

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

January 23, 2022

Naogaon's Power Thresher Manufacturing Booming

With the use of new technologies in the country's agriculture, the power thresher manufacturing industry in Naogaon has been growing. There has been increasing demand for power threshers among farmers as the machines save time and lessen the hassles farmers had to go through in threshing paddy and other crops.

Currently there are around 80 power thresher manufacturing factories in the Patnitala and Dhamoirhat upazilas of Naogaon, employing more than 700 labourers. On average, these factories produce and supply the country with around 2,000 threshers, worth Tk56 crore.

Around 10 years ago when the power thresher manufacturing industry began to emerge in the district, 500-600 power threshers were produced yearly. Gradually, demand increased and in 2015, annual production grew to 800-1,000 units.

Farmers say government subsidies halve the cost of a thresher, which has motivated farmers to buy more machines.

Source: <https://www.tbsnews.net/economy/naogaons-power-thresher-manufacturing-booming-360571>



Symphony Becomes 2nd 'Made in Bangladesh' Smartphone Exporter

Symphony has become the second local brand to export "Made in Bangladesh" smartphones by sending its smartphones to Apex Group of Nepal.

"We started to export smartphones to Nepal with 15,000 smartphones on 26 October last year. The 2nd consignment is scheduled to be shipped on Sunday," said Jakaria Shahid, managing director of Edison Group, the parent company of Symphony, at the export inauguration held at Symphony Mobile Factory in Asulia of Savar.

"We are planning to grab handset markets of five more countries including Vietnam, Sri Lanka, Oman and Nigeria by 2022," he added.

Earlier, local tech conglomerate Walton started exporting its smartphones as the first local company to the USA on 1 March 2020 from its Gazipur plant.

Source: <https://www.tbsnews.net/tech/smartphones/symphony-export-made-bangladesh-smartphones-nepal-360760>



UCB Taqwa Growth Fund Gets BSEC Nod

The Bangladesh Securities and Exchange Commission (BSEC) has approved the draft prospectus of UCB Taqwa Growth Fund – a new open-end mutual fund.

The initial target size of the Shariah-compliant fund is Tk35 crore, of which Tk5 crore would be subscribed by its sponsor UCB Asset Management Ltd.

The remaining units of Tk10 face value each will be offered to investors.

Sandhani Life Insurance Company is the trustee of the fund while Brac Bank will act as the custodian, BSEC said.

Open-end mutual funds are gaining popularity in Bangladesh amid the increasing awareness about the importance of long-term stable investments.

Unlike closed-end funds, open-end funds have no maturity and their units are not tradable at bourses. Investors instead buy and sell those with the asset manager concerned or their authorised agents.

Source: <https://www.tbsnews.net/economy/stocks/ucb-taqwa-growth-fund-gets-bsec-nod-360490>



Mozaffar Hossain Spinning to Allow Associate Company to Mortgage Assets for Loans

Mozaffar Hossain Spinning wants to provide an associate company with an opportunity to mortgage its assets for availing loans and for this the spinning mill will add a new clause to the Memorandum of Association.

The listed company will now require approval from its shareholders.

For this, it will hold an extraordinary general meeting (EGM) on 5 March. It has set 9 February as the record date for the EGM.

The company had earlier sought approval from the High Court in accordance with the Companies Act to add a new clause to the Memorandum of Association.

Mozaffar Hossain Spinning Mills Limited is a concern of SIM Group. Under this group, there are five more companies that will be able to use the assets of the spinning mill as a mortgage for loans.

Source: <https://www.tbsnews.net/economy/stocks/mozaffar-hossain-spinning-allow-associate-company-mortgage-assets-loans-359665>



Prime Islami Life Insurance Shares Soar in Eight Days

The share price of Prime Islami Life Insurance — a third-generation Islamic insurer — has climbed 43% in the last eight trading days.

According to the Dhaka Stock Exchange (DSE), the shares rose to Tk89.2 each on Tuesday, from Tk62.4 each on 6 January.

Following such a sharp rise in its share prices, the country's premier bourse sent a query to the company on 17 January.

Also, in mid last year, its share price shot up sharply. Each share soared to Tk93.1 on 13 June, the highest in that year.

Later, the share price declined to Tk57 each in December. Again, its share price increased amid financial upgrading.

Source: <https://www.tbsnews.net/economy/stocks/prime-islami-life-insurance-shares-soar-eight-days-359185>



LankaBangla, City Brokerage to Change Online Trading Experience

Lags and disruptions during trading, mandatory typing of complex passwords for every action, and a lack of many needed features — all have been behind the tech-savvy stock investors' irritation with mobile trading apps of the bourses.

The problems in direct stock trading from smartphones are set to go as two of the leading stockbrokers have launched alternatives to the bourses' mobile trading apps and they have well addressed the problems.

Like it is all over the world, the Dhaka Stock Exchange (DSE) nowadays is allowing interested brokers direct access to its core trading system, technically called the matching engine, from the brokers' order management system (OMS), bypassing that of the bourse.

Unlike the DSE Mobile app, the brokers' own OMSs, which investors can use both from their personal computers and smartphones for direct trading, are very seamless and have zero lag, regardless of how many users remain active at a time.

Source: <https://www.tbsnews.net/economy/stocks/how-lankabangla-city-brokerage-change-online-trading-experience-358759>



UK Retail Sales Suffer Record Drop on Omicron Fears

British retail sales suffered a record drop in December as consumers shunned the high street due to Omicron concerns, having snapped up Christmas purchases the previous month, data showed Friday.

Total sales volumes dropped 3.7 per cent last month from November, the Office for National Statistics (ONS) said in a statement. That was the biggest December month-on-month drop since the data series began in 1996, the ONS said.

Sales had risen by one per cent in November as some consumers bought early gifts for the festive season amid fears over supply-chain problems.

"After strong pre-Christmas trading in November, retail sales fell across the board in December with feedback from retailers suggesting Omicron impacted on footfall," noted Heather Bovill, ONS deputy director.

Source: <https://www.thedailystar.net/business/global-economy/news/uk-retail-sales-suffer-record-drop-omicron-fears-2945066>



Intel to Beef up Manufacturing with \$20 billion Ohio Investment

Intel Corp said on Friday it would invest more than \$20 billion in two new chip-making plants in Ohio, as it looks to boost its production capacity amid a global shortage of semiconductors that are used in everything from smartphones to cars.

The move is part of Chief Executive Officer Pat Gelsinger's strategy to restore Intel's dominance in chip making and reduce America's reliance on Asian manufacturing hubs, which have a vice-like grip on the market.

"These factories will create a new epicenter for advanced chipmaking in the US that will bolster Intel's domestic lab-to-fab pipeline," Gelsinger said in a statement.

While chipmakers are scrambling to boost output, Intel's plans for new factories will not alleviate the current supply crunch, because such complexes take years to build. Gelsinger previously said he expected the chip shortages to last into 2023.

To dramatically increase chip production in the United States, the Biden administration is making a big push to convince Congress to approve \$52 billion in funding.

"This project is a crucial step in growing America's domestic chip manufacturing capacity," Deputy Secretary of Commerce Don Graves said in a separate statement, referring to Intel's announcement. Gelsinger will meet with Biden at the White House later on Friday, Intel said.

Source: <https://www.tbsnews.net/tech/intel-beef-manufacturing-20-billion-ohio-investment-360487>



China Cuts Key Rates, Steps up Monetary Stimulus

China lowered mortgage lending benchmark rates on Thursday as monetary authorities step up efforts to prop up the slowing economy, after data earlier in the week pointed to a darkening outlook for the country's troubled property sector.

The cut to the one-year and five-year loan prime rates (LPR) followed surprise cuts by China's central bank on Monday to its short- and medium-term lending rates, and came days after the central bank's vice governor flagged more moves ahead.

With the property sector's downturn seen persisting into 2022 and the fast-spreading Omicron variant dampening consumer activity, many analysts say those easing measures will be necessary, even as other major economies, including the United States, appear set to tighten monetary policy this year.

Source: <https://www.thedailystar.net/business/global-economy/america/news/biden-must-tighten-focus-economy-midterms-democrats-2943826>



Asian Markets Track Wall St Losses as Crude Extends Latest Rally



Growing fears about the US Federal Reserve's plans to fight surging inflation by ramping up interest rates hit Asian markets again Wednesday following a hefty sell-off on Wall Street, while oil prices extended their rally after a blast at a key pipeline.

A rise in prices since early 2021 has forced central banks around the world to start winding back the colossal financial support put in place at the start of the pandemic, with many warning that failure to act could see them run out of control.

Some commentators are predicting a 50 basis-point rise in March -- which would be the first that big since 2000 -- having initially estimated 25 points.

Expectations for a quick run-up in costs has sent Treasury yields rocketing and caused near-panic on equity markets, with all three main indexes on Wall Street deep in the red so far this year, having hit multiple records in 2021.

Source: <https://www.thedailystar.net/business/global-economy/news/asian-markets-track-wall-st-losses-crude-extends-latest-rally-2943046>

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