Phoenix Finance suffers losses in 2021

STAR BUSINESS REPORT

Phoenix Finance & Investments Ltd incurred losses in the year that ended on December 31, 2021.

The non-bank financial institution reported a negative earnings per share of Tk 2.11 for the year. It was Tk 1.21 in the previous year.

The net asset value per share stood at Tk 17.54 and the net operating cash flow per share was a negative of Tk 8.26, against Tk 19.65 and Tk 4.69, respectively, in the previous year.

The board of directors recommended no dividend for 2021, said the company in a post on the Dhaka Stock Exchange yesterday.

Phoenix Finance also posted a negative EPS of Tk 0.07 for the April-June quarter of 2022 and a positive EPS of Tk 0.08 in the first quarter, showed its un-audited financial statements.

Shares of Phoenix Finance nosedived 10.11 per cent on the DSE yesterday.

Making a living for the past 60 years or so cultivating paddy, Selim Mallik continues working the soil even at this old age, earning Tk 500 a day as a farmhand. The photo was taken at Shikarpur area of Barishal's Wazirpur recently.
PHOTO: TITU DAS

IBN Sina Pharma's profit jumps 24pc

STAR BUSINESS REPORT

IBN Sina Pharmaceutical Industry Ltd's profit jumped nearly 24 per cent in the financial year that ended on June 30.

Consolidated earnings per share stood at Tk 19.39 in the year, up from Tk 15.66 a year ago, said the company in a filing on the Dhaka Stock Exchange yesterday.

Consolidated net asset value per share was Tk 83.36 and consolidated net operating cash flow per share was Tk 13.40 in 2021-22, compared to Tk 68.69 and Tk 17.67, respectively, in the previous financial year.

The board of directors recommended a 60 per cent cash dividend for the financial year.

The board also decided to transfer a part of the net assets aggregated value of Tk 20.81 crore of the Natural Medicine Division to its subsidiary IBN Sina Natural Medicine Ltd for better management and to make easy the operation of the natural medicine production and businesses.

Shares of IBN Sina Pharmaceutical closed 2.51 per cent higher at Tk 310 on the DSE yesterday.

Floods, energy crisis shrink S African GDP

AFP, *Johannesburg*

South Africa's economy shrank in the second quarter, as floods and an energy crisis put a halt to months of growth, official data showed Tuesday.

The dip in output after two consecutive quarters of modest growth dragged Africa's most industrialised economy back below pre-coronavirus pandemic levels.

The official statistics agency StatsSA said gross domestic product retreated by 0.7 per cent in the second quarter.

"The economy took almost two years to recover from the impact of Covid-19," the agency said in a statement. "The recovery was short lived".

Devastating floods that killed more than 450 people in the southeastern KwaZulu-Natal province and power cuts caused by a prolonged energy crisis contributed to the decline, "weakening an already fragile national economy", the agency said.

Big rate hike won't save euro as energy shock deepens

REUTERS, *London*

The hit to the euro zone economy and its currency from a deepening energy crisis is so severe that more aggressive monetary tightening from the European Central Bank will do little to stop the euro's slide.

The euro on Monday fell below $0.99 for the first time since late 2002 after Russia halted the supply of natural gas through the main pipeline to Europe, sending energy prices soaring and heightening fears about a supply crunch.

The weakening currency will be front and centre for the European Central Bank meeting on Thursday since a weak euro -- down 13 per cent in 2022 -- could make already record-high inflation worse through more expensive imports.

Some policymakers have said that the bank must pay more attention to the euro than in earlier periods of weakness, because gas is priced in dollars and a weak euro amplifies the effects of soaring energy costs.

Money markets price in an 80 per cent chance of a supersized 75 basis point rate increase this week, but analysts think that would do little to help the currency.

"This big rate hike will do nothing to rescue the euro. A recession is ahead and geopolitical concerns are uncontrollable," said Agnès Belaisch, a strategist at the Barings Investment Institute. "In fact, the odds are high that rising interest rates coincide with inflation and recession in 2023."

Goldman Sachs on Monday forecast the euro to weaken to $0.97 and remain there for the next six months because demand destruction, caused by the gas crisis, will lead to "a deeper and longer contraction."

Capital Economics revised its forecast to $0.90 for next year - a 9 per cent slump from current levels.

The euro has been inversely correlated with gas prices for months, meaning it tends to fall when energy prices rise. Gas prices have soared 255 per cent in 2022 and on Monday jumped 30 per cent.

The euro zone is almost certainly entering a recession, with business activity contracting for a second month in August.

The energy shock is taking a deep toll, while data suggests speculators have jacked up their bets against the currency.

UniCredit estimates that in the five years before the Covid-19 pandemic, the EU imported about 400 billion euros worth of oil and gas annually.

If oil prices held at $100 a barrel, the euro at parity and natural gas prices at 100 euros - five times higher than the last five years' average -- the cost would jump to 600 billion euros, or 6 per cent of GDP, calculates UniCredit's Erik Nielsen.

Economists and currency analysts reckon the economic pain will be even more severe than anticipated just a few months ago.

"The euro zone narrative is shifting. A few months ago, it was: "there won't be recession." Recently it shifted to: "there'll be recession, but it'll be shallow," Robin Brooks, chief economist at the Institute for International Finance, said on Twitter on Monday. "This weekend we began to make the final shift: "we're heading for deep recession." Euro is going to fall a lot more."

Still, some say the ECB could at least stall euro depreciation with big rate hikes in the months ahead.

"The ECB can arguably help slow down euro weakness but it is not clear it can lead to sustainable euro appreciation," said George Saravelos, global head of FX research at Deutsche Bank.

The euro has suffered far less against other currencies than against the dollar, and sterling too has not been shored up by a ramp-up in expectations for more aggressive hiking.

A trade-weighted index followed closely by the ECB last month fell to its lowest since February 2020, but it was lower throughout 2015 and 2016 without the ECB intervening.

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (SEP 6, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice	Tk 62-Tk 70	-3.65 ↓	10 ↑
Coarse rice	Tk 48-Tk 55	5.1 ↑	13.19 ↑
Loose flour	Tk 47-Tk 52	20.73 ↑	50 ↑
Lentil	Tk 100-Tk 110	0	20 ↑
Soybean (loose)	Tk 170-Tk 175	5.18 ↑	33.72 ↑
Potato	Tk 24-Tk 30	-6.9 ↓	42.11 ↑
Onion (local)	Tk 40-Tk 45	0	0
Egg	Tk 38-Tk 42	-2.44 ↓	11.11 ↑

SOURCE: TCB

Md Sazzad Hossain, deputy managing director and chief operating officer of Bank Asia, poses for a photograph with business officers who participated in a 59th Foundation Training Course at the Bank Asia Institute for Training and Development in Dhaka recently.
PHOTO: BANK ASIA

Bank Asia awards certificates after training course

STAR BUSINESS DESK

The 59th Foundation Training Course for the business officers of Channel Banking Division of Bank Asia has been completed recently.

Md Sazzad Hossain, deputy managing director and chief operating officer of the bank, awarded the certificates among 50 business officers in the concluding ceremony of the training course at the Bank Asia Institute for Training and Development (BAITD) in Dhaka, said a press release.

BM Shahidul Haque, head of the BAITD, Quazi Mortuza Ali, head of post office banking, Mohammad Munzur Rashid, head of Lalmatia branch, Md Zakir Hossain Bhuiyain, head of financial inclusion and financial literacy department, and Mahbubul Hasan, head of agent banking, were present.

Abdul Hai Sarker, chairman of Dhaka Bank, presides over the bank's Business Review Meeting-2022 for Chattogram city branches at Radisson Blu Chattogram Bay View in the port city on Sunday. Altaf Ahmed Sarker, director of the bank, ATM Hayatuzzaman Khan, founder vice-chairman, Emranul Huq, managing director, and Mohammad Abu Jafar, additional managing director, were present.
PHOTO: DHAKA BANK

Md Rezaul Karim, chairman of the Shippers' Council of Bangladesh, presides over the 5th meeting of its Board of Directors at its Dhanmondi office in Dhaka yesterday. Md Ariful Ahsan, senior vice-chairman, AKM Aminul Mannan, vice-chairman, and Md Munir Hossain, Arzu Rahman Bhuiyan, Syed Md Bakhtiar, Md Nurussafa Babu, Ziaul Islam, Ganesh Chandra Saha, Ataur Rahman Khan and KM Arifuzzaman, directors, attended the meeting.
PHOTO: SHIPPERS' COUNCIL OF BANGLADESH

Mohammed Haider Ali Miah, managing director of Exim Bank, receives a "Vocational Excellence Award" of the Rotary Club of Uttara from Commerce Minister Tipu Munshi at Uttara Club in Dhaka recently.
PHOTO: EXIM BANK

Russia rakes in $158b from energy exports

FROM PAGE B4

although they have since pulled back.

"Fossil fuel exports have contributed approximately 43 billion euros to Russia's federal budget since the start of the invasion, helping fund war crimes in Ukraine," said CREA.

The figures concern the six months following Russia's February 24 invasion of Ukraine.

During this period, the CREA estimated that the European Union was the top importer of Russian fossil fuel exporters, at 85.1 billion euros.

China followed at 34.9 billion euros and Turkey at 10.7 billion euros.

While the EU has stopped purchases of Russian coal, it is only progressively banning Russian oil and it has not adopted any limits on the imports of natural gas, upon which it is highly dependent.

The CREA said the EU ban on Russian coal imports has been effective.

After the ban went into effect Russian coal exports fell to their lowest levels since the war began.

"Russia failed to find other buyers to replace falling EU demand," said the CREA.

But it called for stronger rules and enforcement concerning Russian oil exports, urging the EU and the UK use their leverage in global shipping.

"The EU must ban the use of European-owned ships and European ports for shipping Russian oil to third countries, while the UK needs to stop allowing its insurance industry to participate in this trade," said the CREA.

The G7 countries, meanwhile, vowed Friday to push forward urgently to impose a price cap on Russian crude, a move that would deprive Russia of much of the revenue it now makes from its oil exports.

The United States has been arguing for the imposition of a price cap for months, arguing that Western bans on Russian energy products were contributing to the price hikes that helped Moscow finance its war effort.

Europe shoring up

FROM PAGE B4

Europe has accused Russia of weaponising energy supplies in retaliation for Western sanctions imposed on Moscow over its invasion of Ukraine. Russia blames those sanctions for causing the gas supply problems, which it puts down to pipeline faults.

"The ongoing energy crisis in Europe is caused by Russia's decision to use energy as a weapon, and it is now also severely affecting Fortum and other Nordic power producers," Fortum Chief Executive Markus Rauramo said in a statement.

The Financial Times also reported that Britain's largest energy supplier, Centrica, was in talks with banks to secure billions of pounds in extra credit. Centrica declined to comment.

Many European power distributors have already collapsed and some major generators could be at risk, hit by caps that limit the price rises they can pass to consumers, or caught out by hedging bets.

Utilities often sell power in advance to secure a certain price, but must maintain a "minimum margin" deposit in case of default before they supply the power.