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HIGHLIGHTS OF THE DAY

Bangladesh: Economy **November 11, 2021**

BB Announces 4pc Export Subsidy on Bicycle, Cement Sheet, MS Steel



The Bangladesh Bank has announced 4 per cent cash subsidy on export of cement sheet, bicycle and its parts, MS steel and tea to encourage exporters.

The exporters of specialised zones (BEZA, BEPZA and Hi-tech Park) will enjoy the facility under this programme, said a central bank notice issued on Wednesday.

The exporters will get 4 per cent subsidy for exporting products of which a local minimum value addition margin is not less than 30 per cent. The subsidy would be provided on the basis of product shipment during 2021-22.

The exporters would get the money from the authorised dealers banks after submitting the due documents.

All products will be eligible to get export subsidy when 30 per cent of them is made at the company's own factory, the circular stated.

Source: https://www.newagebd.net/article/154293/bb-announces-4pc-export-subsidy-on-bicycle-cement-sheet-ms-steel

Dhaka now Seeks $701m from Beijing to Bankroll Two Priority Projects



The government now seeks to borrow US$701 million from China to bankroll two priority projects, after a pause of nearly two years in Beijing's bountiful development-financing support for Bangladesh to execute mega projects.

Officials in Dhaka said Wednesday that the two proposed projects would be implemented for drinkable water supply in Rajshahi city and expansion of digital connectivity across the country.

Bangladesh has sought funds for the four projects from a list of 27 priority ones agreed between two countries during the Dhaka visit of Chinese President Xi Zinping in 2016.

The ERD official said they had sought $276 million for the water-treatment plant for Rajshahi Water Supply and Sanitation Authority (RWASA) and $450 million for the digital connectivity projects.

Source: https://thefinancialexpress.com.bd/economy/dhaka-now-seeks-701m-from-beijing-to-bankroll-two-priority-projects-1636598157

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DSE News

Japan's SoftBank to Aquire 20% Stake in bKash



Japanese tech investment giant SoftBank is going to enter Bangladesh by acquiring 20% of stake in the mobile financial service (MFS) giant bKash.

Brac Bank Ltd, the majority owner of bKash, in its board meeting approved the relevant share purchase and subscription agreement among bKash, its existing shareholders and the proposed investor SoftBank Vision Fund II BEAM (DE) LLC.

The SoftBank Fund, which invested in India's e-commerce platform FlipKart, would make both primary and secondary investments in bKash, Brac Bank disclosed in a price sensitive information on Wednesday evening.

The bank also announced that the new investment would not change its shareholding in bKash.

This means the new investor will get some fresh shares and buy bKash stake from any one or more of the existing investors that include Money in Motion, Alipay, the International Finance Corporation, the Bill and Melinda Gates Foundation, and the bKash Employee Share Option Plan Trust.

Source: https://www.tbsnews.net/economy/banking/japans-softbank-aquire-20pc-stake-bkash-328096

DSEX Jumps 1.66% on Second Day of Recovery



Dhaka and Chattogram stocks jumped on Wednesday as investors came up with more buy orders after seeing some signs of recovery.

DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), rose 114 points or 1.66% to close at 6,982, following Tuesday's 1% gain and in the two sessions, the market recovered what it lost over the previous four sessions.

Investors also felt assured after learning that state-owned Sonali Bank lent the Investment Corporation of Bangladesh Tk500 crore to invest in the stock market.

Unlike the previous two sessions when turnover was increasing during selling pressures and was decreasing during buy pressures, investors' participation in trading increased on Wednesday.

Miscellaneous, pharmaceuticals and textile sectors dominated the turnover table with 21.1%, 15.85% and 15.07% contribution to the daily turnover in the DSE, respectively.

Source: https://www.tbsnews.net/economy/stocks/dsex-jumps-166-second-day-recovery-328087

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DSE News

EHL Shareholders Approve 15% Cash Dividend for 2020 - 2021

The shareholders of Eastern Housing Limited (EHL) have approved a 15% cash dividend for the financial year 2020 - 2021.

The approval came at the company's 57th Annual General Meeting (AGM) held virtually on Wednesday, said a press release.

Expressing satisfaction over the declaration of 15% cash dividend, the shareholders also approved the accounts for the year ended 30 June 2021, the directors' and auditors' report.

The Company achieved net sales of Tk264 crore while it was Tk253 crore in the previous year.

The company's net profit after tax stood at Tk37.29 crore for the financial year 2020-2021.

EHL Chairman Manzurul Islam presided over the AGM.

In his welcome speech, Manzurul Islam said that EHL maintained its profitability in 2020 - 21 because of its strong financial position, despite worldwide economic downtrend due to coronavirus pandemic.

Source: https://www.tbsnews.net/economy/stocks/ehl-shareholders-approve-15-cash-dividend-2020-2021-327907



Alif Industries to Raise Tk. 300 crore through Convertible Bonds

Alif Industries, a listed textile company, has decided to raise a fund of Tk 300 crore by issuing convertible bonds in order to purchase land, machinery and retrofitting existing factory.

The bond will be issued after taking approval from the stock market regulator and shareholders of the company, Alif Industries said today in a disclosure on the website of the Dhaka Stock Exchange (DSE).

Face value of each bond would be Tk 1 lakh and tenure of the bond is six years.

The bond's yield is 7 per cent base profit and 10 per cent of total dividend -- be it cash or stock dividend, according to the disclosure.

Source: https://www.thedailystar.net/business/news/alif-industries-raise-tk-300-crore-through-convertible-bonds-2226471

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Global: Business

Global Stocks Lower on Inflation Fears

European and US stock markets ended Tuesday's trading in the red, dragged lower by continued inflation concerns and fatigue on Wall Street after a string of record-setting sessions.



The cryptocurrency market, however, reached a new summit as bitcoin surged to $68,513.

The three major US equity indices finished lower after closing at records on Monday for the second session straight as traders cheered good jobs data and passage of a massive infrastructure overhaul legislation.

A pullback was imminent, analysts said, and Karl Haeling of LLBW told AFP the drop was "technical in nature. The market is overbought and due for a slight correction, for a pause.

US government data showed wholesale prices remained high in October and with signs of accelerating again, as the world's largest economy battles a wave of inflation.

Source: https://www.thedailystar.net/business/global-economy/news/global-stocks-lower-inflation-fears-2226896

US Wholesale Prices may be Accelerating again: Govt

US wholesale prices remained high in October and showed signs of accelerating again, the government reported Tuesday, as the world's largest economy battles a wave of inflation.

The producer price index (PPI) rose 0.6 per cent, seasonally adjusted, in October, according to the Labor Department, which was in line with analyst expectations and slightly higher than September's increase.

Compared to the same month in 2020, PPI increased 8.6 per cent, the same rate as the prior month, the report said. The United States has seen prices increase throughout this year as business normalized with the help of widespread Covid-19 vaccines.But rising inflation has been fueled by shortages of workers and components, amid a global snarl in supply chains.

Goods made up the majority of the wholesale price increases, particularly energy, which rose 4.8 per cent last month.

With volatile food, energy and trade costs excluded, PPI rose 0.4 per cent last month, faster than the 0.1 per cent increase in September, and it was up 6.2 per cent year-over-year in October after a 5.9 per cent gain the month prior.

Higher inflation raises the possibility the Federal Reserve will have to raise interest rates sharply to contain the price increases, but Fed officials say inflation should retreat once the supply and labor issues are resolved.

Source: https://www.thedailystar.net/business/global-economy/america/news/us-wholesale-prices-may-be-accelerating-again-govt-2226846

UK Sets out Post-Brexit Financial Regulation Aims

Britain on Tuesday outlined plans for new financial regulation laws following its departure from the European Union, with the aim of securing long-term UK economic growth and international competitiveness.

The country finalised its divorce from the European Union late last year, but a Brexit trade deal omitted the powerhouse financial services sector and has hampered its access to the continent.

The UK's key financial sector known as the City and based in the heart of London is already facing fierce competition from Amsterdam, Frankfurt, New York and Singapore.

"Reflecting the importance of the sector as an engine for growth, the government will set UK regulators an objective to facilitate the long-term growth and international competitiveness of the UK economy," a statement from Britain's Treasury said Tuesday.

TheCityUK also wants the government to make it easier to hire foreign finance staff after the finance sector lost thousands of jobs to Europe in the wake of Brexit.

Source: https://www.thedailystar.net/business/global-economy/europe/news/uk-sets-out-post-brexit-financial-regulation-aims-2226851





Six Carmakers Agree to Phase out Fossil-fuel Vehicles by 2040

Six major automakers on Wednesday will commit to phasing out the production of fossil-fuel vehicles around the world by 2040, as part of global efforts to cut carbon emissions, the British government said in a statement.

But sources familiar with the pledge's contents said some big carmakers including the world's top two, Toyota Motor Corp and Volkswagen AG, and crucial car markets China, the United States and Germany have not signed up.

That highlighted the challenges that remain in shifting to a zero-emission future.

Cars, trucks, ships, buses and planes account for about a quarter of all global carbon emissions, data from the International Energy Agency showed, of which the bulk comes from road vehicles.

Source: https://www.thedailystar.net/business/global-economy/news/six-carmakers-agree-phase-out-fossil-fuel-vehicles-2040-2226891

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