

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

January 04, 2022

Sonali Bank Announces Record-breaking Operating Profit Tk2,205 cr for 2021

Sonali Bank Limited has made a record-breaking operating profit of Tk2,205 crore in the year 2021.

Previously, the bank earned an operating profit of Tk2,153 crore in 2020.

The bank's data provided also shows that the loans and advances of the bank has also increased to Tk69,317 crore, up by Tk10,694 crore than in the previous year.

The bank's deposits jumped into some Tk134,307 crore, highest deposit among all banks in the country, he added.

The bank has attained a satisfactory operating profit in the outgoing year amid a slower growth both in foreign trade as well as in private sector credit due to the Covid-19 pandemic, the bank's chairman Ziaul Hasain Siddiqui said, adding that Sonali Bank's achievement is the output of the efforts of its hardworking officers and employees' working in the field level across the country.

Source: <https://www.tbsnews.net/economy/banking/sonali-bank-announces-record-breaking-operating-profit-tk2205-cr-2021-353056>



Export Hits Fresh Peak



Export earnings hit a new record in December as manufacturers fetched almost \$5 billion, backed by the surge in demand from international retailers in Europe and the US.

Last month's earnings were 48.27 per cent higher year-on-year as exporters raked in \$4.9 billion. It was \$3.3 billion in the same month in 2020, according to data from the Export Promotion Bureau yesterday.

Exports are setting fresh records almost every month because of the higher shipment of goods, especially garment items, thanks to the reopening of western economies following the improvement of the Covid-19 situation.

Exporters attribute the government's bold decision to allow factories to run during the peak of the pandemic for the significant rise in the shipment as many factories around the world were shut.

Source: <https://www.thedailystar.net/business/export/news/export-hits-fresh-peak-2931136>

Stimulus: Tk 500cr Rolled out for those who Migrated to Villages during Pandemic

The Bangladesh Bank yesterday rolled out a stimulus package of Tk 500 crore to support people who migrated back to their villages due to the ongoing economic hardship.

A good number of urban people who lost their jobs at the height of the coronavirus pandemic are now leading a difficult life without any employment in villages, according to a BB notice.

Banks will get funds at 0.5 per cent interest rate from the central bank, meaning that they will enjoy an interest margin of 5.5 per cent for disbursement of the loans.

Borrowers who will avail up to Tk 2 lakh will be allowed to repay the loan by two years, which includes a grace period of three months.

The repayment tenure will be three years, including a six-month grace period, if the amount of loan ranges between Tk 2 lakh and Tk 5 lakh.

Source: <https://www.thedailystar.net/business/economy/banks/news/tk-500cr-rolled-out-those-who-migrated-villages-2931806>



Bangladesh Receives \$22.07b in Remittance last Year

Bangladesh sent 6,17,209 workers overseas and received a record \$22,070.87 million (\$22.07 billion) in remittance in 2021 amid the Covid-19 pandemic.

Describing the trend of overseas employment as satisfactory amid the pandemic, an official of expatriates' welfare and overseas employment ministry said, overall manpower export from Bangladesh would increase gradually, reports BSS.

Although the income of expatriates has declined for six consecutive months due to the second outbreak of the Covid-19, a record amount of remittance came to Bangladesh in the just-ended year.

About the overseas labour market during the pandemic, the official said that the government collected information about the overseas labour market through diplomatic missions.

Besides, experts advised the government to invest in skilled manpower for the post-pandemic world as they believe the demand for jobs of nurses, doctors and other healthcare workers would increase in many countries.

Source: <https://thefinancialexpress.com.bd/economy/bangladesh-receives-2207b-in-remittance-last-year-1641136482>



LankaBangla Ranks 2021's Top Broker in CSE

LankaBangla Securities Limited (LBSL), the brokerage arm of LankaBangla Finance, has retained the top broker position while Galaxy Capital as the top dealer in the Chittagong Stock Exchange (CSE) in 2021.

The ranking of top brokers is evaluated based on how much trade the brokers execute for their clients in terms of the market value of the securities.

The remaining stock dealers among the top five are— Be Rich, Multi Securities and Services, Kabir Securities, and EBL Securities, respectively, said the port-city bourse in a press statement.

The top 20 stock broker list for 2021 includes— ICB Securities Trading Company, Meenhar Securities, Eastern Shares and Securities, Island Securities, BRAC EPL Stock Brokerage, Sohel Securities, Mona Financial Consultancy and Securities, Prudential Capital, AB Securities, City Brokerage, Galaxy Capital, S R Capital, UCB Stock Brokerage, Remons Investment and Securities, and International Securities Company.

Source: <https://www.tbsnews.net/economy/stocks/lankabangla-ranks-2021s-top-broker-cse-353173>



Stocks Inch up amid Increased Volatility, Turnover Declines

Stocks inched up in the seventh session of their recent legs of recovery.

However, the intraday volatility amid investors' increased concern about a fresh selling pressure following the recent spike in Covid-19 infection rates caused a 10% decline in the daily turnover in the Dhaka Stock Exchange (DSE).

It declined to Tk1,182 crore from that of Tk1,314 crore on Monday.

Amid serious investors' caution, the blue-chip index DS30 declined 0.19%, while Shairah Index DSES increased by 0.33%.

Out of the 378 issues traded, 167 advanced, 180 declined, and 31 remained unchanged in the DSE.

The miscellaneous sector contributed the maximum 16.2% to the DSE turnover on Tuesday, while pharmaceuticals-chemicals, and general insurance followed with 12.2% and 9.8% turnover contribution respectively.

Source: <https://www.tbsnews.net/economy/stocks/stocks-inch-amid-increased-volatility-turnover-declines-353212>



Global: Business

Bitcoin Faces Uncertain 2022

The price of bitcoin hit record highs in 2021 thanks to support from traditional finance, but cryptocurrency specialists are struggling to predict next year's outcome for the volatile sector.

Having more than trebled in value to \$60,000 between December 2020 and April, bitcoin has lost some shine to trade at under \$50,000 heading into the new year.

Bitcoin's rise in 2021 coincided with Wall Street's growing appetite for cryptocurrency.

The record high in April occurred with the stock market debut of cryptocurrency exchange Coinbase.

October's peak above \$66,000 followed the launch of a bitcoin futures exchange-traded fund on New York Stock Exchange.



Source: <https://www.thedailystar.net/business/global-economy/news/bitcoin-faces-uncertain-2022-2931796>

Turkey Inflation Highest in Decade

Inflation soared by the most in at least a decade in Turkey's biggest city Istanbul last month, according to data on Saturday, and President Tayyip Erdogan's government sharply raised nationwide electricity and natural gas prices for the new year.

Prices also jumped for petrol, car insurance and some bridge tolls, adding more strain to an economy facing surging inflation and a currency crisis that was triggered by a series of unorthodox interest rate cuts.

The Energy Market Regulatory Authority, citing high global energy inflation, said electricity prices were raised by as much as 125 per cent for high-demand commercial users and by around 50 per cent for lower-demand households for 2022.

Natural gas prices jumped 25 per cent for residential use and 50 per cent for industrial use in January, national distributor BOTAS said. The price rise was 15 per cent for power generators.

In Istanbul, home to around a fifth of Turkey's population of 84 million, retail prices jumped 9.65 per cent month on month in December for an annual rise of 34.18 per cent, the Istanbul Chamber of Commerce (ITO) said.

Home appliance prices were up more than 20 per cent while food rose nearly 15 per cent.

Other adjustments included a 20 per cent jump in mandatory vehicle insurance costs for those with the highest deductible. Petrol prices rose by more than half a lira per litre, while diesel prices increased by 1.29 liras, the Energy, Petroleum, Gas Stations Employers Union (EPGIS) said on Friday.

Source: <https://www.thedailystar.net/business/global-economy/news/turkey-inflation-highest-decade-2931121>

Germany Welcomes EU Green Energy Plan on Gas

Germany on Sunday welcomed a plan by the European Union to label some natural gas energy projects as "green" investments, but stressed its opposition to a proposal to do the same for nuclear power projects. Germany pulled the plug on three of its last six nuclear power stations on Friday as it moves towards completing a withdrawal from nuclear power that it sped up after the meltdown of a reactor in Fukushima, Japan, in 2011. "For the German government, natural gas is an important bridging technology on the way to greenhouse gas neutrality against the background of the phase-out of nuclear energy and coal-fired power generation," a government spokesperson said. "The government's position on nuclear energy remains unchanged. The government remains convinced that nuclear power cannot be classified as sustainable."

While nuclear power produces very low CO₂ emissions, the European Commission sought expert advice on whether the fuel should be deemed green given the potential environmental impact of radioactive waste disposal.

Source: <https://www.thedailystar.net/business/global-economy/news/germany-welcomes-eu-green-energy-plan-gas-2931801>



Singapore Economy Rebounds from Recession

Singapore's economy grew 7.2 per cent last year, rebounding from its worst recession since independence sparked by the coronavirus pandemic, government data showed Monday.

The city-state plunged into its worst economic performance in 2020 as businesses and international borders shut down, choking its trade and tourism economic lifeline.

Authorities initially imposed tough measures to restrict movement and gatherings but later shifted to a policy of living with the virus as the majority of residents got fully vaccinated. Singapore has logged a total of 280,290 cases with 829 deaths as of Sunday.

The trade ministry released advance estimates Monday showing the economy expanded by 5.9 per cent year-on-year in the fourth quarter to December.

This brought full-year economic growth to 7.2 per cent, reversing a 5.4 contraction in 2020, the country's worst since independence in 1965.

Source: <https://www.thedailystar.net/business/global-economy/news/singapore-economy-rebounds-recession-2931816>

Disclaimer

The above is a summary of important business news published in the leading daily newspapers of Bangladesh. Please note that the news summary doesn't reflect the opinion of Alliance Capital Asset Management Limited (ACAML). Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. This report is intended for distribution in only those jurisdictions in which Alliance Capital Asset Management Ltd. is liable and any distribution outside those jurisdictions is strictly prohibited.

Alliance Capital Asset Management Ltd.

Contact Us

Address:

Sima Blossom (10th floor)
Comprehensive Holdings
Plot # 390 (Old) 03 (New)
Road # 27 (Old) 16 (New)
Dhanmondi C/A,
Dhaka-1209.

Office: +880 2 9121360 Fax
: +880 2 9120971

Developed By:

Mehnaz Tabassum Khaleel
sarah@acaml.com

Visit us on the web at:
www.acaml.com