JAMUNA BANK

Jamuna Bank Foundation Chairman Nur Mohammed was present as chief guest at an event the foundation organised to provide healthcare for free at Barat Government Primary School in Pabna.

ONE BANK

Mohammad Belayet Hossain, secretary and executive director of Bangladesh Bridge Authority, inaugurates an ATM booth of ONE Bank at Bangabandhu Bridge Resort last Saturday.

Investors value Ant Group at over $200 billion after IPO halt

REUTERS, *Hong Kong*

Some of Ant Group's global investors have valued the Chinese fintech firm at over $200 billion based on its 2020 performance, said people with knowledge of the matter, offering a more sober estimate after the shelving of its IPO and forced restructuring.

The number is about a third above Ant's valuation after its last fundraising in 2018 when it emerged as the world's most-valuable unlisted tech firm, yet is far below the $315 billion it touted for what was set to be the world's largest IPO.

Investor hopes for a huge windfall crashed when regulatory scrutiny scuppered the $37 billion initial public offering (IPO) days ahead of Ant's November listing.

Regulator-mandated restructuring as a financial rather than tech firm has since made some more conservative with their analysis as the former typically carry lower valuations, sources and analysts said.

Ant's business as of the October-December quarter was little affected by regulatory scrutiny, an investor said. Still, the Alibaba Group Holding Ltd affiliate's revised valuation and listing timeline must wait until it finalises a revamp plan.

Investors' revised estimates of Ant's valuation, which will determine their returns, are reported here for the first time.

Warburg Pincus LLC valued Ant at about $220 billion at year-end based on 2020 earnings and comparable company analysis, said two of the people. Early last year, the U.S. private equity firm sold part of its stake for $90 million at a $190 billion valuation in a private trade, other sources said.

Another investor said its estimate, based on Ant's latest financial figures, was not very different from that of Warburg. The people declined to be identified due to confidentiality constraints. Warburg and Ant declined to comment.

Ant is changing its corporate structure to that of a financial holding firm following regulatory pressure to subject it to rules similar to those for banks.

The Hangzhou-based financial technology giant was regarded as a tech firm in 2018 when it raised $14 billion at a valuation of about $150 billion in the world's largest single fundraising.

Investors included private equity firms Warburg, Carlyle Group Inc, General Atlantic and Silver Lake Partners LP, plus Singapore sovereign wealth fund GIC Pte Ltd and existing shareholders Boyu Capital and Primavera Capital Group.

At its IPO pricing, Ant's valuation soared to about $315 billion, or over 31 times its forecast 2021 net profit.

With the earnings impact of the revamp unknown, one investor said it valued Ant at about the same as the 2018 fundraising. Another said it marked its Ant investment at cost, meaning it does not see any return for the time being.

It is unclear if and how global investors in particular will be able to monetise their investment. Those who joined the 2018 fundraising have few exit options under pacts highly favourable to Ant, said separate people with knowledge of the matter.

International investors in the $10.3 billion U.S. dollar tranche of the 2018 fundraising invested in offshore unit Ant International and hold so-called Class C shares that do not carry voting rights, according to Ant's IPO prospectus. None were granted a seat on Ant's board, the prospectus showed.

Investing in a subsidiary instead of the company itself is unusual for such large investments. Chinese rules meant Ant had to be domestically incorporated to more easily obtain a licence for payment arm Alipay, restricting its ability to raise capital directly offshore.

REUTERS/FILE

A sign of Ant Group is seen during the World Internet Conference (WIC) in Wuzhen, Zhejiang province, China.

Asia stocks rise amid US recovery

AFP, *Hong Kong*

Optimism over the economic recovery helped push Asian markets higher yesterday following another record on Wall Street, with focus on the Federal Reserve's much-anticipated policy meeting this week.

News that several European countries had stopped administering the AstraZeneca vaccine on safety fears, dealing a blow to the continent's already stuttering inoculation programme, appeared to have little impact on sentiment.

As the US vaccine programme kicks on and Americans begin to get their government cash handouts as part of President Joe Biden's mega-stimulus, investors are betting that months of pent-up spending will soon be let loose on the world's top economy, a key driver of global growth.

Expectations for a surge in activity in the second half of the year, backed by huge government rescue packages and central bank largesse, have helped power world markets to record or multi-year highs.

However, the rocket-powered recovery has investors growing increasingly worried about soaring inflation that could force national banks to wind down the ultra-loose monetary policies that have helped send equities higher.

US benchmark 10-year Treasury yields -- a guide to future interest rates -- have risen to a one-year high in recent weeks. Still, for now the positive economic benefits were winning the tug of war with inflation fears.

Wall Street's three main indexes chalked up healthy gains with the Dow and S&P 500 hitting new all-time highs and even the Nasdaq -- which has suffered from a shift out of tech stocks over the past month -- enjoying a healthy run-up.

Asia continued the run with Tokyo, Hong Kong, Shanghai, Sydney, Seoul, Singapore, Mumbai, Bangkok, Wellington, Taipei and Manila all up. London, Paris and Frankfurt continued the rally in early trade.

"On the heels of the reopening optimism, stocks again become a flat-out buy as tailwinds from an expected stimulus-induced shopping bonanza will find their way into higher corporate profits and higher earnings per share," said Axi strategist Stephen Innes.

"Markets continue to move based on the expectation of a post-virus boom. At least that is the dominant narrative right now. The economy, boosted by another round of stimulus, will surge once the virus is under control and things return to normal," he said.

Referring to Biden's hope that Americans would be able to celebrate Independence Day together in July, Innes added: "I have some news for the Biden administration; the party has already started.

BENGAL COMMERCIAL BANK

Tarik Morshed, managing director and CEO of Bengal Commercial Bank, and Md Anis Ur Rahman, general manager at Bangladesh Bank's Credit Information Bureau, signed an agreement on Monday facilitating access to the latter's database on clients' credit status.

Winners in a pandemic-affected world

FROM PAGE B4

Business leaders, decision-makers and knowledge workers have been working from home or remotely and communicating with each other by using communication devices and digital infrastructure.

Physical meetings have been largely substituted by video interactions, which have become the norm for both one-to-one and group meetings.

Well-established digital infrastructure has played an important role in business continuity during the lockdown.

For example, Bangladesh had a little less than 100 million internet subscribers in February 2020, according to the Bangladesh Telecommunication Regulatory Commission (BTRC).

This number has grown by 13 per cent during the past one year and reached nearly 113 million internet subscribers in February 2021, according to the regulator. Moreover, the number of subscribers for fixed line internet connections has jumped by 67 per cent during this period, from 5.7 million to 9.5 million, as per the data published by the regulator.

The existence of an already large subscriber base had reduced the last-minute rush to obtain new internet connections at the onset of the pandemic and lockdown.

However, the infrastructure has continued to support the additional demand for high-speed internet and kept pace with the rapid growth in the number of fixed line subscribers during this trying time. Collectively, this has enabled business participants to accelerate their use of digital communication and sustain their business activities in many areas.

Storage infrastructure such as cloud has played a critical role during this last one-year. Most established communication services have been hosted on cloud platforms. This has helped service providers scale up rapidly with the increasing demand for communication services.

Had communication infrastructure been hosted by individual businesses within their data centres, it would not have been possible for them to engage in virtual communications on such a large scale.

Companies that hosted their email and instant messaging services on cloud infrastructure also benefitted from their usage of technology.

Most of them could successfully lock their physical offices because they did not have to keep their data centres operational to run their email systems.

Companies that had their document storage and collaboration systems on cloud could also realise the benefits of utilising their digital infrastructure for business continuity. Many of them have begun digitally signing and executing documents instead of printing and physically signing these.

Prior to the lockdown, many companies in Bangladesh had already embarked on a journey of digital transformation. They had successfully implemented their enterprise resource planning (ERP) systems and business intelligence systems on cloud and are now realising the benefits of their initiatives.

Digital transformation enabled such companies to continue with many of their functions such as managing receivables and payments even during the lockdown. Companies that have used cloud platforms to implement their ERP systems have been able to continue their business activities more effectively than others that did not do this.

Companies that did not rely on technology or had old technologies in place have been adversely affected by the lockdown. Many of them struggled to continue with their business operations as stay-at-home orders were issued and the authorities instructed companies to lock down their premises or facilities.

Some of these organisations were agile enough to adapt to the reality and quickly migrated to cloud-based infrastructure. This enabled them to maintain their business continuity to a certain extent. Others had to simply pause their operations during this period.

As the importance and contribution of technology for maintenance of business continuity is being firmly established, business leaders should start thinking seriously about how they can use technology effectively in the post-pandemic world. Evolving health and safety norms, such as maintenance of a safe physical distance at workplaces, have compelled many companies to rethink and redesign their ways of working.

Assisting workforce with the addition of relevant automation through digital transformation has gained momentum. This trend is expected to continue for the next couple of years. Many companies have started designing their business processes in such a way that their marketing and sales personnel do not need to visit their corporate offices every day. Automating the activities of such personnel is helping them to work efficiently without visiting their offices, and is also helping senior management monitor their day-to-day activities and output.

It is expected that adoption of packaged solutions such as customer relationship management (CRM) solutions will gradually increase in many companies in Bangladesh.

Other functions such as finance, administration and human capital management will also benefit substantially by the adoption of technology through digital transformation.

However, it is important for organisations to focus on upskilling their workforce to enable them to adopt these new technologies. In this scenario, digital upskilling of their workforce will become an important task for human capital development in enterprises as they continue to adopt new technologies through their digital transformation initiatives.

Industries that reinvent themselves by adopting technology will find a significant opportunity to grow in the post Covid-19 'new normal' period.

For example, the education sector will find multiple opportunities to deliver their services through online mediums; Education Technology (EduTech) began emerging as a prominent sector during the lockdown period, and a number of schools and colleges have started conducting virtual classes by using products and services developed by EduTech companies.

Such emerging sectors will create enormous potential for technology-led start-up companies to innovate new products and services and make a significant impact in the industry. With the right kind of incubation-related support and handholding, some of these technology-led start-up companies in Bangladesh may also emerge as winners in this pandemic-affected world.

The Covid-19 pandemic has disrupted most businesses in Bangladesh and worldwide. It has, however, also been creating numerous opportunities for adoption of technology and has been making organisations, their leaders and their workforce ready for the new normal.

In this scenario, as the economy is gradually reverting to its usual pace of growth, digital transformation and adoption of technology can help many businesses rise like the proverbial phoenix from the ashes and become winners in a pandemic-affected world.

The writer is a partner at PwC. The views expressed here are personal.

Dollar edges up as currency markets wait for Fed meeting

REUTERS, *London*

A cautious tone dominated currency markets yesterday, before the start of the US Federal Reserve's two-day monetary policy meeting.

The Fed's policymakers are expected to forecast that the US economy will grow in 2021 at its fastest rate in decades, with unemployment falling and inflation rising, but are not considered likely to change their monetary policy.

The dollar index held steady overnight then rose as European markets opened, up 0.1 per cent on the day at 91.946.

"Overall, the economic situation is improving further. What is decisive for the market is how the central banks react to this," You-Na Park-Heger, FX and EM analyst at Commerzbank, wrote in a note to clients.

"The Fed is likely to try once again to dampen expectations of a reversal in US monetary policy. We will have to wait and see to what extent it will be able to convince the market though," she said, adding that euro-dollar is likely to remain at current levels until the outcome of the meeting is known.

The firmer tone for the dollar came as U.S. Treasury yields edged up, although they remained below recent peaks.

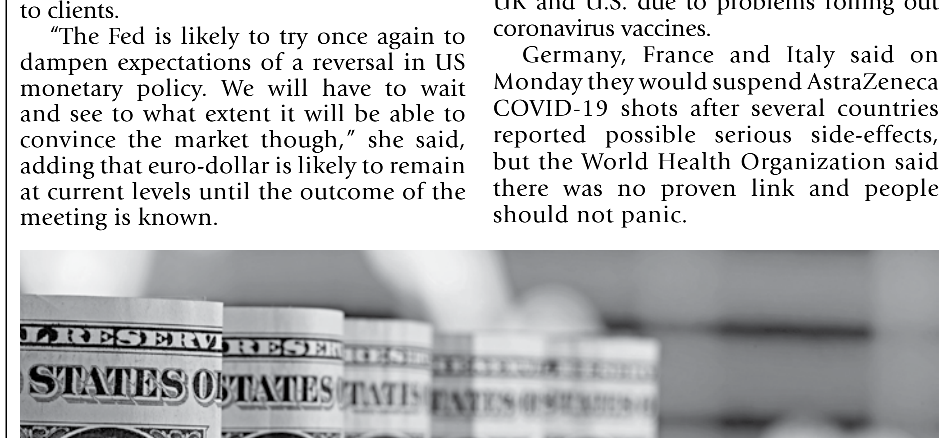
Investors will pore over whatever the Fed has to say about the rise in yields, which have gained on bets that economic growth and inflation could prompt a faster-than-expected normalisation of monetary policy.

"Anything less than a strong message of the Fed being very committed to maintaining favourable financial market conditions will likely see USD advance further," wrote MUFG FX strategists in a weekly note on Friday.

The euro was at $1.19185, down around 0.1% on the day .

It has held below $1.20 since March 5, hurt by expectations for a slower economic recovery in Europe compared with the UK and U.S. due to problems rolling out coronavirus vaccines.

Germany, France and Italy said on Monday they would suspend AstraZeneca COVID-19 shots after several countries reported possible serious side-effects, but the World Health Organization said there was no proven link and people should not panic.



AFP/FILE

The dollar index held steady overnight yesterday then rose as European markets opened, up 0.1 per cent on the day.