

Bank Asia celebrates 22nd anniversary

STAR BUSINESS DESK

Bank Asia Ltd yesterday celebrated its 22nd anniversary at Bank Asia Tower in Dhaka in honour of benefactors and well-wishers.

Rumee A Hossain, chairman of the Board Executive Committee of Bank Asia, as chief guest cut a cake to inaugurate the programme.

Md Arfan Ali, president and managing director of the bank, Anisur Rahman Sinha, former chairman, Enam Chowdhury, director, Moshir Rahman, former director, and Syed Anisul Huq, former managing director, were present.

Maj Gen (retd) Mohammad Matiur Rahman, Ashraf Haq Chowdhury, Helal Ahmed Chowdhury and Nafees Khundker, directors of the bank, virtually joined the programme.

The bank's deputy managing directors and divisional heads were physically present while branch managers virtually.



Rumee A Hossain, chairman of the board executive committee of Bank Asia, cuts a cake to inaugurate the bank's 22nd Anniversary Day celebration at the conference hall of the Bank Asia Tower at Karwan Bazar in Dhaka yesterday.

EU ministers back bloc's Big Tech clampdown

AFP, Brussels

European Union member states on Thursday agreed their common position on two landmark legislations that could set unprecedented oversight on Big Tech.

Ministers from the EU's 27 member countries agreed the texts at a meeting in Brussels, which will serve as their marching orders in negotiations with the European Parliament that should start early next year.

The Digital Services Act (DSA) and its companion Digital Markets Act (DMA) were proposed by the European Commission last year and are intended to give Facebook, Google, Apple, Amazon and Microsoft never seen limitations on the way they do business.

The versions approved on Thursday stayed quite close to the original proposals, while the drafts making their way through parliament are expected to make the demands on Big Tech much tougher.

Black Friday draws shoppers but many shun stores for online



Black Friday shoppers leave a Best Buy store in Washington, DC on November 26.

AFP, New York

Americans returned to stores for the "Black Friday" kickoff of the holiday shopping season, but online data shows that consumers have been spending big for weeks amid worries over shortages.

The day after the US Thanksgiving celebration is the traditional start to the holiday shopping season, and normally sees Americans line up outside stores before they open to clinch deals on popular items.

After the pandemic kept crowds away last year, many shoppers were out in force Friday, a sign of how Covid-19 vaccines have returned life in the United States to something closer to normal.

"I just wanted to make sure that this Christmas was a good Christmas for all my friends and family," said a masked Sylvia Gonzalez as she waited in line outside the jewelry chain Pandora in New York.

But even before retailers opened their doors early Friday morning, e-commerce

shoppers in the United States had already spent \$76 billion since early November, up more than 20 per cent from the year-ago period, according to data from software company Adobe, which has projected somewhat fewer promotions this year in light of rising costs.

The jump has added to companies' optimism about the season, suggesting some shoppers heeded calls from businesses to purchase items early this year after port backlogs and other logistics problems sparked worries that popular goods would be in short supply.

Toys led the buying spree, with Adobe pointing to actions by "anxious parents increasingly aware of supply chain challenges."

The National Retail Federation projects overall spending could rise as much as 10.5 per cent to \$859 billion.

Nonetheless, out-of-stock listings online are up 261 per cent compared with two years ago, according to Adobe.

Stocks, oil tumble on virus variant fears, safe havens gain

REUTERS, London

Global stocks tumbled on Friday and oil fell below \$80 a barrel after news of a possibly vaccine-resistant coronavirus variant sent investors scurrying to the safety of bonds, the yen and the Swiss franc.

Little is known of the variant, detected in South Africa, Botswana and Hong Kong, but scientists say it has an unusual combination of mutations, may be able to evade immune responses and could be more transmissible.

British authorities think it is the most significant variant to date and have hurried to impose travel restrictions on southern Africa, as did Japan, the Czech Republic and Italy on Friday.

The European Union also said it aimed to halt air travel from the region.

"Markets have been quite complacent about the pandemic for a while, partly because economies have been able to withstand the impact of selective lockdown measures. But we can see from the new emergency brakes on air travel that there will be ramifications for the price of oil," said Chris Scicluna, head of economic research at Daiwa.

The World Health Organization is convening an experts' meeting later on Friday to evaluate whether the new variant is a "variant of concern."

Global shares fell 0.8 per cent and were on course for their worst week since early October.

European stocks plunged 2.7 per cent, on track for their worst day since September 2020, with travel and leisure stocks particularly badly hit.

Germany's DAX sank 3 per cent and Britain's FTSE 100 fell 2.7 per cent to its lowest in more than a month.

MSCI's index of Asian shares

outside Japan fell 2.2 per cent, its sharpest drop since August.

Casino and beverage shares were hammered in Hong Kong, while travel stocks dropped in Sydney and Tokyo.

Japan's Nikkei skidded 2.5 per cent and S&P 500 futures were last down 1.8 per cent.

Giles Coghlan, chief currency analyst at HYCM, a brokerage, said the closure of the US market for the Thanksgiving holiday on Thursday had exacerbated moves.

"We need to see how transmissible this variant is, is it able to evade the vaccines - this is

crucial," Coghlan said.

"I expect this story to drag on for a few days until scientists have a better understanding of it."

Oil prices slid, with US crude futures down 5.7 per cent to \$73.96 a barrel and Brent crude down 4.66 per cent to \$78.38 amid fresh demand fears.

As investors dashed for safe-haven assets, the yen jumped more than 1 per cent to around 113 per dollar, having languished earlier this week at five-year lows.

The euro rose 0.4 per cent to \$1.1251, as safety rather than policy differentials drove trade.

The single currency, however, fell to near 6-1/2 year lows against the Swiss franc at 1.044 francs per euro.

"You shoot first and ask questions later when this sort of news erupts," said Ray Attrill, head of FX strategy at National Australia Bank in Sydney.

South Africa's rand fell 2 per cent to a one-year low and its 2030 bond yield soared 25.5 basis points (bps).

Bond yields move inversely to price.

Other bond markets strengthened, benefiting from their safe haven status.



REUTERS/FILE

A pedestrian in protective suit rides an escalator near an overpass with an electronic board showing stock information, following an outbreak of the novel coronavirus in the country, at Lujiazui financial district in Shanghai.

Germany's energy plan to have limited impact on EU carbon prices

REUTERS, London

Germany's new energy transition plan is unlikely to have a big impact on prices in Europe's carbon market, analysts said on Friday, despite plans to introduce a minimum carbon price domestically.

The incoming German coalition government on Wednesday announced plans to ideally bring forward Germany's coal exit to 2030, from a previous target of 2038, and said it could introduce a minimum domestic carbon price of 60 euros/tonne if a floor price cannot be implemented at an EU wide level.

The benchmark EU carbon allowance (EUA) price rocketed to a record high above 75 euros a tonne on Thursday, which some market participants attributed to bullish sentiment surrounding the German announcement.

However, Florian Rothenberg



REUTERS/FILE

Steam rises from the cooling towers of the coal power plant of RWE, one of Europe's biggest electricity and gas companies in Niederaussem, Germany.

EU power and carbon markets analyst at ICIS, said he thought the rally was overdone, with Germany's push to set a minimum price in the wider EU carbon market likely to fail as previous attempts by countries such as France have done.

"I cannot see a floor price being adopted at an EU level. Countries, especially those already saying their energy prices are too high, would oppose," he said.

Germany's coal-fired power plants are big buyers of permits in the EU's Emissions Trading System (ETS) but early closures are also unlikely impact EU carbon prices, analysts said. There is already a mechanism in the ETS to remove surplus permits to prevent oversupply, called the market stability reserve (MSR), and Germany has also indicated it would cancel extra allowances arising from the phase-out.

Responsible banking: new dimension of green banking

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The ESRM guideline is also a prudent move to refrain financial institutions from financing projects adversely responsible for carbon emission. As per the guideline, each manufacturing concern under large and medium enterprise financing and sector-wise selected manufacturing concerns under small enterprises financing require environmental and social due diligence.

Under the regulation, the BB has given disbursement target of 5 per cent for green loans and 20 per cent for sustainable financing to the banks and financial institutions of their yearly disbursement.

The banks are also required to submit quarterly reports on their individual green and sustainable financing. The BB has recently published its top banks and NBFIs list under the Sustainability Rating 2020. This will also encourage the financial institutions to enhance their participation in sustainable or responsible banking practices. Truly, all these initiatives of the government aim to develop a green economy under broader agenda of the SDGs.

Carbon emission is one of the biggest driving forces negatively impacting the climate and increasing its temperature.

In order to mitigate this and protect the environment from further adversity, organisations like the UNEP FI have been very steadfast.

The UNEP FI has started another initiative under the Net Zero Banking Alliance (carbon-neutral economy by 2050) for the banks/FIs to take one step forward towards a better and sustainable future. IDLC became a proud signatory member of this initiative in 2021 and is diligently working towards setting smart targets with an aspiration of decreasing carbon emission.

Now, the banking sector needs to show its strong commitment and actions to augment the movement. Undoubtedly, green finance can be an alternative financing opportunity. Some banks and financial institutions have established a partial green portfolio and are in the process of building an overall sustainable portfolio on the demand and need of sustainable economy. Our banks need to be very focused on this issue and need to set their own vision towards sustainability.

The author is head of corporate at IDLC Finance Ltd.