed machines based on new technology on existing factory premises to increase production around 1,200 tons yearly. For this project, the company raised Tk20 crore in fresh capital with an initial public offering (IPO).

Company sources say investors will see the financial outcome of this project in the next quarter.

The company started commercial operations in mid-2014 to manufacture and sell copper bars, rods, strips, wiring, pipes, and copper tubes, mainly used in air coolers, refrigerators, transformers, electrical wiring, plumbing, building construction, and power plants.

Earlier, The Bangladesh Securities and Exchange Commission (BSEC) gave its IPO consent letter to Copper-tech Industries on 27 February, 2019. In April that year, the company received applications and subscriptions from investors for primary shares worth Tk20 crore at a face value of Tk10 each.

Source: Coppertech expects 160% growth in sale (tbsnews.net)

High Prices, Shortages Plague US Services Sector

The massive US service sector continued expanding in August but businesses remained worried about high prices and shortages of materials and labor, although there were signs that situation could be improving, an industry survey released Friday said.

The Institute for Supply Management (ISM) reported its services index was at 61.7 per cent in August, just under what was expected and below the all-time high of 64.1 percent in July.

The index was nonetheless well above the 50-per cent threshold indicating expansion and in its 15th straight month of growth after the sector plunged last year when the Covid-19 pandemic began.

"There was a pullback in the rate of expansion in the month of August; however, growth remains strong for the services sector," the survey's chair Anthony Nieves said.

Positive trends were seen in shortening supplier delivery times, a sign the supply chain snarls of recent months could be untangling. Prices remained high but fell 6.9 percentage points, and order backlogs also declined.

Source: High prices, shortages plague US services sector | The Daily Star



Wall St Week Ahead Investors Grow Wary as Stocks Hit New Highs

Investors are girding their portfolios for potential stock market volatility, even as equities hover near fresh highs after logging seven straight months of gains.

Utilities (.SPLRCU) are the S&P 500's best-performing sector so far this quarter with a 10.2% gain. They have been followed by other popular destinations for nervous investors, including real estate and healthcare.

In derivatives markets, the gap in price between the front month Cboe Volatility Index futures contract and the VIX index itself (.VIX) is higher than it has been about 85% of the time over the last five years. This suggests some investors expect the calm in stocks to give way to more pronounced price swings in the coming weeks and months.

Source: Wall St Week Ahead Investors grow wary as stocks hit new highs (tbsnews.net)



Oil Slips as Weak US Jobs Report Gives ‘Reality Check’

Oil prices fell on Friday after a weaker than expected US jobs report indicated a patchy economic recovery that could mean slower fuel demand during a resurgent pandemic.

Losses were capped by concerns that US supply would remain limited in the wake of Hurricane Ida, which cut production from the US Gulf of Mexico.

Brent crude futures settled lower by 42 cents, or 0.58 per cent, at \$72.61 a barrel. US West Texas Intermediate (WTI) crude futures were down 70 cents or 1 per cent, at \$69.29. Both benchmark oil contracts were largely steady for the week with US crude up 0.80 per cent.

"Prices slipped on the employment report which was clearly impacted by the Delta variant," said John Kilduff, a partner at Again Capital in New York. "This was a reality check that the coronavirus is still impacting demand," he added.

Non-farm payrolls missed expectations with an increase of 235,000 jobs amid a softening in demand for services and persistent worker shortages as Covid-19 infections soared. Economists polled by Reuters had forecast non-farm payrolls would increase by 728,000 jobs.

Source: Oil slips as weak US jobs report gives ‘reality check’ | The Daily Star

Alibaba to Invest \$15.5b for ‘Common Prosperity’

China's Alibaba Group will invest 100 billion yuan (\$15.5 billion) by 2025 in support of 'common prosperity', it said, becoming the latest corporate giant to pledge support for the initiative driven by Chinese President Xi Jinping.

Beijing has been encouraging companies to share the wealth as part of the effort to ease inequality in the world's second-largest economy.

Other companies that have made similar announcements include Tencent Holdings, which also pledged 100 billion yuan, and Geely Automobile, reports Reuters.

The government-backed Zhejiang News website said Alibaba's funds will go towards areas such as subsidies for small and medium-sized enterprises and improving insurance protection for gig economy workers such as couriers and ride-hailing drivers.

It will also set up a 20 billion yuan "common prosperity development fund", the newspaper said, with Alibaba confirming the report.

Source: Alibaba to invest \$15.5b for ‘common prosperity’ | The Daily Star



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