

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

October 27, 2021

Roadmap to \$5 billion IT Exports by 2025

The government is making a roadmap to facilitate the production of digital devices in the country to boost export earnings in the information and technology sector from the current \$1 billion to \$5 billion by 2025.

The government believes products such as mobile devices, computers, and laptops will play a major role in tapping in the prospective \$10 billion IT market at home and abroad within next four years, which is why the new roadmap is aimed at capacity building of the local digital device manufacturing industry as well as promoting and branding domestically manufactured products in international markets, according to the ICT Division.

Proper implementation of this roadmap is expected to create at least one lakh jobs in the digital device manufacturing industry. The country will then be able to export laptops and mobile phones worth about \$2 billion after meeting the domestic demand.

The new roadmap, drafted by the ICT Division, has recently been sent to various ministries and departments for their feedback.

Source: <https://www.tbsnews.net/tech/roadmap-5-billion-it-exports-2025-321373>



RMG Orders Pour in as Western Economies Reopen

The reopening of economies in the EU and US has created new opportunities for Bangladesh to recover from the severe fallout of Covid-19, according to apparel exporters.

"This is because garment exporters have been receiving a lot of work orders from international clothing retailers and brands ever since Western economies reopened," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The BGMEA chief went on to say that Bangladesh will continue to enjoy preferential access to European markets even after the country makes the status graduation from the UN's least developed grouping in 2026.

The access will be enabled under the EU's proposed Generalised System of Preferences that will come into effect from January 1, 2024.

Source: <https://www.thedailystar.net/business/economy/news/rmg-orders-pour-western-economies-reopen-2207381>



City Bank Records Tk2.97 Earnings per share for Jan-Sep Period

The City Bank Limited on Tuesday announced that the bank's consolidated Earnings Per Share (EPS) was Tk2.97 for the January to September 2021 period.

The bank made the announcement at its Earnings Disclosure event, which was held over digital platform, and announced the bank's Q3 financial results, said a press release.

Existing and potential investors from across the globe, researchers, analysts and other individuals involved in capital market joined the event.

City Bank's consolidated Earnings Per Share (EPS) was recorded at Tk2.97 for the period from January to September 2021 against that of Tk2.89 during the same period last year.

The bank also reported Tk316.5 crore Consolidated Profit After Tax (PAT) during the period January to September 2021, which was Tk308.6 crore during the same period of last year, the press release added.

Source <https://www.tbsnews.net/economy/banking/city-bank-records-tk297-earnings-share-jan-sep-period-321256>



6 companies Declare Dividends for 2021



Six listed companies – National Tea Company Limited, Acme Laboratories Ltd, ADN Telecom Limited, The Peninsula Chittagong Limited, KDS Accessories, Unique Hotel and Resorts Ltd – have declared dividends for their shareholders for the year ended on 30 June 2021.

The dividends were declared at the board meeting of the companies this week.

National Tea Company has recommended a 10% cash dividend for its shareholders for 2021. During the period, the net loss of the company was Tk20.91 crore, which was Tk36.77 crore in the previous year. Its loss per share was Tk31.68 and net asset value was Tk84.27.

Acme Laboratories has recommended a 25% cash dividend for its shareholders for 2021. During the period, the net profit of the company was Tk156.92 crore, which was Tk145.05 crore in the previous year. Besides, its earnings per share were Tk7.42 and net asset value was Tk95.04.

Source: <https://www.tbsnews.net/economy/stocks/6-companies-declare-dividends-2021-321337>

Islam Oxygen to Raise Tk93cr for a New Industrial Gas Plant

Islam Oxygen Limited, a local producer of medical, industrial and laboratory gas, has announced its plan to collect Tk93 crore through initial public offering (IPO) to nearly double its capacity through setting up a new plant.

Amid the pandemic, the company already has increased its annual production capacity to 2.5 crore cubic metres and if it can get its IPO approved the capacity would cross 4.5 crore cubic metres, the company's Managing Director Nurul Islam said in a roadshow event in the capital on Monday.

Its annual revenue grew to Tk145 crore in the 2020-21 fiscal year, from Tk73 crore in the 2016-17 fiscal year. Over the period its net profit after tax grew to over Tk41 crore from Tk14.5 crore.

Its current paid-up capital is Tk95 crore, and earnings per share for the 2020-21 fiscal year was Tk4.37.

Source: <https://www.tbsnews.net/economy/stocks/islam-oxygen-raise-tk93cr-new-industrial-gas-plant-321331>



Stocks Recover after Sharp Losses

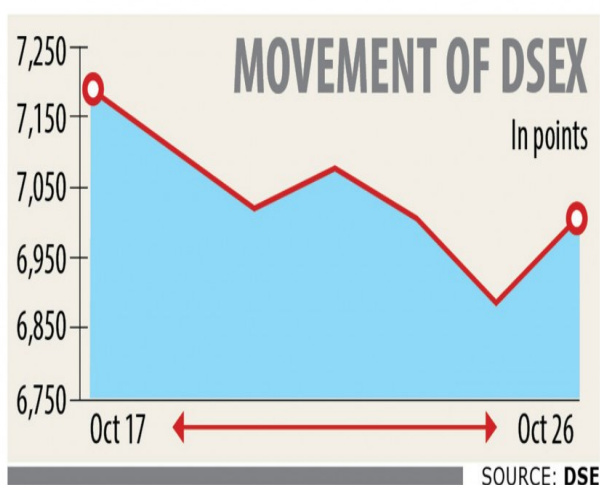
Shares on the Dhaka Stock Exchange bounced back yesterday, recovering from a massive fall in the previous two sessions, supported by lower sales and higher trading of lucrative equities.

The DSEX, the benchmark index of the premier bourse of Bangladesh, closed up 120 points, or 1.74 per cent, to end the day at 7,005.

The advance came after the main index dropped to its lowest level since August 31 on Monday due to panic sales influenced by speculation and recent market trends. It had shed 120 points to 6,885 on the day, the highest single-day slump since April 11.

Most shares have dropped 4 to 5 per cent in the last few days, becoming attractive, so some investors took the opportunity to buy securities, said a merchant banker. The turnover had remained below Tk. 1,500 crore as some investors became cautious and were observing the market movement amid the ongoing volatility of the index, the brokerage house said.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-recover-after-sharp-losses-2207376>



Global Stocks Buoyant on Upbeat Earnings

Shares around the world gained on Tuesday, with upbeat corporate earnings buoying European shares, though investor concerns lingered over supply chain problems sparked by the coronavirus pandemic.

The broad Euro STOXX 600 hit its highest in seven weeks, adding 0.5 per cent, with German stocks adding 1 per cent. After a stellar quarter for US and British banks, Switzerland's UBS rose over 2 per cent on its highest quarterly profit since 2015 before giving up much of its gains, with the financial services sector climbing as much as 1 per cent.

Wall Street futures were up 0.4 per cent-0.6 per cent, with the earnings season reaching its peak and tech heavyweights including Apple Inc and Alphabet due to report later. Still, some analysts voiced caution over the impact of the Covid-19 pandemic on supply chains. Logitech International was among those hit, slumping 7.4 per cent after the computer keyboard, mouse and headset maker reported a steep fall in operating profit and difficulties securing enough semiconductor chips due to clogged up transport links and stuttering factory restarts by suppliers.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/global-stocks-buoyant-upbeat-earnings-2207246>



GE Sees Aviation Recovery, but Notes Supply Chain Headwinds

General Electric reported higher-than-expected profits on Tuesday as aviation profits grew even as supply chain problems weighed on some operations.

Chief executive Lawrence Culp described the aviation business as 'building momentum and showing signs of recovery' as GE scored higher orders across industrial businesses. But he called the overall environment 'challenging'.

The company said that uncertainty over the status of the US production tax credit hit its renewable energy business. The longstanding policy, a cornerstone of the build-out of wind power, has been tied to congressional debate over President Joe Biden's infrastructure package.

GE's net income in the quarter ending September 30 was \$1.2 billion, compared with a loss of \$1.2 billion in the year-ago period.

Source: <https://www.newagebd.net/article/152835/ge-sees-aviation-recovery-but-notes-supply-chain-headwinds>

HSBC Joins Investors Reckoning Worst is over in China

Analysts at Europe's biggest bank HSBC have turned bullish on Chinese stocks, arguing the worst of a regulatory storm has passed and that Beijing will provide policy support to arrest slowing growth.

HSBC said on Tuesday it had upgraded its recommendation on Chinese equities to "overweight" from "neutral", joining a small but growing chorus of investors who reckon the tide is beginning to turn.

This year MSCI's China index has fallen about 12% compared with a 15% rise in MSCI's world stocks index, as crackdowns spanning technology firms' behaviour to property borrowing have pounded share prices.

HSBC is among a few in the financial sector calling time on the selloff. Asset manager BlackRock said a month ago it was dipping its toes back into Chinese equities.

Source: <https://www.tbsnews.net/world/global-economy/hsbc-joins-investors-reckoning-worst-over-china-321241>



Oil Prices Edge towards New Highs on Short Supply

Oil prices edged towards new multi-year highs on Tuesday, supported by a global supply shortage and strong demand in the United States, the world's biggest consumer.

Brent crude was flat at \$86 a barrel by 1309 GMT. US oil was up 20 cents, or 0.7%, to \$83.96.

Goldman Sachs said Brent was likely to push above its year-end forecast of \$90 a barrel, while Larry Fink, chief executive of the world's largest asset manager BlackRock, said there was a high probability of oil reaching \$100.

Gasoline and distillate consumption in the United States is back in line with five-year averages after more than a year of depressed demand, and the market will be closely watching US inventory levels.

Crude oil stockpiles are forecast to have risen by 1.7 million barrels last week while gasoline and distillate inventories were expected to have fallen, according to a Reuters poll of analysts.

Source: <https://www.tbsnews.net/world/global-economy/oil-prices-edge-towards-new-highs-short-supply-321286>



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