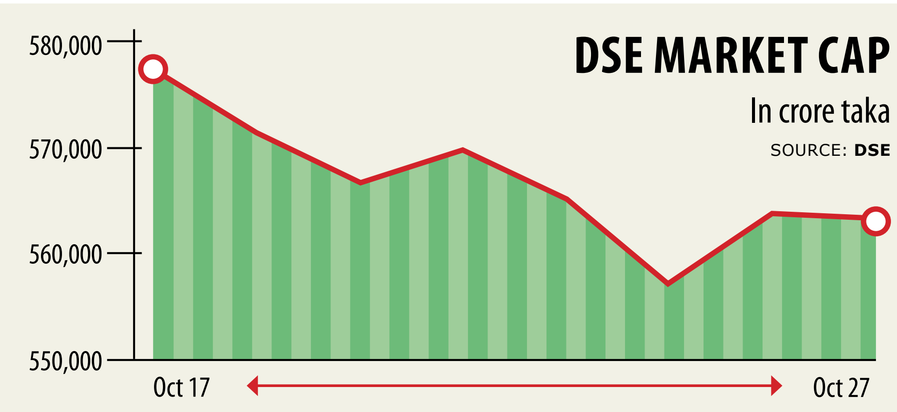
Stocks rise slightly as recovery continues

Investors cautious about index movement, experts say



STAR BUSINESS REPORT

The domestic stock market yesterday continued its slow recovery as investors are cautiously waiting to see which way the prime index of the Dhaka bourse may move.

"As the market has been volatile for the past few days, investors are waiting to see the next index movement," a stock broker said.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), edged up by 6 points, or 0.08 per cent to 7,011 yesterday.

If the market continues to rise from here, then general investors will increase their participation but if it drops, then they will either hold or sell their shares instead of buying new ones, he added.

The stock broker went on to say that investors often rearrange their portfolios after seeing the earnings and dividend declarations of various companies.

Several companies disclosed their earnings and dividends yesterday. Among them, Malek Spinning, National Tea, eGeneration, Energypac Power Generation, and ADN Telecom announced 10 per cent cash dividends.

Similarly, Premier Cement, Hwa Well Textiles and Tamijuddin Textiles announced 20 per cent cash dividends each while ACME Laboratories declared 25 per cent and Mir Akhter Hossain 12.5 per cent.

British American Tobacco Bangladesh (BATBC) announced 125 per cent interim cash dividends. However, Meghna Pet Industries and Meghna Condensed Milk declared no dividends.

Turnover at the DSE rose to Tk 1,497 crore yesterday, up from Tk 1,386 crore a day earlier.

Of the stocks to witness trade at the country's premier bourse, 180 advanced, 166 declined and 29 remained unchanged.

Among major sectors, general insurance, tannery and banks experienced price appreciation while food and allied, IT and non-banks faced correction, according to UCB Stock Brokerage.

Olympic Accessories topped the gainers list, rising 10 per cent, followed by Fareast Finance, GBB Power, AFC Agro Biotech, and Bangladesh Industrial Finance Company.

Stocks of Beximco Limited traded the most, worth Tk 126 crore, followed by IFIC Bank, Orion Pharmaceuticals, Delta Life Insurance, and BATBC.

Mir Akhter Hossain shed the most, dropping 9.38 per cent, followed by Coppertech Industries, Agni System, BD Wielding, and Aramit Cement.

The Chittagong Stock Exchange also rose yesterday as the CASPI, the main index of the port city bourse, grew by 9 points, or 0.04 per cent to 20,453.

Among the 297 traded stocks, 162 rose, 112 fell and 23 remained unchanged.

BASIS launches seventh edition of outsourcing award

Aims to bring more youths into freelancing and create skilled manpower

STAR BUSINESS REPORT

The seventh edition of BASIS Outsourcing Award was launched yesterday aiming at bringing more youths into freelancing and creating skilled manpower to achieve a $5 billion export target from software, IT-enabled services and digital devices by 2025.

The Bangladesh Association of Software and Information Services (BASIS) is organising the event.

"The government has set a target of $5 billion in export revenue by 2025 from the software, ITES sector and digital devices," said Syed Almas Kabir, president of the BASIS, at a press conference at its office in Dhaka.

"For that we need skilled youth which is the main obstacle to increasing the export basket," he said.

"We need to further strengthen public-private initiatives to improve our skills to innovate new products and services in the expansion of the international market," he said.

He said the BASIS was working with the government to identify several new markets.

Cash incentives should be increased by 20 per cent for at least for the next three to five years, he said.

Currently, the government provides a 10 per cent cash incentive on the income earned in this sector.

The registration process of the BASIS Outsourcing Award 2021 will start from October 26.

Interested persons or organisations can register till November 11.

A total of 100 awards will be conferred through step-by-step screening by judges in two categories. There will be 20 awards at the institutional level and 80 at the individual level.

The government has set a target of $5 billion in export revenue by 2025 from software, IT-enabled services and digital devices. PHOTO: COLLECTED

At the organisation level, there will be five awards in an outsourcing organisation category, five in a startup category and 10 in an export excellence category.

At the individual level, the award will be given to 64 individuals from 64 districts, six individuals in individual women's category, and 10 individuals in outsourcing professional category.

More than 300 companies are now exporting their IT/ITES in over 80 countries. "We want to recognise them through this award," said Rashad Kabir, convener of the award and managing director of Dream71 Bangladesh Ltd.

"This recognition aims to put a positive impact in the local market and it gives a message to the local private industry and government that our IT companies are now globally competent and ready to develop world class software solutions," he said.

"We also want to encourage women to focus on online outsourcing at home," said BASIS Senior Vice President Farhana A Rahman.

"One of the primary aims of the event is to make visible and recognise those individuals as well as organisations who are working from remote areas, highlighting their contribution to exports, and making individuals who are doing freelancing personally entrepreneurial by creating companies," she said.

"Besides, we want to stress on developing skills among youth as technology advances," she added.

Bank Asia Senior Executive Vice President Md Zia Arfin and BASIS Vice President (finance) Mushfiqur Rahman were present.

GLOBAL BUSINESS

Pandemic hit on jobs worse than thought: UN

AFP, *Geneva*

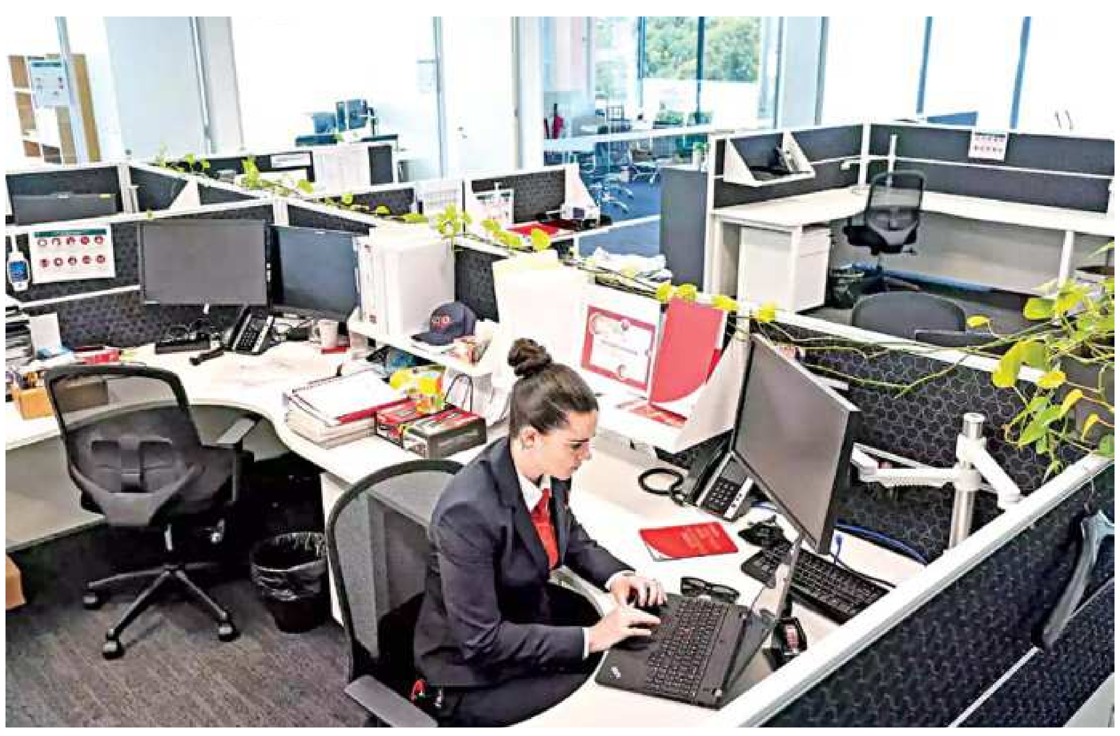
The impact of the Covid-19 pandemic on jobs has been harder than previously expected, and a worrying two-speed recovery is emerging between richer and poorer nations, the UN's International Labour Organization warned Wednesday.

"The current trajectory of labour markets is of a stalled recovery, with major downside risks appearing, and a great divergence between developed and developing economies," said ILO chief Guy Ryder.

"Dramatically, unequal vaccine distribution and fiscal capacities are driving these trends, and both need to be addressed urgently.

"The ILO projected that global hours worked in 2021 will be 4.3 per cent lower than levels in the fourth quarter of 2019, prior to the outbreak of the pandemic. That was equivalent to 125 million full-time jobs.

In June, the ILO had been projecting a decline of 3.5 percent, or 100 million full-time jobs.High-income countries fared better, suffering 3.6 per cent decline in total hours worked in the third quarter of this year, the ILO calculated.



High-income countries fared better, suffering 3.6 per cent decline in total hours worked in the third quarter of this year, the ILO calculated. AFP/FILE

That compares with falls of 5.7 per cent for low-income countries and 7.3 per cent for lower-middle income countries.

By region, Europe and Central Asia experienced the smallest loss of hours worked, and the Arab States the biggest, with the divergence largely driven by major differences in vaccine roll-outs and fiscal stimulus packages, the report said.

The ILO also found that young people, especially young women, have been among the hardest hit by the impact on jobs of the pandemic. The ILO estimates that if low-income countries had better access to vaccines, the working hours recovery would catch up with richer economies in just over one quarter.

It estimated that for every 14 people fully vaccinated in the second quarter of this year, one full-time equivalent job was added to the global labour market.

By early October, 59.8 per cent of people were fully vaccinated in high-income countries, compared to just 1.6 per cent in low-income countries, according to the ILO.

Ryder told a press conference that the prospects ahead looked "weak and uncertain", with the fourth quarter of 2021 expected to see only a modest recovery in working hours.

Significant downside risks on the horizon include energy prices, inflation and debt distress, while in low- and middle-income countries, fiscal constraints are expected to hinder progress further.

Google-parent Alphabet profit soars to over $18b

AFP, *San Francisco*

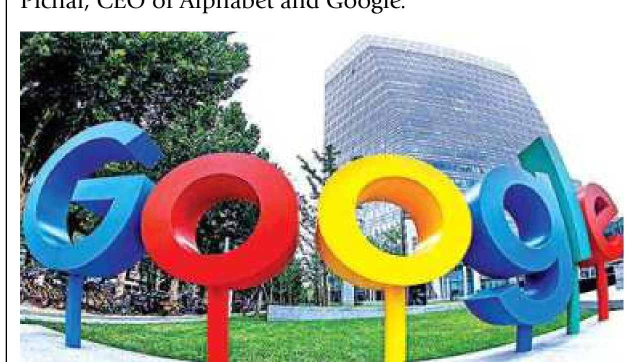
Google's parent company Alphabet announced profits Tuesday that jumped to $18.9 billion, even as the online colossus faces increased regulatory pressure and shifting of the lockdown lifestyles that have so benefited Big Tech.

Google remains a centerpiece of online activity, with offerings such as its search engine, ad marketplace, and YouTube video platform that give it extensive global influence.

Alphabet revenue of $65.1 billion in the recently-ended quarter eclipsed the same period last year by some 41 per cent, according to the tech titan, as its online ad engine and cloud services thrived.

Fellow giant Facebook, despite its whistleblower scandal, has also announced whopping profits, as did Microsoft, although Twitter reported a large loss due to a shareholder lawsuit settlement.

"This quarter's results show how our (artificial intelligence) investments are enabling us to build more helpful products for people and our partners," said Sundar Pichai, CEO of Alphabet and Google.



The brand logo of Alphabet Inc's Google is seen outside its office in Beijing. REUTERS/FILE

"As the digital transformation and shift to hybrid work continue, our Cloud services are helping organizations collaborate," he added.

From July to September, its video service sold $7.2 billion of advertising space targeted according to content and users, against $5 billion in the same period last year, according to Alphabet.

Its remote-computing business saw nearly $5 billion in revenue, up 45 per cent over the previous year.

But Google's driving force remains advertising, with the company on pace to have 28.6 per cent of the global digital advertising market in 2021, according to eMarketer, just ahead of Facebook's 23.7 per cent share.

The surge in Alphabet's earnings comes as the tech giant faces increased scrutiny from regulators regarding its power.

Google is among internet giants in the crosshairs of regulators and critics concerned about whether they unfairly dominate markets and fend off competition.

South Korea's antitrust watchdog fined Google nearly $180 million in September for abusing its dominance in the mobile operating systems and app markets, it said, the latest in a series of regulatory moves against tech giants around the world.

Google also reportedly faces the threat of a new antitrust lawsuit from US officials over the Silicon Valley conglomerate's power in the online advertising market.

Evergrande boss asked to pay firm's debts with own cash

AFP, *Beijing*

Chinese authorities have told Evergrande founder Xu Jiayin, once the country's richest man, to use his personal wealth to alleviate the embattled company's debt crisis, according to media reports.

The liquidity crunch at one of China's biggest property developers has hammered investor sentiment and rattled the country's crucial real estate market, while fanning fears of a possible contagion of the wider economy.

Last week, the group unexpectedly paid interest on an offshore bond just before a Saturday deadline, averting a default and giving it a much-needed reprieve.

Evergrande also reported that it had resumed work on more than 10 stalled projects.

But Bloomberg News reported Tuesday that Beijing has pushed Xu -- also known as Hui Ka Yan in Cantonese -- to dip into his own pocket to help pay off some of the company's debts, citing people familiar with the matter.

The report said the directive from Beijing came after his company missed an initial bond interest payment due on September 23.

However, it is unlikely that Xu's personal sacrifice would make much of an impact on Evergrande's liabilities of more than $300 billion, with Bloomberg reporting his fortune at less than $8 billion.

Xu, 63-year-old, was once the wealthiest person in China, worth more than $40 billion just a few years ago, before Evergrande's troubles began.

US consumer confidence rebounds

REUTERS, *Washington*

US consumer confidence unexpectedly rose in October as concerns about high inflation were offset by improving labor market prospects, suggesting economic growth was picking up after a turbulent third quarter.

The survey from the Conference Board on Tuesday showed consumers eager to buy a home and big-ticket items such as motor vehicles and major household appliances over the next six months.

The share of Americans planning to go on vacation was the largest since February 2020, just before the nation was slammed by the first wave of Covid-19 infections.

A resurgence in coronavirus cases over the summer, driven by the Delta variant, and supply-chain constraints related to the pandemic restrained economic activity last quarter.

"Consumers are more upbeat after a rocky third quarter and this argues for a strong finish for the economy in 2021," said Christopher Rupkey, chief economist at FWDBONDS in New York.

"Consumers know the tight labor market has their backs. Those forecasting a recession from the drop in the confidence late in the summer will have to back off that call."

The consumer confidence index increased to a reading of 113.8 this month from 109.8 in September, ending three straight monthly declines.

The measure, which places more emphasis on the labor market, remains below its peak of 128.9 in June.

The rise contrasted with the University of Michigan's survey of consumers, which showed sentiment falling early this month.

The rebound in confidence coincided with an ebb in coronavirus infections. Consumers were upbeat about both current conditions and the short-term outlook. Economists polled by Reuters had forecast that the index would dip to 108.3.

The Conference Board's so-called labor market differential, derived from data on respondents' views on whether jobs are plentiful or hard to get, raced to a reading of 45 this month, the highest in 21 years, from 43.5 in September.

This measure closely correlates to the unemployment rate in the Labor Department's closely watched employment report.

Combined with declining new claims for unemployment benefits, it raises hopes that job gains picked up this month after employers hired the fewest workers in nine months in September.

Slower job growth has been blamed on pandemic-related labor shortages. There were 10.4 million job openings at the end of August.

"This is another sign that job growth reaccelerated in October," said Ryan Sweet, a senior economist at Moody's Analytics in West Chester, Pennsylvania.

"It points toward a decline in the unemployment rate in October."

Stocks on Wall Street were trading mostly higher. The dollar rose against a basket of currencies. US Treasury prices were mixed.