

City Bank attains higher credit rating

STAR BUSINESS DESK

City Bank's credit ratings have recently been upgraded by the Credit Rating Agency of Bangladesh, the long term from AA2 to AA1 and the short term from ST-2 to ST-1.

The AA1 rating reflects capacity to meet financial commitments with low credit risk, says a press release.

The ST-1 rating reflects a stable outlook, capacity for timely repayment of obligations and having adequate liquidity, internal fund generation and access to alternative sources of funds.

Rouble steadies near 61 vs dollar

REUTERS

The Russian rouble steadied against the dollar on Tuesday as market players gauged the impact of the latest round of Western sanctions against Moscow and investor focus turned to an expected central bank rate cut later in the week.

By 1055 GMT, the rouble was unchanged against the dollar at 61.01, supported by capital controls. It has stabilised in the relatively narrow range of 60.0-62.5 in the past few days after rapid swings in May.

Promsvyazbank analysts said the currency would consolidate in the 60-62 range to the US dollar on Tuesday. The rouble gained 0.6 per cent to trade at 64.71 versus the euro.

On the Moscow Exchange, the rouble is driven by capital controls that Russia imposed to protect its financial system soon after sending tens of thousands of troops into Ukraine on February 24.

But the Russian currency remains much weaker at banks. VTB, Russia's second-largest lender, offered to sell cash dollars and euros for 82.00 and 87.00 roubles respectively.



A fisherman sets up fine nets on the Kuakata sea beach, some 320 kilometres south of the capital Dhaka, to catch fry of bagda or tiger shrimp with the coming tide. Every 100 fries sell for just Tk 35. Export earnings from locally farmed black tiger and prawns have been falling consistently since fiscal year 2013-14 when Bangladesh fetched \$550 million. In fiscal 2020-21, export receipts declined 1.15 per cent year-on-year to \$328 million, showed data by the Export Promotion Bureau. The photo was taken last week.

PHOTO: TITU DAS

ACCUSATION OF MATERIAL BREACH

Musk threatens to tear up \$44b Twitter deal

REUTERS

Elon Musk warned Twitter Inc on Monday that he might walk away from his \$44 billion deal to acquire the social media company if it fails to provide the data on spam and fake accounts that he seeks.

This was not the first time Musk had suggested publicly his acquisition of Twitter may not happen. But the warning, delivered in a letter from Musk's lawyers to Twitter's chief legal officer, Vijaya Gadde, marked an escalation. It accused Twitter of being in material breach of its deal obligations.

Musk's threats to tear up the deal have coincided with a plunge in many technology stocks - including the electric car maker that he leads, Tesla Inc - amid concerns over an economic slowdown and higher interest rates in the face of raging inflation.

Twitter shares ended down 1.5 per cent at \$39.57 on Monday, a large discount to the agreed \$52.20 deal price, as investors

bet Musk will either convince Twitter to agree to a lower deal price or walk away.

In the letter to Twitter, Musk's lawyers reiterated his request for details on bot accounts and said he reserved all rights to terminate the acquisition as the company was in a "clear material breach" of its obligations by not providing him with the information.

Twitter responded that it planned to enforce the completion of the deal on the agreed terms. "Twitter has and will continue to cooperatively share information with Musk to consummate the transaction in accordance with the terms of the merger agreement," the company said in a statement.

A self-proclaimed free speech absolutist, Musk has said one of his priorities will be to remove "spam bots" from the platform. He tweeted that the Twitter deal was "temporarily on hold" in mid-May, saying he will not move forward with the offer until the company showed

proof that spam bots account for less than 5 per cent of its total users. He has said he believes spam bots constitute at least 20 per cent of the user base.

Independent researchers have projected that 9 per cent to 15 per cent of the millions of Twitter profiles may be bots.

In his letter, Musk said he needs the data to conduct his own analysis of Twitter users because he did not believe in the company's "lax testing methodologies." Twitter has said it stands by its projections and it cannot provide proprietary information on how it produces them.

"He is trying to walk away from the Twitter deal, this is the first shot across the bow," Wedbush analyst Dan Ives said.

Legal experts have told Reuters the disclaimers Twitter used in its projections on spam accounts give it some protection against potential lawsuits, be they from Musk over the deal or shareholders over the accuracy of the company's regulatory statements.

ICC Bangladesh executive board reelected

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The International Chamber of Commerce (ICC)-Bangladesh has reelected its president for a two-year term (April 2022 to March 2024).

The president, Mahbubur Rahman, is also the chairman and chief executive officer of ETBL Holdings, said a press release.

Rokia Afzal Rahman, former president of the Metropolitan Chamber of Commerce and Industry and chairman of Arlinks, and AK Azad, managing director of Ha-Meem Group, were elected vice-presidents.

The 19-member executive board includes Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and chairman of Bengal Commercial Bank; Rizwan Rahman, president of the Dhaka Chamber of Commerce & Industry (DCCI) and managing director of the ETBL Securities & Exchange; Mahbubul Alam, president of the Chittagong Chamber of Commerce & Industry and vice-chairman of Bengal Commercial Bank; Naser Ezaz Bijoy, president of the Foreign Investors' Chamber of Commerce & Industry and CEO of Standard Chartered Bank; Sheikh Kabir Hossain, president of Bangladesh Insurance Association, Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, Mohammad Ali Khokon, president of Bangladesh Textile Mills Association, Abdul Hai Sarker, chairman and CEO of Shohagpur Textile Mills, Anwar-Ul-Alam Chowdhury Parvez, managing director of Evince Group, Aftab ul Islam, chairman of IOE Bangladesh, Kutubuddin Ahmed, chairman of Envoy Group, Mir Nasir Hossain, managing director of Mir Akhter Hossain, Md Fazlul Hoque, managing director of Plummy Fashions, Simeen Rahman, CEO of Transcom Group and director of Transcom, and Tapan Chowdhury, chairman of Square Textiles.

GLOBAL ECONOMIC RISKS

Russia calls for coordinated BRICS action

REUTERS

Russia, hit by Western sanctions, has called on the BRICS group of emerging economies to coordinate measures to stabilise the economic situation, Russian Finance Minister Anton Siluanov said on Monday.

Siluanov told a ministerial and central bankers' meeting of the BRICS countries, which consists of Brazil, Russia, India, China and South Africa, that global monetary tightening and the unprecedented sanctions' policy carried out by the West create risks of global stagflation and a food crisis. Siluanov also noted risks of a global economic crisis amid undermined trust in the world's forex and financial systems.

Wheat trucks held up

FROM PAGE B4

These are consignments for which payments have been made by Bangladeshi importers before May 13, he added. An exporter based in Malda said around four lakh tonnes of wheat were stranded on the Bangladesh border in West Bengal since May 13.

The situation is same at Changrabandha land port in Cooch Behar district.

Bimal Kumar

Ghosh, president of Changrabandha Exporters' Association, said around 1,500 trucks laden with wheat had been stuck on the border since May 12.

"Our payments were cleared and letters of credit also issued by Bangladeshi banks. We have no problem if documents of every truck are checked to confirm that the export formalities were finalised before the restriction," he said.

According to Ghosh, it had already begun raining in the area and if wheat sacks continued to remain on the trucks, the grain would rot.

"Because of frequent heavy showers, water is seeping into the bags damaging the wheat. If the monsoon sets in, a major portion of the consignment will be wasted, which means huge losses for us," he said.

Exports thru Akhaura

FROM PAGE B4

reasons behind the decline in edible oil exports," he added.

Similarly, Md Akter Hossain, a local businessman in Brahmanbaria who exports coal, said failure to ensure competitive prices is a major reason for the falling exports.

"Last year, I exported coal to India after importing it from Indonesia but due to price hikes in the domestic market, I cannot export it

this year," he said.

Stone exports have been halted for at least 5 to 7 years and now edible oil exports have also stopped.

Earlier, the port would see huge gatherings of export trucks but nowadays, the scenario has changed drastically, he added.

The Daily Star's Brahmanbaria correspondent Masuk Hridoy contributed to the report.



Kazi Akram Uddin Ahmed, chairman of Standard Bank, cuts a cake at the bank's head office in Dhaka on Sunday to celebrate its 23rd founding anniversary. Ferdous Ali Khan, vice-chairman, Khondoker Rashed Maqsood, managing director, Md Touhidul Alam Khan, additional managing director, and Mohammad Rafiqul Islam and M Latif Hasan, deputy managing directors, were present.

PHOTO: STANDARD BANK

Stock index, turnover

FROM PAGE B4

Pioneer Insurance topped the gainers' list, rising 9.90 per cent. Paramount Insurance Company, Provati Insurance Company, City General Insurance Company and Renwick Jasneswar and Company also took up positions among the top gainers.

Gemini Sea Food shed the most, dropping 1.99 per

cent. Linde Bangladesh, Standard Ceramic Industries, Rahima Food Corporation and Apex Tannery were in the list of those suffering losses.

Beximco became the stock to be traded the most, with shares worth Tk 25 crore changing hands, followed by Salvo Chemical Industry, Provati Insurance Company, Orion Pharma

and Bangladesh Shipping Corporation.

Chittagong Stock Exchange (CSE) also dropped yesterday. The CASPI, the all-share price index of the port city bourse, edged down 61 points, or 0.32 per cent, to 18,958.

Among the 308 stocks to undergo trade, 81 advanced, 199 fell and 28 remained the same.

German industrial

FROM PAGE B4

Orders for consumer goods were down 2.6 per cent, while those of intermediate goods dipped 0.3 per cent.

Within Germany, the incoming volume of orders fell by 0.9 per cent, while those from abroad fell by four per cent, with demand from the eurozone suffering in particular,

down 5.6 per cent.

Some sectors saw their volumes increase despite the overall downwards trend, with orders in mechanical engineering up 3.8 per cent.

By contrast, Germany's flagship auto industry struggled, with orders down 8.6 per cent month-on-month.



Mohammed Haider Ali Miah, managing director of Exim Bank, inaugurated a new booth for pilgrims and presented gifts at the Ashkona hajj camp in Dhaka recently. Md Saiful Islam, the camp director, Shakil Miraj, general manager for transport at Bangladesh Biman, Mohammad Feroz Hossain and Md Humayun Kabir, additional managing directors, and Md Zoshim Uddin Bhuiyan and Maksuda Khanam, deputy managing directors, were present.

PHOTO: EXIM BANK

Indian rice traders step up purchase

FROM PAGE B4

move, days after saying it was targeting record shipments this year. It also put a cap on sugar exports.

India is not a top global wheat exporter, but it is the world's second-biggest sugar exporter behind Brazil.

Those export curbs led to speculation that India could also cap rice shipments, though government officials said India does not plan to because it has sufficient rice stocks and local prices are lower than state-set support prices.

India's wheat ban trapped a large quantity of the grain at ports because New Delhi only allowed contracts backed by LCs to depart.

"Normally people open LCs while they nominate a vessel. This time they opened LCs for all rice contracts that were pending, so in case there is a ban on exports, at least the contracted quantity is shipped out," Agarwal said.

India accounts for more than 40 per cent of global rice trade.

Overseas buyers are

looking for Indian rice because it is far cheaper than rivals, said B.V. Krishna Rao, president of the All India Rice Exporters Association.

Indian 5 per cent broken white rice is offered between \$330 to \$340 per tonne on a free-on-board (FOB) basis, significantly lower than Thailand's \$455 to \$460 a tonne and Vietnam's \$420 to \$425, dealers said.

Thailand and Vietnam are not able to compete with India and they are trying to explore ways to

support prices, Thailand's government has said.

If India restricts exports, global prices could jump sharply, said a New Delhi-based dealer with a global trading house.

"Indian rice is more than 30 per cent cheaper than other destinations. Poor buyers in Asia and Africa would be forced to pay very high prices if India restricts exports. That's why there is a rush to buy Indian rice," the dealer said.

Bangladesh, China, Benin, Cameroon, Nepal, Senegal and Togo are key

buyers of India's non-basmati rice, while Iran and Saudi Arabia are key buyers of premium basmati rice.

India exported a record 21.5 million tonnes of rice in 2021, compared with combined exports of 12.4 million tonnes by Vietnam and Thailand.

Panic buying by importing countries was expected after the rumours of the ban began circulating because no other country can replace Indian shipments, said a Mumbai-based dealer with a global trading firm.