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HIGHLIGHTS OF THE DAY

Bangladesh: Economy **December 14, 2021**

UCB Investment Raises Funds for 3 Banks

UCB Investment has managed to raise funds for three banks by issuing perpetual bonds.

A perpetual bond is a fixed income security with no maturity date that is treated as additional tier-1 capital.

After a 14-year hiatus, the Al Arafah Islami Bank Mudaraba Perpetual Bond made its debut at the Dhaka Stock Exchange on December 5.

This is the very first perpetual bond that got approved under the new regulation, UCB Investment said in a press release.

The allotment ceremony of the Islami Bank 2nd Mudaraba Perpetual Bond and the Sahjalal Islami Bank Mudarba Perpetual Bond were also completed.

Public offers of both bonds are fully subscribed and the trading of these bonds will start soon at the Dhaka Stock Exchange, it added.

The IBBL 2nd Mudaraba Perpetual Bond is the largest issuance by any bank till date.

Source: https://www.thedailystar.net/business/organisation-news/news/ucb-investment-raises-funds-3-banks-2917026

DSE to Invite Big Firms to Market



For the first time in history, Dhaka Stock Exchange (DSE) will officially invite big and renowned local companies to get listed on the share market. A conference in this regard has been arranged for December 21, when top officials and owners of around 100 companies are expected to be in attendance.

Rangs Group, Transcom, Bashundhara, Nasir Group of Industries, Meghna Group of Industries, Abdul Monem, Rahimafrooz, Nassa Group, Bengal Group of Industries, BRB Cable, Drug International, United Group, Kazi Farms, City Group, Jamuna Group, and Incepta Pharmaceuticals are on the list of invitees.

Prof Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission, will speak as chief guest while Md Jasim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, will also participate.

Source: https://www.thedailystar.net/business/economy/stock/news/dse-invite-big-firms-market-2917046

DSE News

Aramit Cement Declares a Sudden Interim Cash Dividend



Aramit Cement Limited — a sister concern of Aramit Group — has suddenly declared a 5% interim cash dividend only for its general shareholders for the current 2021-22 fiscal year.

But the company did not pay any dividend for its shareholders in the last fiscal year because of its negative retained earnings.

Earlier, the company had paid a 12% cash dividend in FY16. After that, it failed to pay any dividend to its shareholders.

As per the listing regulations, the listed companies shall notify the bourses and the regulator before 3 working days of holding a board of directors meeting - especially if the meeting is called for consideration or adaptation of the quarterly financial statements or any entitlement (interim dividend) for shareholders.

Source: https://www.tbsnews.net/economy/stocks/aramit-cement-declares-sudden-interim-cash-dividend-343201

Shanta Securities Signs Contract to Share CSE API



Brokerage firm Shanta Securities Ltd has signed a contract with the Chittagong Stock Exchange (CSE) to get its application program interface (API) so that its own order management system can be integrated with the port-city bourse's core trading system's matching engine.

The API sharing would help the top tier brokerage firm further improve its services, said a statement.

CSE Managing Director (In-charge) Ghulam Faruque and Shanta Securities Chief Executive Officer Quazi Asaduzzaman signed the API sharing contract on behalf of their respective organisations.

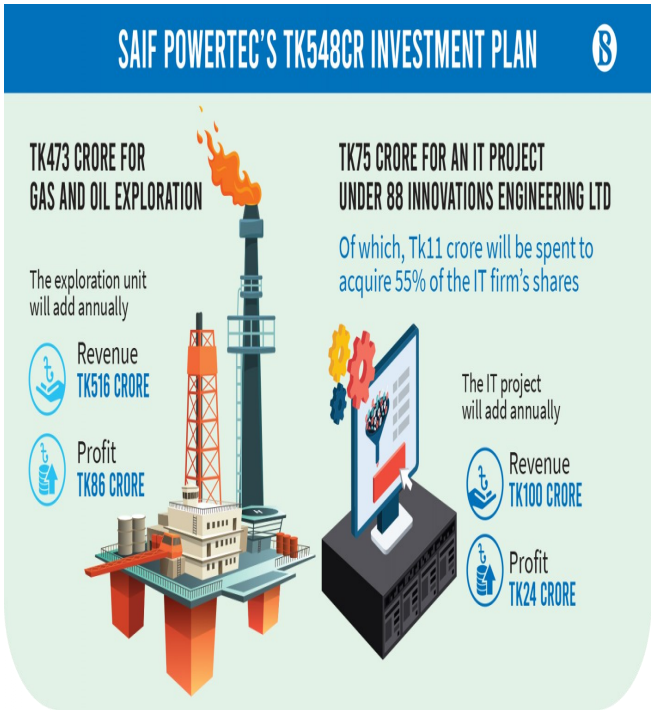
The bourses are sharing their API with the brokers to allow them to integrate the bourses' core trading systems with their own order management system (OMS) that reduces loads on the bourses default OMS and also creates opportunity for brokers to offer customized OMS to their clients.

Source: https://www.tbsnews.net/economy/stocks/shanta-securities-signs-contract-share-cse-api-343156

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DSE News

Saif Powertec to Enter Gas, Oil Exploration Business as First Private Firm



Saif Powertec Limited wants to enter the gas and oil exploration business by investing Tk473 crore as the first local private company in this industry.

The board of the company, which got listed on the capital market in 2014, decided on 12 December.

The project cost will come from bank loans.

According to its website, Saif Powertec's principal activities are to carry on the business of infrastructure-support service.

It is also engaged in importing, trading, assembling and installing generators, sub-stations, electrical equipment and gridlines, installation of power plants, producing batteries as well as acting as a terminal operator for handling containers at the Chattogram Port.

Source: https://www.tbsnews.net/economy/stocks/saif-powertec-enter-gas-oil-exploration-business-first-private-firm-343195

Selling Pressure Intensifies at Dhaka, Ctg Bourses



Stocks suffered an intensified selling pressure on the bourses of Dhaka and Chattogram on Sunday as investors preferred trimming their positions amid fear of a fresh year-end selloff.

As 242 of the 376 scrips nosedived at the Dhaka Stock Exchange (DSE), DSEX, the broad-based benchmark there fell 0.92% in the first session of the week.

The market seemed to have been ready to fall since the morning and DSEX closed at 6,920, which touched 7,020 in the morning.

Amid the daylong bearish sentiment, investors' participation in the daily trading activities increased and the turnover at the DSE rose to Tk1,148 crore on Sunday, from Tk1,043 crore on Thursday.

Investors, in general, expected that the prime minister's meeting would help resolve the cold war between the Bangladesh Securities and Exchange Commission and the Bangladesh Bank.

Source: https://www.tbsnews.net/economy/stocks/selling-pressure-intensifies-dhaka-ctg-bourses-342586

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Global: Business

US Expects $50b Economic Drag in 2022 Due to Floods

American businesses stand to lose more than 3 million days of operations from flooding in 2022 and will face worsening economic fallout in the coming decades as climate change fuels ever more extreme weather events, researchers said yesterday.



Next years expected damage, based on estimated trends, translates to a nearly $50 billion annual hit for local economies in cities from Miami to Pittsburgh, according to First Street Foundation, a non-profit group that maps climate risk.

In a new study, researchers there took a rare comprehensive look at the expected flood risk to businesses and local economies in the United States - a threat often underestimated amid a focus on flooded homes and family losses.

Its a whole other dimension of flood risk, said Jeremy Porter, head of research and development at First Street Foundation.

Source: https://www.thedailystar.net/business/global-economy/news/us-expects-50b-economic-drag-2022-due-floods-2917021

Asia Stocks Steady after Wall St Rally

Asia stocks held steady yesterday, despite a record-smashing lead from Wall Street, ahead of a week of major monetary policy announcements around the world.

In Hong Kong, the Hang Seng Index was down 0.17 per cent at the close, while Tokyo's benchmark Nikkei 225 index closed up by 0.71 per cent.

Friday's gains on Wall Street, where the S&P 500 piled on more than 0.9 per cent to finish at 4,712.02, eclipsed a record from last month -- and came despite figures showing the consumer price index jumped 6.8 percent in November.

The rise in inflation suggests a tapering in the US Federal Reserve's ultra-loose monetary policy will come sooner rather than later -- a change that markets have been nervously awaiting for months.

Fed chair Jerome Powell -- who will update the markets this week following a two-day policy meeting -- had already signalled plans to accelerate the tapering of stimulus payments. Many analysts expect the central bank to hike interest rates at least twice in 2022.

Wellington rose more than 1 per cent. In Tokyo, "the market is looking at the Bank of Japan's Tankan" quarterly business survey, released 10 minutes before the opening bell, said senior market analyst Toshiyuki Kanayama of Monex.

Source: https://www.thedailystar.net/business/global-economy/news/asia-stocks-steady-after-wall-st-rally-2917016

Malaysia's Palm Oil Producers Adjust to Labour Shortages



Malaysia's palm oil producers are racing to adjust to an acute shortage of workers due to the coronavirus and sharply higher costs of recruitment as they make changes in response to accusations of forced labour.

The country, second only to Indonesia in palm oil production, has become more competitive in recent months due to higher export levies imposed by its southern neighbour. But mounting employment costs mean Malaysia risks losing that edge and potentially ceding market share to Indonesia.

The increased costs, alongside record-high fertilizer prices affecting both countries, pushed the key commodity to an all-time high in October. That has already forced up the price of the foodstuff worldwide, and is raising the costs of cosmetics and detergents and other products that palm oil is used in. The most pressing problem for palm oil producers such as FGV Holdings and Sime Darby Plantation is a lack of workers to harvest palm trees, a skilled and dangerous task.

Source: https://www.thedailystar.net/business/global-economy/news/malaysias-palm-oil-producers-adjust-labour-shortages-2916161

Shipping Costs: Another Danger for Inflation-watchers to Navigate



Much like the coronavirus pandemic, and the economic disruption that it has caused, a global shipping crisis looks set to go on delaying goods traffic and fuelling inflation well into 2023.

Shipping rarely figures in economists' inflation and GDP calculations, and companies tend to fret more about raw materials and labour costs than transportation. But that might be changing.

The cost of shipping a 40-foot container (FEU) unit has eased some 15 per cent from record highs above $11,000 touched in September, according to the Freightos FBX index. But before the pandemic, the same container cost just $1,300.

With 90 per cent of the world's merchandise shipped by sea, it risks exacerbating global inflation that is already proving more troublesome than anticipated.

Source: https://www.thedailystar.net/business/global-economy/news/shipping-costs-another-danger-inflation-watchers-navigate-2916181

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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