



Rajeev Gopalakrishnan, chairman of Bata Shoe Company (Bangladesh), virtually presided over its 49th annual general meeting recently. The meeting approved 25 per cent cash dividend for 2020. Anirban Asit Kumar Ghosh, vice chairman and managing director, Shaibal Sinha, director, Rupali Chowdhury, independent director, Shambhu Nath Jha, finance director, and Hashim Reza, company secretary, attended the meeting.



Khalilur Rahman, chairman of Pragati Life Insurance, virtually presided over its 21st annual general meeting recently. The shareholders approved 12 per cent cash dividend for 2020. Directors Abdul Awal Minto, Mohammed Abdul Awwal, Nelofer Kamal, ASM Mohiuddin Monem, Tabith M Awal, Md Shafiur Rahman, Mohammed Abdul Hamid, Nigar Jahan Chowdhury, Muhammad Jamaluddin and Rashed Al Mahmud Titumir, Jagadish Kumar Bhanja, company secretary, and CEO Md Jalalul Azim, were present.

Japan's refiners face pandemic stress again

REUTERS, Tokyo

Japan's major oil refiners have recovered from last year's steep losses with all reporting a profit for the April-June quarter, but they continue to face headwinds as Covid-19 cases spiral to record highs in the country's fifth wave of the pandemic.

Eneos, Japan's biggest refiner that accounts for about half of Japan's fuel market, on Friday reported profit of 98 billion yen (\$888 million) for the first fiscal quarter, versus a 5 billion yen loss a year earlier. Sales rose 44 per cent but were 12 per cent below the same quarter in 2019 before the pandemic.

"The impact of the spike in new coronavirus variant infections is uncertain and there is a risk that the recovery in fuel demand will be delayed," Eneos Senior Vice President Soichiro Tanaka told reporters.

Idemitsu Kosan reported last week a net income of 88 billion yen versus a year-earlier loss of about the same amount, but warned future profits may be strained as the pandemic clouds the outlook at home and overseas.

Japan's top health adviser has requested for stricter Covid-19 curbs to control the contagion, which he said should be treated as a natural disaster, while the International Energy Agency (IEA) has flagged a hit to global oil demand due to the spread of the more infectious Delta variant of the virus.

Japan's refiners, which have been cutting capacity as long-term fuel demand wanes with the country's

declining population, were hit hard last year when the pandemic briefly led to negative oil prices. Their sales have not yet recovered to pre-pandemic levels and, in the quarter just ended, were as much as a fifth below that of the same period in 2019.

Sales for Cosmo Energy, which swung to a 28 billion yen quarterly profit, rose 20 per cent from a year earlier but were still down 22 per cent from the same period in 2019.

The IEA said on Thursday the rising demand for oil abruptly reversed course in July this year and was set for a slower recovery through the end of 2021.

"Growth for the second half of 2021 has been downgraded more sharply, as new Covid-19 restrictions imposed in several major oil consuming countries, particularly in Asia, look set to reduce mobility and oil use," it said.



The logo of Eneos Holdings and Eneos Corporation is displayed at the company headquarters in Tokyo, Japan.

Drumbeat grows louder for BHP to exit petroleum

REUTERS, Melbourne

Expectations are rising that BHP Group Ltd will deliver a verdict on the future of its petroleum business next week, as it comes under increasing pressure from cuts. Its fossil fuel footprint.

The world's largest miner is facing calls to divulge details of how and when it will run out of fossil fuels, with the active investor Market Force this week holding a meeting on the topic for annual meetings in October and November. Proposal filed.

BHP's decision this month to approve \$802 million in development spending on oil projects in the US Gulf of Mexico - days before a new report that issued a dire warning about human contributions to climate change - has attracted only a few investors. Pressure has increased.

"It's clear something is brewing," said Simon Mavini, chief investment officer at Alan Gray Australia. BHP declined to comment on market speculation.

Analysts value BHP's petroleum business at \$10 billion to \$17 billion, made up of assets in Australia, the Gulf of Mexico, Trinidad and Tobago and Algeria. The division contributed 5 per cent of BHP's \$14.7 billion of underlying earnings in the first half to the end of December, compared to 70 per cent for iron ore.

Investors are divided on its fit to BHP's portfolio, especially as the company focuses on new economy materials like copper, nickel and potash. Morgan Stanley analyst Rahul Anand said in a recent note that the exit from petroleum would result in "a major shift" in BHP's environmental, social and governance (ESG) credentials and overall strategy for fossil fuels.

BHP's late-life, low-return energy assets in Australia are considered particularly ripe for sale amid high oil and gas prices.

Brenton Saunders, a portfolio manager at Pendle Group, said, "For BHP, if you look at its Australian (energy) assets, if they can exit in a meaningful way for some predictable value, that would be a good result."

Credit Suisse and Citi value Australian energy

assets - including the Bass Strait, Northwest Shelf LNG and Scarborough gas fields - by \$3 billion to \$5 billion.

Woodside Petroleum Limited is seen as the most logical buyer as they will boost its free cash flow and increase its stake in major projects, although not all investors support such an alliance, as Asset mix and potentially require one. Equity raising.

Woodside declined to comment.

Credit Suisse analyst Saul Kavonic said BHP would have to discount any sales given some of the heavy decommissioning liabilities, although a sale could boost its ESG rating and attract new shareholders.

"BHP can sell these for a discount but still

increase the share price even though the rest of their business is re-rated," he said.

Elsewhere, investors say BHP's petroleum assets are more attractive.

The most valuable are its stakes in oil fields in the Gulf of Mexico, valued at \$10.4 billion by Wood Mackenzie, which made up about 25 per cent of the company's 103 million barrels of oil equivalent output as of June 2021.

"The rest of the portfolio, there are parts that are high-growth, high-returning. They've done a lot of work on them and shareholders have gone through some bad times. They're good assets," said Saunders of Pendle Group.

BHP is due to announce its annual results on Tuesday at 0700 GMT.



Visitors to the BHP (formerly known as BHP Billiton) booth speak with representatives during the Prospectors and Developers Association of Canada (PDAC) annual convention in Toronto, Ontario, Canada.

Dutch lead charge for electric car stations

AFP, Rotterdam

They are best known for bike-riding, but the climate-vulnerable Dutch are leading the way for electric cars with the largest number of charging stations in Europe.

Teslas and other vehicles can be seen plugged in on practically every street corner thanks to a network of some 75,000 stations - nearly a third of the entire EU total.

Investing to put enough charging stations in the reach of drivers is crucial for countries that have set targets for an all-electric car future.

For Nienke Bergsma, the lightbulb moment when she decided to buy an electric car came when four charging posts were installed at the bottom of her Rotterdam road.

Bergsma, a 37-year-old mature student living in the centre of the port city, said she had wanted to "contribute to the protection of the environment". While it was a headache at first to get used to the rhythm of charging, she said she was now "very happy" to have taken the leap.

Around one in every five of the 400,000 new cars sold annually in the Netherlands is now electric, due partly to tax breaks and other incentives during the last decade.

But the Dutch government has also ensured that drivers have the infrastructure to support efforts to kick the addiction to fossil fuels.

With one-third of the Netherlands lying below sea-level, the country is particularly at risk from climate change, which UN experts this week warned was at "code red".

The Dutch government wants all new cars to be electric from 2030 in the Netherlands, where road traffic accounts for a fifth of greenhouse gas emissions.

Despite its environmentalist image, the Netherlands is one of

the EU's top five emitters, and has more cars per capita than France or Greece. Prime Minister Mark Rutte - his VVD party is nicknamed the 'vroom-vroom' party due to long-time pro-car policies - only reversed course in recent years after court victories by climate groups that said the Netherlands was breaching EU rules.

Whatever the reasons, the trend is catching on, with the Netherlands proving particularly well-suited to electric vehicles.

Fully-charged, Nienke Bergsma's Volvo has a range of 400 kilometres (240 miles), a distance that the environment and natural sciences student practically never travels.

Short distances in one of Europe's smallest and most densely populated countries and a high-quality road network "encourage people to take up electric motoring", said Maarten van Biezen, co-leader of the Association

of Electric Motoring (VER).

The Dutch began to encourage electric cars "very early", in 2012, far sooner than Paris or Berlin, he said. In addition to the 75,000 public charging stations, around 190,000 Dutch people have their own charging post at home.

Around 30 per cent of Europe's electric vehicle charging points are in the Netherlands, according to the European Automobile Manufacturers' Association.

France and Germany, the EU's biggest countries, round out the top three, each accounting for 20 per cent of the bloc.

"No other country has the same density of charging points as the Netherlands," the Dutch government business agency RVO said. Around half of the public or semi-public stations are in the two provinces where Amsterdam, The Hague and Rotterdam are located, accounting for a third of the

country's population.

Most can be used just by scanning a card. In towns, every electric car user has the right to a charging station within 200 metres of their home; while in the countryside motorists have their own posts, with 75 per cent of those generating electricity for them by solar power.

The standard chargers "fill up" a car overnight or in several hours. Rapid chargers such as those at motorway service stations can refill cars' batteries in 30 minutes.

But despite everything there still aren't enough, said Bergsma, who charges her car every four nights.

Even avoiding the evening rush hour she often has to spend 15 minutes looking for a charger, and said she now always makes sure she never empties the battery to avoid getting stuck.

"It's frustrating," she said, pointing to a charger blocked by a large plant box.



Almost a third of Europe's network of charging stations is in the Netherlands.

Investors give value stocks a second look

REUTERS, New York

US value stocks may be getting a second wind, as bets on economic strength bolster Treasury yields and lift cyclically-sensitive shares that have stagnated in recent months after a powerful rally earlier this year.

The S&P 500 value stock index, which is relatively heavily weighted in shares of financials, energy firms and other economically sensitive companies, is up 5.5 per cent from last month's lows, outperforming its tech-heavy counterpart by more than a percentage point in a rally that accelerated over the past week. The value index is up 18 per cent this year, despite stalling after a strong start to 2021.

The move may herald a nascent comeback for the so-called reflation trade, a bet on rebounding economic growth that saw value stocks surge starting late last year alongside Treasury yields.

Yields have climbed this time around as well, with the yield on the benchmark 10-year US Treasury, which moves inversely to prices, up about 20 basis points since last week, to 1.36 per cent, before pulling back on Friday.

"I do think value is somewhat of a coiled spring," said Matt Peron, director of research at Janus Henderson Investors, who believes value could outperform for at least the next six months. "I do think it has another run left in it."

Investors pointed to several reasons for value's rosier outlook. While the rise in coronavirus cases spurred by the Delta variant, remains a wildcard, signs that infections may be slowing in Europe and parts of the United States could mean that the lockdowns required last year will not be needed for the foreseeable future, Peron said.

At the same time, some investors believe growth will remain strong in the US even after peaking in the second quarter. US gross domestic product is expected to rise 6.1 per cent in 2021, and 4.8 per cent in 2022, according to Oxford Economics, stronger than what annual growth has been

for the past decade.

"We haven't seen growth rates this high in some time and that's why we think ... value can keep outperforming, even once the rate of growth peaks," said Sameer Samana, senior global market strategist at Wells Fargo Investment Institute.

Among those calling for more gains in value stocks are technical strategists at JPMorgan, who in the past week said the S&P 500 value index "looks poised for a breakout." Truist Advisory Services on Wednesday said it expects more upside for value over the next 12 months given the still strong economic outlook and weak earnings trends for tech compared to the broader market.

Since the 10-year yield made a recent bottom last week, the S&P 500 value index has climbed 2.4 per cent against a 0.5 per cent rise for its growth counterpart.

The value stock bounce comes as investors digest data from the past week showing a potential peak in inflation, while looking ahead to the Federal Reserve's Jackson Hole symposium at the end of the month. That event, or the central bank's next policy meeting in September, could offer signals on when it will begin unwinding the \$120 billion a month government bond buying program that has helped support asset prices.

Next week, the monthly US retail sales report and earnings from retailers such as Walmart and Target could shed more light on the health of the consumer.

Investors are also keeping a close eye on Treasury yields, with rising yields often viewed as a sign of economic optimism that could also boost value stocks. Higher yields also particularly benefit profit margins of banks, which tend to make up large portions of value indexes.

Plenty of stumbling blocks remain for the value trade. Signs that the coronavirus is threatening the economic outlook could send investors back toward large technology and growth shares that performed well for much of 2020.