SBAC BANK

South Bangla Agriculture and Commerce (SBAC) Bank allotted 60 shares for general investors, 76 for affected investors and 108 for investors living abroad through an announcement at Dhaka Stock Exchange (DSE) head office in Dhaka yesterday. The company completed its initial public offering (IPO) subscription from July 5 to July 12. SM Amzad Hossain, chairman of SBAC Bank, Mosleh Uddin Ahmed, managing director and CEO, Tariq Amin Bhuyan, managing director of the DSE, and M Shaifur Rahman Mazumdar, chief operating officer, were present.

Rights group urges US customs to probe Goodyear Malaysia

REUTERS, *Kuala Lumpur*

Rights group Liberty Shared has asked United States customs authorities to investigate the Malaysian operations of American tyre maker Goodyear Tire & Rubber Co over accusations of abusive labour practices, the group told Reuters.

The Hong Kong-based anti-trafficking group said its June petition to US customs, based on lawsuits and police reports by migrant workers, was probably the first such effort against a subsidiary of an American-owned company in southeast Asia.

"The conditions and treatment they have endured seem to satisfy the International Labour Organisation's forced labour indicators," the group's managing director, Duncan Jepson, said in its first comments to media on the issue.

Goodyear, one of the world's largest tyre makers, said it was not aware of any petition on the matter, while the UN agency did not immediately respond to a request for comment. Malaysia, which employs millions of foreign workers, has faced growing accusations of exploitative labour practices, and received the worst ranking this month in an annual US report on human trafficking.

Similar petitions to US customs, including one last year by Liberty Shared regarding Malaysian palm oil producer Sime Darby Plantation, have led the United States to block imports over suspected use of forced labour.

Goodyear's Malaysian unit was asked by an industrial court to pay back wages to migrant workers and comply with a collective pact, after dozens of foreign workers sued over unpaid wages and unlawful overtime, Reuters reported in May.

It has challenged two verdicts in the High Court.

In its response to the rights group's comments, Goodyear added that it had strong policies to protect human rights.

"We take seriously any allegations of improper behaviour and are committed to ensuring that our business practices and those of our associates, operations and supply chain adhere to all applicable legal requirements and the requirements in our policies," a spokesperson said in an email.

UK bank Lloyds logs soaring profit on Covid recovery

AFP, *London*

British bank Lloyds said Thursday that first-half net profits surged on lower-than-expected credit losses as the economy extended its recovery from the Covid-19 pandemic.

Profit after tax soared to 3.9 billion ($5.4 billion, 4.6 billion euros) in the six months to June, Lloyds Banking Group (LBG) said in a results statement.That compared with slender net profit of 19 million one year earlier. LBG released a total of 837 million that had been set aside to cover souring loans during the pandemic.That compared with a vast impairment charge of 3.8 billion last time around linked to the emergency health crisis.

"During the first six months of 2021, the group has delivered a solid financial performance with continued business momentum, bolstered by an improved macroeconomic outlook for the UK," said interim chief executive William Chalmers.

"While we are seeing clear progress in the vaccine roll-out and emergence from lockdown restrictions, the coronavirus pandemic continues to have a significant impact on the people, businesses and communities of the UK.

The lender was also helped by a booming domestic property market.Lloyds meanwhile unveiled a 390-million deal to buy savings and pensions firm Embark.Chalmers is leading the bank until incoming new boss Charlie Nunn takes the helm in August.

Rival Barclays had revealed Wednesday that its first-half net profits jumped to 3.8 billion on the back of the improved economic outlook.

In England, the bulk of lockdown measures were lifted last week after a phased easing of restrictions.

Tougher curbs however remain across the rest of the UK.Nevertheless, the highly-transmissible Delta coronavirus variant is forcing some countries to reimpose restrictions.

China's efforts to calm investor jitters help markets rebound

REUTERS, *Hong*

China stepped up attempts to calm frayed investor nerves after a wild markets rout this week by telling foreign brokerages not to "overinterpret" its latest regulatory actions, setting the stage for a rebound in beaten-down stocks on Thursday.

Chinese state media also joined in to say yuan-denominated assets in China remained attractive and that short-term market panic did not represent long-term value.

China stocks had their best day in two months on Thursday. The blue-chip CSI300 Index jumped 1.9 per cent and the Shanghai Composite Index gained 1.5 per cent, but for the week, the gauges are still down 4.7 per cent and 3.9 per cent, respectively.

Shenzhen's start-up board ChiNext jumped 5.3 per cent, recouping nearly all of this week's savage losses.

Hong Kong's Hang Seng Index ended Thursday up 3.3 per cent, shrinking this week's loss to 3.7 per cent. The Hang Seng Tech Index , the target of a heavy sell-off earlier this week, surged 8 per cent, but is still down 4.3 per cent for the week.

The gains came after the securities regulator on Wednesday night held a meeting with executives of top global investment banks with an aim to calm financial markets nerves, people familiar with the matter told Reuters.

The meeting added to official efforts to shore up investor confidence, which has been dented by Beijing's sweeping regulatory actions that hit firms in the $120 billion private tutoring sector and technology behemoths.

"This is more to calm the market to isolate the education industry and not to overinterpret it," said one of the people, who has knowledge of the meeting held by China Securities Regulatory Commission (CSRC) vice chairman Fang Xinghai.

At the meeting, Fang told the bankers that official policies would be rolled out more steadily to avoid sharp volatility in the markets, said another person, adding Fang also indicated the crackdown was not aimed at decoupling Sino-U.S. financial markets.

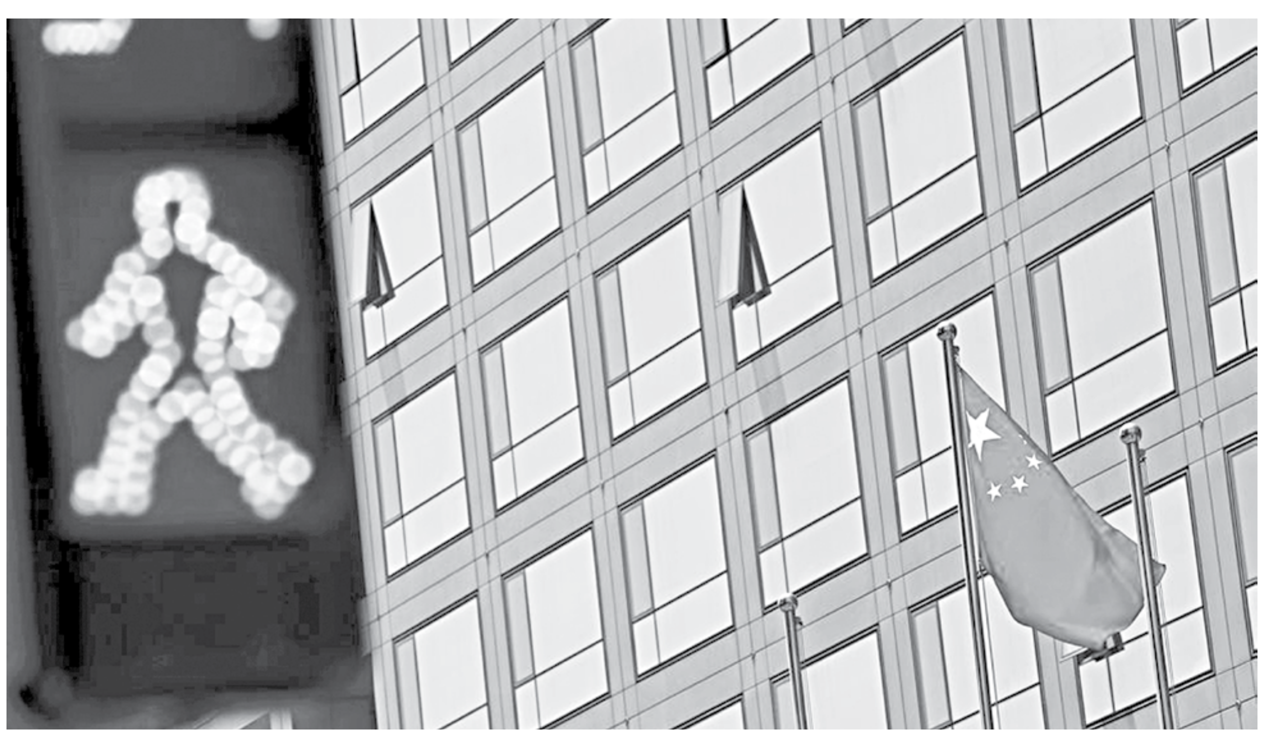
Executives from investment banks Credit Suisse, Goldman Sachs, JPMorgan and UBS, among others, attended the meeting, said the people, who declined to be named as they were not authorised to speak to the media. The regulator only invited those foreign brokerages with existing licenses to operate in the country, said a separate person with knowledge of the meeting.

CSRC did not immediately respond to Reuters' request for comment. Representatives at Credit Suisse, Goldman, JPMorgan, and UBS declined to comment. Bloomberg first reported the regulatory meeting on Wednesday. "Recent events definitely have a negative impact on the global investor sentiment about China. So the risk is whether the long-term money will also pull out of China," said Wang Qi, CEO at fund manager MegaTrust Investment (HK).

"In terms of the foreign capital flows, whatever happened lately was mostly driven by hedge fund type hot money ... we welcome any Chinese government's moves to increase transparency and rebuild investor confidence."

The CSRC meeting followed a brutal sell-off in shares of Chinese companies this week after investors were spooked by Beijing's rules that ban for-profit tutoring in core school subjects.

The new rules for the private education companies closely followed China's antimonopoly campaign against technology giants and new regulations for home-grown companies looking to list overseas.



A Chinese national flag flutters outside the China Securities Regulatory Commission building on the Financial Street in Beijing, China on July 9.

REUTERS

Higher oil prices boost Mexico's Pemex in Q2

AFP, *Mexico City*

Mexican state energy giant Pemex said Wednesday that a recovery in oil prices helped it make a profit of around $720 million in the second quarter of 2021.

The company reported net earnings of 14.4 billion pesos for the three months through June, compared with a loss of 44.3 billion pesos in the same period of 2020. Revenue soared to 347.4 billion pesos, from 181.69 billion a year earlier, according to a company statement.

The most important drivers were "the recovery in prices at a global level and to a lesser extent the volumes sold," the group said.

Total debt stood at $115.1 billion at the end of the second quarter, up from $113.9 billion at the end of March, it said.

Pemex is battling back from what it called the worst crisis in its history last year due to the coronavirus pandemic.

The group lost around $23 billion in 2020 due to a slump in demand for energy that caused oil prices to briefly turn negative for the first time.

On Tuesday, credit ratings agency Moody's downgraded Pemex from Ba2 to Ba3 with a negative outlook, putting it deeper in junk bond territory, due to concerns about liquidity and business risks.

US pending home sales decline in June as prices climb

REUTERS

Contracts to purchase previously owned US homes declined in June in step with a spike in home prices after rebounding strongly in the prior month.

The National Association of Realtors (NAR) said on Thursday its Pending Home Sales Index, based on contracts signed last month, fell 1.9 per cent to 112.8. Economists polled by Reuters had forecast pending home sales would increase 0.3 per cent.

Pending home sales for May were revised to show an increase of 8.3 per cent instead of the 8.0 per cent gain previously reported.

Pending home contracts are seen as a forward-looking indicator of the health of the housing market because they become sales one to two months later.

"Pending sales have seesawed since January, indicating a turning point for the market," Lawrence Yun, NAR's chief economist, said in a statement. "Buyers are still interested and want to own a home, but record-high home prices are causing some to retreat."

House prices have soared in the past year, with the median price for both new and existing homes now topping $360,000.

Compared with one year ago, pending home sales were down 1.9 per cent.

Sharp drops in pending home sales in the South and West in June outweighed modest increases in the Northeast and Midwest.

"The Midwest region offers the most affordable costs for a home and hence that region has seen better sales activity compared to other areas in recent months," Yun said.

Home prices have surged nationwide in large part due to limited supply. Contrary to the run-up to the 2007-2009 financial crisis, the current boom does not feature a frenzy of speculators and buyers with low credit scores trying to flip homes.

Sales of new single-family homes fell for the third consecutive month in June, hitting a 14-month low. However, existing home sales rebounded moderately last month.

"With prices at record highs and mortgage rates still hovering near record lows, sellers are recognizing the favorable conditions," said George Ratiu, senior economist at Realtor.com.

The average contract interest rate for traditional 30-year mortgages declined to 3.01 per cent - its lowest level since February - in the week ended July 23.

REUTERS/FILE

A 'For Sale' sign is posted outside a residential home in the Queen Anne neighborhood of Seattle, Washington, US on May 14.

Qualcomm optimistic on 5G

REUTERS

Qualcomm Inc on Wednesday predicted a rise in sales of chips for 5G phones, including Apple Inc's iPhone, as the company said it had mitigated supply shortfalls that have contributed to a global chip shortage.

Qualcomm total revenues rose 63 per cent to nearly $8 billion, boosted by soaring sales of chips for connected devices that hit $1.4 billion.

The San Diego, California-based company is the biggest supplier of mobile phone chips in the world and the leader in 5G technology, supplying modem chips that help iPhones connect to wireless data networks and the modems and central processors for much of the Android market.

Shares were up 3.1 per cent to $146.86 in after-market trading following the results, which could alleviate some concerns among investors about the impact of the shortage on the smart phone market, including the iPhone.

Qualcomm Chief Executive Officer Cristiano Amon told investors during a conference call that the company's efforts to secure its chips from multiple manufacturing partners were making progress bolstering supplies, with the first shipments of significant volume in the fiscal third quarter and more to come in the coming months.

"We're still on track to materially improve supply by the end of the calendar year," Amon said.

The company is also benefiting from the exit from the global smartphone market of China's Huawei Technologies Co Ltd . Huawei's flagship models did not use Qualcomm chips but its rivals, who are now snapping up market share, mostly do.

Qualcomm has boosted sales of other chips, such as radio-frequency chips that augment its 5G phone chips and whose sales have doubled in the past year. Sales are also growing for a variety of chips for cars and for "internet of things," or IoT, applications.

Qualcomm said on Wednesday it expects sales of those chips to hit $10 billion this fiscal year, up from $6 billion the previous year. The company also said it expects adjusted profits of $8.24 per share for its fiscal 2021, nearly double the year before.

Qualcomm's chip revenue forecast for the current fiscal fourth quarter had a midpoint of $7.25 billion, compared with analyst estimates of $6.83 billion, according to Refinitiv data.

Amon said even as its own bottlenecks ease as it brings on more manufacturing partners, some of Qualcomm's customers cannot find the supporting chips from other vendors that they need to make full devices.

"We continue to see strong demand in every single business outpacing supply," he said on the call.

Apple on Tuesday predicted the chip shortage would start to hit its iPhone in the fourth quarter.

On Wednesday, Qualcomm said that global sales of 5G handsets for 2021 was likely to come in at the higher end of its forecast of 450 to 550 million handsets.

That means that phone makers are likely directing any chips that are in short supply toward production of their more profitable 5G devices. Apple shares rose 0.14 per cent in after-hours trading after Qualcomm's results.

A Qualcomm sign is seen outside one of the company's many buildings in San Diego, California, US.

REUTERS/FILE