

Alibaba to split into six units, explore IPOs

REUTERS

Alibaba Group Holding Ltd is planning to split its business into six main units covering e-commerce, media and the cloud, the company said on Tuesday, adding that each of the units will explore fundraising or initial public offerings.

US-listed shares of Alibaba rose 3.5 per cent in trading before the bell.

The six units will include Cloud Intelligence Group, Taobao Tmall Commerce Group, Local Services Group, Cainiao Smart Logistics Group, Global Digital Commerce Group and Digital Media and Entertainment Group.

Each of the six will be managed by its own CEO and board of directors.

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Alibaba Group, which will follow a holding company management model, the company said in a statement.

Zhang will also serve as CEO of Cloud Intelligence Group, as previously announced.

News of the restructuring comes one day after Alibaba founder Jack Ma was spotted at a primary school in Hangzhou, marking his first public appearance in mainland China in over a year.

Ma left China in late 2021 just as authorities launched a regulatory crackdown on the country's tech sector.

Ma's stay abroad came to symbolise a reversal of fortunes for China's private sector after his empire and the technology industry were the targets of Beijing's regulatory crackdown.



Hannan is seen wrapping Thai guava with papers after purchasing the fruit from a local orchard for about Tk 18 per kilogramme. Demand for guava peaks during Ramadan each year for being a popular iftar item. The fruit is being sold at markets in Dhaka for at least Tk 40 to Tk 50 per kilogramme. This picture was taken from Lakkhikundu village of Jhenaidah's Kotchandpur upazila recently.

PHOTO: HABIBUR RAHMAN

Stocks of both bourses down for second day

Lower investor participation to blame

STAR BUSINESS REPORT

All indexes of the Dhaka and Chattogram stock exchanges fell for the second consecutive day yesterday amidst shaky participation from investors.

The DSEX, the benchmark index of the Dhaka Stock Exchange, edged down 10 points, or 0.17 per cent, to close the day at 6,193.

The DS30, the blue chip index, decreased 0.21 per cent to 2,210 while the DSES, the shariah-compliant index, went down 0.30 per cent to 1,345.

Turnover, one of the key indicators of the market, fell to Tk 272 crore from Tk 317 crore a day earlier, a decrease of 14 per cent. Of the securities, 28 advanced, 56 declined and 201 remained unchanged on the premier bourse in Bangladesh.

The stock market extended its falling streak amidst shaky participation from investors.

said International Leasing Securities Ltd in its daily market analysis.

"The market observed volatility throughout the session as risk-averse investors went for profit booking on sector-specific issues."

Among the sectors, cement gained 1.6 per cent, service was up 1.2 per cent and tannery rose 1.1 per cent.

In contrast, the paper and printing sector fell 3.5 per cent, the jute sector was down 2.4 per cent and the travel and leisure fell 1.1 per cent.

The travel and leisure sector accounted for 16.1 per cent of the turnover. The IT sector represented 12.5 per cent, the food and allied sector made up 12.3 per cent, and the life insurance sector constituted 9.7 per cent of the turnover.

Among the individual stocks, Intech Limited posted the highest gain, advancing 10 per cent.

Legacy Footwear Ltd rose 9.71 per cent,

National Feed Mill was up 6.85 per cent, Bangladesh Autocars advanced 5.73 per cent and Oimex Electrode increased 4.79 per cent.

Jute Spinners Ltd suffered the sharpest fall, giving up 6.76 per cent. Hakkani Pulp & Paper Mills declined 5.17 per cent and Sonali Paper & Board Mills shed 5 per cent. GQ Ball Pen Industries retreated 4.56 per cent.

Eastern Housing was the most-traded stock on the DSE with its shares of Tk 20.43 crore changing hands. Unique Hotel & Resorts, Sea Pearl Beach Resort & Spa, Rangpur Dairy & Food Products and Genex Infosys also witnessed significant turnover.

The Caspi, the all-share price index of the Chittagong Stock Exchange, declined 46 points, or 0.25 per cent, to 18,279.

Of the issues, 19 rose, 34 retreated, and 48 saw no price movement.

Turnover dipped more than 41 per cent to Tk 4.23 crore. It was Tk 7.19 crore a day earlier.

Prizes offered on Vision blender purchases

STAR BUSINESS DESK

Electronics brand Vision of Pran-RFL Group yesterday launched a "Lakhopot offer", offering 1 lakh prizes worth up to Tk 1 lakh on the purchase of its blenders until April 30 marking Eid-ul-Fitr.

Kazi Rashidul Islam, executive director of Vision Electronics Limited, inaugurated the campaign at the company's head office in Dhaka, said a press release.

The offer can be availed at all shops including Vision Emporium and Best Buy.

Shaikh Mahabubur Rahman, head of marketing, SM Salahuddin, general manager of Vision Emporium, Akram Hossain, assistant general manager, and Rezwanul Hoque, assistant brand manager, were present.

Gold slips for third session

REUTERS

Gold prices dipped for a third straight session on Tuesday, retreating further from the key \$2,000 mark, with investors turning towards higher-risk assets as banking turmoil subsides, although a softer dollar limited losses.

Spot gold was down 0.2 per cent at \$1,951.80 per ounce, as of 0924 GMT. US gold futures fell 0.1 per cent to \$1,952.10. Last week, gold breached the \$2,000 level after bank contagion fears bolstered safe-haven flows.

European stocks extended their recovery as investors hoped that the banking crisis will be contained after a buyout deal for the failed Silicon Valley Bank.

Gold is under pressure as calm has returned to the market after the recent developments in the banking sector, thereby lifting riskier assets, said Ole Hansen, head of commodity strategy at Saxo Bank.

In the near-term, gold prices could slip to \$1,933, but the outlook for gold remains bullish with fast approaching peak in US rates and a danger of hitting a recession in coming months, Hansen added.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 28, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	3.85 ↑
Coarse rice (kg)	Tk 46-Tk 50	-4 ↓	3.23 ↑
Loose flour (kg)	Tk 58-Tk 60	-4.24 ↓	54.79 ↑
Lentil (kg)	Tk 95-Tk 100	0	0
Soybean (litre)	Tk 170-Tk 175	1.47 ↑	16.95 ↑
Potato (kg)	Tk 20-Tk 25	12.5 ↑	18.42 ↑
Onion (kg)	Tk 35-Tk 40	25 ↑	7.14 ↑
Egg (4 pcs)	Tk 43-Tk 47	3.45 ↑	26.76 ↑

SOURCE: TCB



Nur Mohammed, chairman of Jamuna Bank, inaugurated two sub-branches at Bagbari and Rajfulbaria in Savar yesterday. Kanutosh Majumder, director, Md Humayun Kabir Khan, independent director, and Mirza Elias Uddin Ahmed, managing director, were present.

PHOTO: JAMUNA BANK



Tahsin Taher, head of retail segment and strategy of Mutual Trust Bank, and Nasrin Serin, founder of USB Certification, exchanged signed documents of an agreement on payroll services at MTB Tower in Dhaka recently. Rashid Ahmed Bin Wali, head of MTB payroll banking (acting), Mohammad Ruhul Neeyamur Rashid, senior relationship manager, and Md Hasnat Kabir, country manager of USB Certification, were present.

PHOTO: MUTUAL TRUST BANK

Buoyant bitcoin's losing its liquidity

REUTERS

Bullish bitcoin has been a surprise winner of the banking blowout. Yet investors aiming to amp up their bets face an ominous obstacle: a lack of liquidity that could trigger wild price swings.

The price of the No.1 cryptocurrency has jumped 40 per cent to around \$27,700 since

March 10, when the failure of Silicon Valley Bank (SVB) careered into mainstream markets.

On the flip side, though, its liquidity is drying up.

Bitcoin's market depth indicates the asset is at its lowest level of liquidity in 10 months, even lower than in the aftermath of the FTX collapse in November, according to data provider Kaiko. The market depth for the two

leading trading pairs - bitcoin-dollar and bitcoin-tether - stands at 5,600 bitcoin, the equivalent of about \$155 million, Kaiko said.

"As a market maker we try to provide liquidity where we can but we're facing a difficult situation," said Kevin de Patoul, CEO of Keyrock.

"There is a big network effect here. In the short term at least, liquidity will remain a challenge."

More food shortages could add to Britain's price pressure

REUTERS, London

Britons already reeling from the biggest rise in food prices since 1977 may have to get used to shortages of fresh vegetables as soaring costs and unpredictable weather hit domestic production.

British shoppers have faced a shortage of tomatoes, cucumbers and peppers in recent weeks after disrupted harvests in north Africa reduced supply, while inflation forced industry buyers to spend more on less from key markets such as Spain.

Tax office data showed Britain imported 266,273 tonnes of vegetables in January 2023 - the smallest amount for any January since 2010, when the population was around 7 per cent smaller than it is now.

Compounding matters, UK production of salad ingredients is expected to hit a record low this year as costly energy deters British producers from planting crops in greenhouses.

The tight conditions have helped to push British food price inflation to levels not seen for almost 50 years.

Industry data from market researcher Kantar on Tuesday showed UK grocery price inflation hit a record 17.5 per cent in the four weeks to March 19, underscoring the problem for policymakers.

Many UK food retailers are buying less, knowing their customers cannot afford to spend so much, taking a hit to their profits in the process.

Jack Ward, CEO of the British Growers Association, said there was

now a question mark over the future of Britain's fresh food producers.

"There's a limit to how long growers can carry on producing stuff at a loss," he said.

Growers, farming unions and shop owners warn of more shortages ahead, possibly soon spreading to other home-grown crops, including leeks, cauliflowers and carrots because of summer drought and winter frosts.

In March, the UK typically imports about 95 per cent of its tomatoes, but that drops to 40 per cent in June through to September.

The warnings come after supermarkets were forced to ration egg sales late last year, while the cost squeeze extends to poultry and pig farmers, prompting many to quit the industry.

Global economy's 'speed limit' set to plunge

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These declines would be much steeper in the event of a global financial crisis or a recession.

"A lost decade could be in the making for the global economy," said Indermit Gill, chief economist of the World Bank.

"The ongoing decline in potential growth has serious implications for the world's ability to tackle the expanding array of challenges unique to our times—stubborn poverty, diverging incomes, and climate change. But this decline is reversible. The global economy's speed limit can be raised—through policies that incentivise work, increase productivity, and accelerate investment."

The analysis shows that potential GDP growth can be boosted by as much as 0.7 percentage points—to an annual average rate of 2.9 per cent—if countries adopt sustainable, growth-oriented policies. That would convert an expected slowdown into an acceleration

of global potential GDP growth.

"We owe it to future generations to formulate policies that can deliver robust, sustainable, and inclusive growth," said Ayhan Kose, a lead author of the report and director of the World Bank's Prospects Group.

"A bold and collective policy push must be made now to rejuvenate growth. At the national level, each developing economy will need to repeat its best 10-year record across a range of policies. At the international level, the policy response requires stronger global cooperation and a re-energised push to mobilise private capital."

The report lays out an extensive menu of achievable policy options, breaking new ground in several areas. It is also the first to assess how a range of short-term economic disruptions—such as recessions and systemic banking crises—reduce potential growth over the medium term.

"Recessions tend to lower potential growth," said Franziska Ohnsorge, a

lead author of the report and manager of the World Bank's Prospects Group.

"Systemic banking crises do greater immediate harm than recessions, but their impact tends to ease over time."

The report highlights specific policy actions at the national level that can make an important difference in promoting long-term growth prospects.

They include aligning monetary, fiscal, and financial frameworks, ramping up investment, cutting trade costs, capitalising on services, and increasing labour force participation.

The report also underscores the need to strengthen global cooperation. International economic integration has helped to drive global prosperity for more than two decades since 1990, but it has faltered.

"Restoring it is essential to catalyse trade, accelerate climate action, and mobilise the investments needed to achieve the Sustainable Development Goals," said the World Bank report.