

Moody's changes City Bank outlook to stable

STAR BUSINESS DESK

Moody's Investors Service has changed the outlook to "stable" from "negative" and affirmed issuer rating at B1 for City Bank Limited.

The rating was revised considering the bank's strength and challenges along with the impact of current economic turmoil from Covid-19 pandemic, said a press release.

The outlook reflects Moody's expectation that Bangladesh's robust economic growth and the pandemic-related forbearance measures that eased debt repayment burden of affected borrowers would limit the banks' asset quality deterioration and support their solvency over the next 12 to 18 months.

The rating reflects the bank's modest asset quality, average capital position and moderate profitability.

It demonstrates improved profitability driven by higher net interest margin, improved capital adequacy ratio and concentration on SME, retail banking and trusted corporate clients to manage asset risk.

Superior strength in retail banking and credit card segments, a sturdy deposit franchise and access to development funds from development financiers are recognised as credit strengths of the bank.

Keep rising cotton prices in mind when selling RMG

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We need to make them aware of the upward trend of cotton prices in the international futures markets," Khokon said.

Consensus on the price was reached on August 21 among leaders of the BTMA, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTLMEA).

It was decided that the widely consumed 30 carded yarn will be sold at \$4.20 per kilogramme (kg) if the cotton prices ranged between \$0.85 and \$1 per pound in international markets.

The leaders in a meeting also reached agreement that if the price of cotton went over \$1 per pound, the spinners would be able to bargain a price hike of yarn with the buyers. Conversely, if the cotton price went below 85 cents per pound, the buyers would be able to work out a price reduction with the spinner.

The price of cotton in international markets had already crossed \$1 per pound, said Khokon.

"We need to make the garment manufacturers and exporters aware about the price escalation of cotton in the international markets so that they can accordingly negotiate prices of garment items with their international retailers and brands," he said.

Leaders of the BGMEA and BTLMEA in August had demanded that the government ease conditions for importing yarn from India and other countries through land ports as its prices were going up in the domestic markets.

China property sector woes deepen

REUTERS, Hong Kong

As investors were abuzz on Tuesday with cash-strapped China Evergrande Group's possible sale of a stake in a unit to raise as much as \$5 billion, more Chinese property developers grappled with ratings downgrades on worries about their ability to repay debt.

Evergrande is facing one of the country's largest-ever defaults as it wrestles with more than \$300 billion of debt.

The company last month missed making coupon payments on two dollar bond tranches.

The possible collapse of one of China's biggest borrowers has triggered worries about contagion risks to the property sector in the world's second-largest economy, as its debt-laden peers are hit with rating downgrades on looming defaults.

Chinese developer Sinic Holdings (Group) Co Limited became the latest to be downgraded by Fitch Ratings on Tuesday on uncertainty over the repayment of its \$246 million bonds

maturing October 18.

Sinic's long-term issuer default rating was cut to 'C' from 'CCC', and came after the company announced that certain subsidiaries have missed interest payments on onshore financing arrangements, Fitch said in its report.

Sinic could not immediately be reached by Reuters for comment.

The move comes amid persistent uncertainty over the fate of Evergrande, once China's top-selling developer and now set to be one of the country's biggest restructuring exercises.

The company on Monday requested a halt in the trading of its shares in Hong Kong pending an announcement about a major transaction.

Evergrande Property Services Group, a spin-off listed last year, also requested a halt and said it referred to "a possible general offer for shares of the company."

China's state-backed Global Times said Hopson Development was the buyer of a 51 per cent stake in the property business for more than

HK\$40 billion (\$5.1 billion), citing unspecified other media reports.

Hopson also said it had suspended its shares, pending an announcement related to a major acquisition of a Hong Kong-listed firm and a possible mandatory offer.

A spokesperson for Evergrande did not immediately respond to a request for comment.

Separately, Chinese homebuilder Fantasia Holdings' dollar-denominated bonds lost nearly half their market value in a massive Monday selloff, after it said it had failed to make a \$206 million international market debt payment on time.

In a statement, the property developer said it will assess the potential impact of the non-payment on the group's financial conditions.

An index of China high-yield debt, which is dominated by developer issuers, hit its lowest since the pandemic drawdown in 2020 on Monday, and has lost almost 20 per cent since May - while comparable US and European indexes have rallied.

Seven Rings Cement to be used in Osmani airport project

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Seven Rings Cement recently signed an agreement with Beijing Urban Construction Group Company Limited to supply cement for an expansion project of Osmani International Airport in Sylhet.

Gautam Chatterjee, chief marketing officer of Seven Rings Cement, was present, said a press release.

This Chinese company is implementing the project, which will increase the airport's passenger capacity from 6 lakh to 20 lakh.

Under the project, a terminal building, a cargo building, an air traffic control tower, a taxiway, a fire station, boarding bridges and baggage handling and flight information display systems would be set up.

The project also includes power substations, systems for fire fighting, fuel hydrant, drainage, voice control communications, surveillance and central air conditioning, elevator, escalators and water treatment plants.

Oil prices surge, stocks slump

AFP, New York

Oil prices surged on Monday as OPEC+ kept to its plan to not boost output further, while US and European stocks slumped amid worries over inflation and higher interest rates.

US oil prices soared to their highest level since November 2014 after OPEC and key allies -- known as OPEC+ -- decided to stick with their planned moderate increase next month, despite the recent surge in prices. Meanwhile, the price of the main international contract, Brent oil, jumped above \$82 a barrel before finishing at \$81.26 a barrel.

"The decision by OPEC+ to add the expected 400,000 barrels per day in November triggered a market reaction, as traders are now more boldly coming out from their cautious positions and pricing in a confirmed, tighter supply market," said Bjornar Tonhaugen, head oil markets at Rystad Energy.

Some economists are worried that sustained oil prices of \$80 per barrel could undermine the recovery of the global economy, already under strain from snags in supply chains. "Producing nations, and namely OPEC+, have to be careful not to allow prices to inflate too much, otherwise we may see an adverse reaction that could negatively impact post-pandemic economic growth," Tonhaugen said.

Gains in European equities evaporated and US stocks sank as oil prices continued to rise after the OPEC+ announcement. Analysts pointed to higher yields in government bonds as a drag amid expectations for tightening monetary policy. The tech-rich Nasdaq led the market lower, slumping 2.1 per cent as highflyers such as Amazon and Apple lost around two per cent or more.

Facebook sank nearly five per cent, weighed down by a major outage on its services as well as heightening scrutiny of its operations after whistleblower Frances Haugen told television news show "60 Minutes" the company repeatedly chose "profit over safety" in managing the omnipresent social media company.



Police officers and security personnel walk outside the headquarters of China Evergrande Group in Shenzhen, Guangdong province, China on September 30.

REUTERS

Robi, Banglalink fined for flouting rules

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According to the probe, Robi was supposed to offer value-added services to its customers through the intra-operator short-code. But it provided illegal off-net TVAS via the interconnection exchange (ICX) operators.

It permitted BNG Advanced Software Solutions Ltd, an unauthorised TVAS provider, to set up equipment in its data centre, although no infrastructure sharing deal was inked.

Similarly, payments were made in the bank account of BLACKnGREEN, another unauthorised TVAS provider, for the services extended by BNG.

When inquired about the deal with BNG, Robi told the BTRC probe team that it had inked the agreement with the firm as a back-end content and service provider.

But after examining the agreement, the regulator found that the operator also availed services from the unauthorised firm, the probe report said.

Banglalink received TVAS service for about one year from BNG before the TVAS provider secured registration from the commission. It also took the service of BLACKnGreen for almost a year.

In its reply to the probe team, Banglalink said it had been taking service from BLACKnGREEN as the continuation of the previous agreement as taking registration was a lengthy process.

However, the operator continued to avail the service of BLACKnGREEN even after BNG received the license.

The probe found Banglalink provided

the illegal off-net TVAS service via ICX operators through an intra-operator short-code, although it was supposed to extend the service to its own customers alone known as on-net service.

It also allowed BNG to set up equipment at its data centre in the absence of an infrastructure sharing agreement.

The BTRC ordered Robi and Banglalink to cancel all the agreements with BLACKnGREEN and all business transactions with the unauthorised service provider.

It also ordered them to remove the machinery of BNG from the data centre.

Mustafa Jabbar, minister for Posts and Telecommunications, said none would be spared for committing such a financial crime.

Subrata Roy Maitra, vice-chairman of the BTRC, said the commission was working on the various types of value-added services provided by operators. The commission has already taken actions against illegal TVAS providers, he said.

Ankit Sureka, head of corporate communications and sustainability of Banglalink, said that as a compliant company, Banglalink always respects the laws of the land and maintains an organisational culture that strongly upholds ethics and compliance.

"We are working with the BTRC to resolve this matter and will take a final decision based on the guidance of the BTRC and in accordance with the laws," he added.

A spokesperson of Robi declined to comment.

Binance trading volumes soar despite regulatory crackdown

REUTERS, London

Trading volumes at major cryptocurrency exchange Binance soared between July and September, suggesting a recent crackdown by regulators across the globe has had little impact on the platform's business.

Worried about consumer protection as well as the standard of anti-money laundering checks at crypto exchanges, regulators from Britain and Germany to Hong Kong and Japan have in recent months ratcheted up pressure on Binance.

Some have banned the platform from certain activities, while others have warned consumers it was not licensed to operate in their jurisdiction. Binance has in response tightened anti-money laundering checks and cut its product line-up.

Yet Binance's spot cryptocurrency trading volumes totalled \$789 billion in September versus \$454 billion in July, data from UK researcher CryptoCompare compiled for Reuters showed, with Binance cementing its status as the world's biggest digital asset platform.

Derivatives volumes jumped almost 25 per cent to \$1.7 trillion, the data showed.

BFIU freezes bank accounts of payment gateway Foster

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The Detective Branch of the police arrested him on Monday on charges of embezzling money through online fraud.

Qoom has recently suspended its physical operations after hundreds of customers thronged its office in Dhaka, demanding products or refunds after it failed to make deliveries within the promised dates despite receiving payments in advance.

Md Al-Beruni, senior manager at the corporate finance department of Foster, declined to comment on the BFIU move.

He said the company was now carrying out all types of activities, including settling banking transactions, at the moment.

He, however, admitted that the company was facing a bit of difficulty in running the operation.

New e-commerce platform comes into being

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Let's GO Mart ensures faster delivery of quality products and creates the opportunity to deliver the products manufactured by small entrepreneurs.

"From fashion accessories to electronics, home appliances, smartphone gadgets, handicrafts to all the daily necessities will be available and the overall activities of Let's GO Mart will be governed by the 'You Shop We Drop' policy," he added.

Let's GO Mart is a part of Let's GO Tech Ltd. Let's Go Tech Ltd is a private company registered under the Companies Act 1994. It began its journey on February 11 in 2018.

SM Asaduzzaman, the e-commerce platform's director; Syed Ashraf-Ul-Saleheen, director and chief operating officer; and Bidya Sinha Mim, model and brand ambassador of Let's GO Mart, were also present at the launch.

Export containers stuck at two ICDs

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Chittagong Port Authority Chairman M Shahjahan sat with the two parties on Monday, but no result came.

Yesterday, he called a meeting with both parties. The meeting was ongoing when this report was filed at 6:30 pm. Prime mover drivers and helpers stopped working at Shafi Motors, protesting the arrest of a fellow driver.

Ramjan Ali, an equipment repairman of the ICD, was severely injured after being beaten badly by several prime mover drivers of the same depot on Monday evening.

Police from Pahartali Police Station arrested Yasir Arafat, one of the drivers, on

the same night after the victim filed a case.

Md Main Uddin, head of operation of Shafi Motors, said prime mover drivers had stopped working over the matter and demanded the ICD authority fire the repairman and withdraw the case.

One export container from the ICD missed shipment yesterday morning while 50 TEUs of export containers could not be sent to a vessel scheduled to leave the port Wednesday morning, he said.

BICDA Secretary Md Ruhul Amin Sikder said the operation of the ICDs had come to a standstill because of the protest. He called the demands illogical.

BB on dollar selling spree to keep taka steady

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The receipts were down 19.74 per cent year-on-year, data from the BB showed.

The unofficial route had faced a major disruption since the first quarter of 2020 as international travel came to a halt because of the pandemic, fueling the growth of remittance through official channels.

The prices of various commodities in the international market have risen sharply during the period, widening the import payments and creating pressure on the foreign exchange regime, Ali said.

On top of that, importers have begun making payments, which were earlier suspended by the central bank to support the businesses in the early days of the pandemic.

Settling the deferral payments has created additional pressure for the foreign exchange market, Ali said.

"The pressure will be offset once remittance gets back its momentum," he said, adding that export earnings would also play a crucial role to this end.

In an encouraging development, shipments surged to \$4.16 billion in September, the highest-ever single-month export earnings, thanks to a strong rebound of garment exports amid a recovery of the global supply chain from the severe fallout of the pandemic.

Both Ali and Syed Mahbubur Rahman, managing director of Mutual Trust Bank, think the local market will go through a shortage of greenbacks in the next six months.

"The taka will face the depreciating pressure during the period. A strong inflow of remittance and export earnings will help stabilise the market," said Rahman.

The BB official says Bangladesh will

face inflationary pressure if the taka keeps falling.

This means importers will have to pay more to buy products from international markets, which ultimately takes a toll on the common people as additional costs are passed on to consumers.

Emranul Huq, managing director of Dhaka Bank, said imports had gone up in the last couple of months as businesses had begun expanding operations.

"Because of the pandemic-induced economic slowdown, businesses had earlier adopted a go-slow policy. Now, they have started importing capital machinery and raw materials. As a result, some banks are facing dollar shortage."

He, however, expressed hopes that the foreign exchange market would calm down within a month or two.

New ADB country director

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Ginting, a national of Indonesia, would lead the ADB's operations in Bangladesh and policy dialogues with stakeholders, including the government and development partners.

He will oversee implementation of the ADB's upcoming country partnership strategy for Bangladesh, 2021-2025.

"I look forward to working closely with the government and the people of Bangladesh to overcome the Covid-19 pandemic, restore high economic growth..."

"...and achieve the country's development goals, including becoming an upper middle-income country in 2031 and a developed nation in 2041," said Ginting.

Fast-yielding aman a lifesaver for farmers in lean period

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Giriza Prosonna, a farmer based in Ramnagar village of sadar upazila, said he produced 27 maunds of fast-flowering aman paddy from two bighas of land.

Selling each maund at a high price of about Tk 900, Prosonna earned around Tk 25,000 from the lot.

"This made me very happy as there is a price hike during the ongoing lean season," he added.

In addition, since the new varieties provide quick yields, farmers can cultivate potatoes varieties that can be harvested early on the same piece of land after reaping the paddy, said Shamim Hossain, owner of a large farm in Uttor Durakuti village of Kishoreganj upazila.

Quick yields coupled with availability of high prices after harvest and the opportunity

to cultivate other crops are the main factors behind the increased popularity of fast-growing crops, according to various DAE officials and farmers.

During a visit to different paddy-producing villages, this correspondent found that farmers had an increased supply of straw to sell as fodder at high prices thanks to a scarcity of animal feed.

"Farmers adopt new cropping patterns to cultivate four main crops, including rice and potato, in a cycle each year," said Abu Bakar, deputy director of the district DAE.

So, the introduction of fast-growing paddy, potato, maize and other crops is slowly changing the country's traditional farming methods and subsequently, bringing change to the socio-economic scenario, he added.