

Meghna Ins posts slightly lower profit in 2021

STAR BUSINESS REPORT

Meghna Insurance Company Ltd reported a slightly lower profit in the year that ended on December 31.

Its earnings per share stood at Tk 0.94 in 2021 compared to Tk 0.95 in the previous year.

Net asset value per share slipped to Tk 17.88 from Tk 26.04 a year ago, while net operating cash flow per share declined to Tk 6.13 against Tk 19.12 in 2020.

The board recommended a 3 per cent cash dividend for 2021, said the insurer in a filing on the Dhaka Stock Exchange.

Shares of Meghna Insurance were unchanged at Tk 44.80 on the DSE yesterday.

The insurer also disclosed the financials for the first and second quarters of 2022.

The EPS stood at Tk 0.33 in the negative in the April-June quarter, against Tk 0.59 in the negative during the same period last year, the un-audited financial statements showed.

The insurer, however, made a profit in the first half of 2022 when EPS stood at Tk 0.26, albeit down from Tk 1.10 registered in the identical six-month period of 2021.

The EPS fell to Tk 0.66 in the first quarter from Tk 1.83 last year.

Oil prices rise

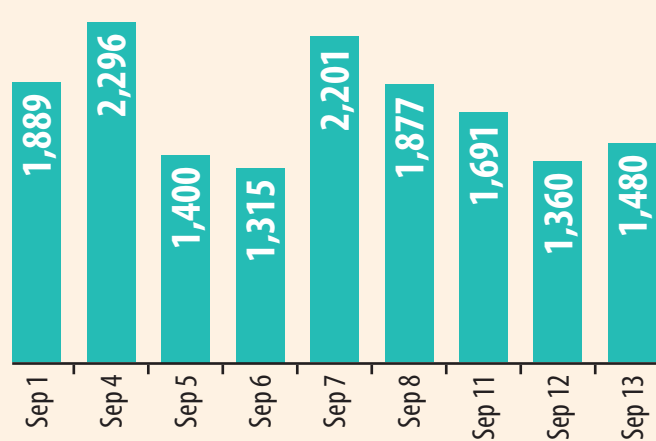
REUTERS, London

Oil prices rose on Tuesday as worries about tight fuel supplies ahead of winter oil investor concerns about falling demand in China, the world's biggest crude importer.

Brent crude gained 78 cents, or 0.8 per cent, to \$94.78 a barrel by 1030 GMT, while WTI crude rose 79 cents, or 0.9 per cent, to \$88.57 a barrel. Both contracts fell by more than \$1 earlier in the session.

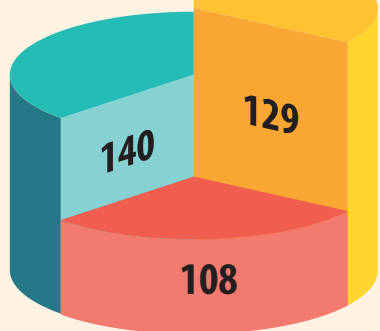
Worries over tighter inventories continue to support prices.

DSE TURNOVER (In crore taka)



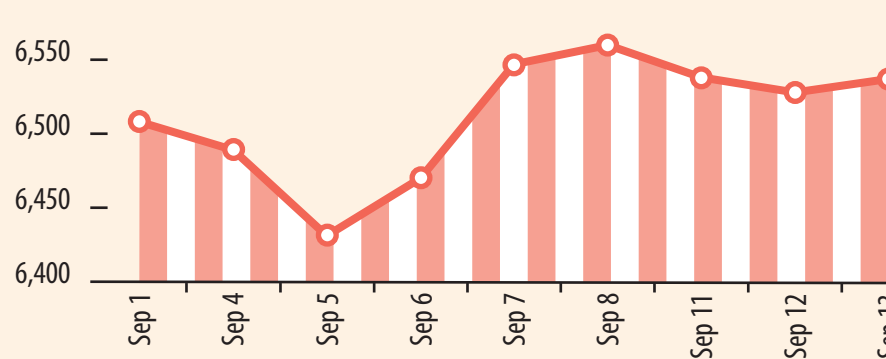
CHANGE IN STOCK PRICES

In numbers



MOVEMENT OF DSEX

In points; SOURCE: DSE



Stocks break losing streak

STAR BUSINESS REPORT

Most shares on the Dhaka and Chattogram stock exchanges rose yesterday, helping the bourses snap the two-day falling trend, thanks to the enthusiastic participation of investors.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 9 points, or 0.14 per cent, to close at 6,537.

The DS30, the index that consists of blue-chip companies, however, slipped 0.13 per cent to 2,353, while the DSES, the shariah-based index, was down 0.17 per cent at 1,426.

Turnover rose 8.8 per cent to Tk 1,480 crore. Of the securities, 129 won, 108 retreated, and 140 did not find any buyer.

Shares on the DSE returned to the black after experiencing sales pressure for two days amidst enthusiastic participation from investors on sector-specific

stocks, said International Leasing Securities Ltd, a brokerage house, in its daily market review.

"Bargain hunters revealed their buying interest from the opening of the session that continued till the closure except for some sale pressures in the last hour of the session."

Gainers took a modest lead over losers as out of 377 issues traded, 129 advanced, 108 declined, and 140 remained unchanged.

Among the sectors, jute rose 7.4 per cent, ceramic was up 2 per cent, and IT appreciated 1.9 per cent. On the contrary, the service sector was down 1.9 per cent, cement declined 0.6 per cent, and pharmaceuticals suffered a 0.5 per cent correction.

The investors' activity was mostly centred on pharmaceuticals, representing 20.2 per cent of the day's turnover. The engineering sector

accounted for 10.4 per cent of the turnover.

Bangladesh Export Import Company was the most-traded issue on the day, making up 12 per cent of the turnover as its scrips worth Tk 162 crore changing hands.

Orion Pharma, JMI Hospital Requisite Manufacturing, Bangladesh Shipping Corporation, IPDC Finance, Shinepukur Ceramics, LafargeHolcim Bangladesh, and Premier Leasing & Finance were also among the stocks that saw significant gains.

Jute Spinners was the most successful stock, rising 9.98 per cent.

Sonargaon Textiles and Union Capital climbed more than 9 per cent, while Bangladesh Lamps, Metro Spinning, and Bangladesh Welding Electrodes advanced more than 8 per cent.

Sonali Aansh Industries, IPDC

Finance, JMI Syringes & Medical Devices, and Rangpur Dairy & Food Products gained 7 per cent or more.

Nahee Aluminum Composite Panel suffered the highest correction, giving up 6.29 per cent. ACI Formulations was down 4.74 per cent.

Similarly, Eastern Housing, Beacon Pharmaceuticals, FAS Finance & Investment, and International Leasing & Financial Services, dipped more than 3 per cent. Uttara Finance & Investments, Prime Islami Life Insurance, and Premier Leasing & Finance were among the major losers.

The Caspi, the all-share index of the Chattogram Stock Exchange, rose 34 points, or 0.18 per cent, to end at 19,232.

Of the issues that traded, 111 advanced, 85 declined, and 92 did not show any price movement. Turnover jumped nearly 30 per cent to Tk 35 crore.

Genex Infosys to support StanChart to reach clients

STAR BUSINESS REPORT

Genex Infosys Ltd will support Standard Chartered Bangladesh to scale up its distribution network, efficiently reach new client segments, and deliver world-class banking products and services.

The board of directors of the IT company has approved an agreement with the multinational bank to this effect, according to a filing on the Dhaka Stock Exchange (DSE) yesterday.

Under the deal, Genex Infosys will work as a strategic partner, assisting the bank in engaging with a wider client base.

Thanks to the project, the company is expected to generate about Tk 6 crore of revenue per year.

Shares of Genex Infosys closed 5.59 per cent higher at Tk 75.50 on the DSE yesterday.

IPDC Finance to borrow €15m from Germany

STAR BUSINESS REPORT

IPDC Finance Ltd has received approval from the Bangladesh Bank to avail 15 million euro in long-term financing from German development finance institution DEG.

In a filing on the Dhaka Stock Exchange (DSE) yesterday, the non bank financial institution said the central bank has accorded its approval through Standard Chartered Bank for availing the loans.

The approval comes with certain conditions that will require IPDC to renegotiate the terms and conditions of the loan with the lender.

Shares of IPDC Finance ended 7.36 per cent higher at Tk 70 on the DSE yesterday.

Google faces \$25.4b damages claims in UK, Netherlands

REUTERS, Brussels

Alphabet unit Google will face damages claims for up to 25 billion euros (\$25.4 billion) over its digital advertising practices in two suits to be filed in British and Dutch courts in the coming weeks by a law firm on behalf of publishers.

Google's adtech has recently drawn scrutiny from antitrust regulators following complaints from publishers.

The French competition watchdog imposed a 220-million-euro fine on the company last year while the European Commission and its UK peer are investigating whether Google's adtech business gives it an unfair advantage over rivals and advertisers.

"It is time that Google owns up to its responsibilities and pays back the damages it has caused to this important industry. That is why today we are announcing these actions across two jurisdictions to obtain compensation for EU and UK publishers," Damien Geradin at law firm Geradin Partners said in a statement on Tuesday.

Two weeks to go for entries

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Under the initiative, organisers will honour businesses with the "Best CSR in Education Program Award" for projects designed specifically towards large-scale literacy and education programmes for children or adults with sustainable and long-term prospects.

Corporates will get the "Best CSR in Healthcare Award" for successfully implementing initiatives in improving the infrastructure or mechanisms of healthcare solutions in Bangladesh.

The "Best CSR in Environmental Impact Award" will be given to corporates that have integrated environmental projects and initiatives into their sustainable development strategy and delivered outcomes to fight climate change.

Firms will be getting the "Best CSR in Community Engagement Award" for making a positive change in the living standard of communities in distress or facing socio-economic crisis.

Companies will also receive accolades for their contribution to disaster response while the "Best CSR in Disaster Response Award"

will be given for developing localised strategies to tackle natural disasters and make a positive impact on public health and safety.

The organisers will recognise corporates with the "Best CSR in Financial Inclusion Award" for initiatives or education programmes that have a positive effect on poverty alleviation through personal finance, entrepreneurship or financial literacy.

Meanwhile, young changemakers below 40 years of age will be honoured with the "Young Humanitarian of the Year Award".

In addition, young changemakers who have delivered inspiring and meaningful transformations in improving lives or have displayed exceptional leadership skills in positively influencing communities towards achieving the Sustainable Development Goals will get the recognition.

Organisers invited all corporates from the public and private sectors in Bangladesh to submit their CSR projects as nominations for the CSR Awards.

Each company can enter as many submissions under multiple categories. Entry details and submission forms are available at csrawardsbd.com, according to the statement.

This year, the CSR Awards will be given at a gala event in Dhaka on November 26.

Idra asks insurers

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salaries and benefits that are higher than the regulations permit. Such practices are not good for the industry."

The CEO of a life insurance company, on the condition of anonymity, echoed Mahmud, calling the Idra order appropriate.

"Policies like these are put in place to protect the interest of policyholders," he said. There are 35 life insurance and 46 non-life insurance companies in Bangladesh.

India could grow at 7pc annually this decade

Says economic adviser

REUTERS, New Delhi

India should be able to grow at about 7 per cent annually this decade as investment spending is expected to rise and the digital economy picks up, the chief economic adviser said on Tuesday.

The government has already said it expects the world's fifth-largest economy to grow at more than 7 per cent this fiscal year, after it expanded by 13.5 per cent in the April-to-June

quarter, the fastest pace in a year. Economists, however, say growth is likely to lose momentum in the coming quarters as higher interest rates cool economic activity.

"While international agencies are showing our trend growth at 6 per cent, I feel the trend growth will easily be 7 per cent per annum for the remainder of this decade and beyond," said Chief Economic Adviser V. Anantha Nageshwaran at an event in New Delhi.

Floating exchange rate

FROM PAGE B1

Although a few banks sold each dollar in the range of Tk 109 to Tk 110 to importers yesterday for clearing bills, a majority of them reduced their "weighted average rate" for buying the greenback.

This means importers are now getting respite from paying a high price per dollar, which soared to Tk 112 a few weeks ago. The weighted average rate is the average of the rates at which banks purchase dollars from exporters and remittance from foreign exchange houses.

Importers now pay the weighted average rate plus Tk 1 when buying the greenback from banks.

According to a Bafeda report, 25 banks cut their weighted average rate yesterday from what they paid on the previous day. Another 11 banks slightly raised their rate.

Two banks, however, kept the rate unchanged during the two days.

With the majority of lenders reducing their rates, the overall average rate for buying each dollar dropped to Tk 103.30 yesterday. In contrast, it was Tk 103.43 the day before.

"The weighted average rate will fall further in the days ahead," said Selim

RF Hussain, chairman of the ABB.

The rates being quoted by some banks are still high as they are calculating it taking into account the average rate of the last five working days as per the decision taken by banks, he said.

"The current trend indicates that the instability will gradually fade away," said Hussain, also the managing director of Brac Bank.

The inter-bank platform for trading the dollar has been activate in the last two days, which is a positive development as it will help end the ongoing instability, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

A BB official said the central bank was now strictly monitoring the market to bring back stability.

The central bank injected another \$40 million into the market yesterday, bringing the total supply this fiscal year to \$2.86 billion.

Bangladesh's forex market has been facing a volatile situation since the Russia-Ukraine war began, when import payments had started to skyrocket.

The foreign exchange reserves slipped to less than \$38 billion last week. In contrast, it was more than \$46 billion a year ago.

Japan's inflation hits 9pc

REUTERS, Tokyo

Japan's wholesale prices rose 9.0 per cent in August from the previous year, matching the annual pace of growth in July, data showed on Tuesday, signalling that persistently high raw material costs continued to squeeze corporate margins.

The rise in the corporate goods price index (CGPI), which measures the price companies charge each other for their goods and services, was largely in line with a median market forecast for an 8.9 per cent increase, Bank of Japan (BOJ) data showed.

The index, at 115.1, extended a record high for the fifth straight month in a sign Japan continues to feel the impact of rising global raw material prices. While recent falls in crude oil and global commodity costs took some pressure off fuel and scrap metals prices, prices rose for a broad range of items that more directly affect retailers such as utility bills and electronic devices, the data showed.

Reflecting easing input pressure, however, wholesale prices rose just 0.2 per cent in August from the previous month, slower than

a revised 0.7 per cent month-on-month increase marked in July.

The yen-based import price index rose 42.5 per cent in August from a year earlier, after a revised 49.1 per cent increase in July, the data showed.

A weak yen has inflated the cost of importing already rising prices of raw material goods, weighing on corporate profits and forcing a growing number of firms to hike prices.

Japan's core consumer inflation hit 2.4 per cent in July to mark the fastest annual pace in 7 1/2 years, adding to the costs of living for households yet to see much wage gains.

But with inflation still modest compared with many other advanced nations and the economy fragile, the BOJ has pledged to keep interest rates ultra-low and remain an outlier in a global wave of monetary policy tightening.

Japan's economy expanded an annualised 2.2 per cent in April-June, staging a slower-than-expected rebound from a Covid-induced slump as a resurgence in infections, supply constraints and rising raw material costs weigh on consumption and output.

German investor morale slips

REUTERS, Berlin

German investor sentiment fell further than expected in September as concerns over the country's energy supply increasingly weigh on the outlook for Europe's largest economy.

The ZEW economic research institute said on Tuesday its economic sentiment index fell to -61.9 points from -55.3 points in August. Economists polled by Reuters had pointed to a September reading of -60.0.

The monthly survey of 167 analysts also found a lower-than-expected assessment of the current situation, with the ZEW index falling to -60.5 in September from

-47.6 the month before.

"The prospect of energy shortages in winter has made expectations even more negative for large parts of the German industry," said ZEW President Achim Wambach.

Germany's economy ministry said in a report on Tuesday that the economy could stagnate or contract in the second half of the year and the outlook had "dramatically worsened".

"Things can't really get any worse," said LBBW bank senior economist Jens Oliver Niklasch, who added that a recession is already a foregone conclusion. "The question now is how far down the economy can go - and where inflation can still go," he said.