

MetLife inks deal with Dhaka Bank

STAR BUSINESS DESK

MetLife Bangladesh and Dhaka Bank Limited have signed an agreement, enabling the insurer's agents to access a range of the retail banking products.

Ala Uddin, deputy managing director and chief financial officer of MetLife Bangladesh, and Md Mostaque Ahmed, deputy managing director and chief emerging market officer of Dhaka Bank, penned the deal at the latter's head office in Dhaka on Sunday, said a press release.

Under the deal, the insurer's agents will be able to avail special offers on a range of products, including savings accounts, credit cards, personal and home loans, to support their financial stability and growth.

"It's a testament to our commitment to supporting our agents and enhancing their financial flexibility," said the insurer's CFO.

"Since its inception, Dhaka Bank has been focused on introducing innovative solutions for the market and we are delighted to collaborate with MetLife in this landmark initiative," said the bank's CEO.

Ala Ahmad, chief executive officer of the insurer, Farjana Yeasmin, head of agency services, Kazi Faruqui, head of the centre of excellence, Emranul Huq, managing director of the bank, Md Mahbubur Rahman and Mosleh Saad Mahmud, executive vice-presidents, were present.



Md Mostaque Ahmed, deputy managing director of Dhaka Bank, and Ala Uddin, deputy managing director of MetLife Bangladesh, exchanged signed documents of an agreement on banking services at the bank's head office in Dhaka on Sunday. Emranul Huq, managing director of the bank, and Ala Ahmad, chief executive officer of the insurer, were present. PHOTO: METLIFE BANGLADESH



Md Saidul Islam, chairman of Jamuna Bank, and Nur Mohammed, chairman of Jamuna Bank Foundation, cut a cake at the bank's head office in Dhaka yesterday, celebrating the 23rd anniversary of its operation in the banking sector of the country. Among others, Kanutosh Majumder, Md Atiqur Rahman, AKM Mosharrif Hussain and Redwan-ul-Karim Ansari, directors of the bank, and Mirza Elias Uddin Ahmed, managing director, were present. PHOTO: JAMUNA BANK



Sohail RK Hussain, managing director of Meghna Bank, and Syed Mahbubur Rahman, managing director of Mutual Trust Bank, signed an agreement on add money facility at the latter's head office in Dhaka recently. PHOTO: MEGHNA BANK



Kazi Mashiur Rahman Jayhad, additional managing director of Global Islami Bank, cuts a ribbon to inaugurate the Shibpur agent banking outlet of the bank at Ekdanta in Atgharia, Pabna yesterday. Among others, Sami Karim, deputy managing director of the bank, Imtiaz Ahmed Siddiqui, head of marketing, AKM Nurul Afsar, head of agent banking division, and Md Alauddin, proprietor of Shibpur agent banking outlet, were present. PHOTO: GLOBAL ISLAMI BANK

Meghna Bank signs deal with Mutual Trust Bank

STAR BUSINESS DESK

Meghna Bank Limited recently signed an agreement with Mutual Trust Bank Limited.

Sohail RK Hussain, managing director and CEO of Meghna Bank, and Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank, inked the deal at the latter's head office in Dhaka, said a press release.

Under the agreement, MeghnaPay customers will enjoy the "add money" facility from VISA, Mastercard and UnionPay cards through Mutual Trust Bank Payment Gateway.

Kazi Farhana Zabin, head of liability and wealth management division at Meghna Bank, AZM Fouz Ullah Chowdhury, head of digital financial services division, Chowdhury Akhtar Asif, additional managing director of Mutual Trust Bank, and Md Khalid Mahmood Khan, deputy managing director, along with high officials of both lenders were present.

Euro zone business growth slowed in May as factories struggled

REUTERS, London

Euro zone business activity was shored up last month by the bloc's dominant services industry offsetting a deepening decline in the manufacturing sector, according to a survey which also showed overall price pressures had abated.

HCOB's final Composite Purchasing Managers' Index (PMI), compiled by S&P Global and seen as a good gauge of overall economic health, fell to a three-month low 52.8 in May from April's 54.1.

While still comfortably above the 50 mark separating growth from contraction it was below a preliminary estimate for 53.3.

"Relatively resilient services activity growth should ensure

that the euro zone regains some footing and shows a positive rate of expansion in the second quarter after GDP stagnated in the October-March period," said Cyrus de la Rubia, chief economist at Hamburg Commercial Bank.

A PMI covering the services sector dropped to 55.1 from April's one-year high of 56.2, below the 55.9 flash reading. A manufacturing PMI released last week showed the downturn in factory activity deepened as demand slumped despite prices falling.

Overall cost pressures were lower in May and both the composite input and output prices indexes fell. The output index dropped to 56.4 from 56.8, its lowest since April 2021.

While that will likely be welcomed

by policymakers at the European Central Bank who have yet to get inflation down to target it was largely down to factories reducing prices as services firms, closely watched by the ECB, increased their charges faster.

Despite that, demand for services continued to rise and firms increased headcount, albeit at a slower pace. The employment index dipped to 54.6 from April's 11-month high of 55.6.

"The services sector is being supported by the strong labour market, rising wages and a tourism sector that is flourishing throughout Europe," said de la Rubia.

"The latter is confirmed by the new export business PMI, which includes tourism-related demand and remained near its series peak in May."

Debt ceiling deal

FROM PAGE B4

The deal to suspend the \$314 trillion debt ceiling until January 2025 holds non-defense discretionary spending largely flat this year, with a 1 per cent increase in fiscal 2024.

The Congressional Budget Office (CBO) estimates this would result in \$1.3 trillion in savings over a decade.

Even those savings may prove illusory, as Congress would be free to abandon its self-imposed spending limits within two years. On top of that, tax cuts passed by Republicans in 2017 expire on schedule in 2025, but the party is pushing to extend them.

Making matters worse, higher interest rates are pushing up the government's debt service costs. CBO projects that these will triple to \$1.4 trillion by 2033 – far exceeding the projected defense budget at that time.

In their debt limit negotiations, both President Joe Biden and House of Representatives Speaker Kevin McCarthy vowed not to touch the main driver of US debt: rising Social

Security pension and Medicare health benefit costs. Social Security costs are projected to increase by 67 per cent by 2032, and the Medicare health program for seniors will nearly double in cost during that period, according to CBO, as Americans 65 or older top 46 per cent of the US population, up from 34 per cent this year.

Together, these two programs account for roughly 37 per cent of current federal spending and are both on a path toward insolvency in about a decade. Other programs for veterans and low-income people push such safety-net spending to over half the budget.

Debt-ceiling negotiations spared cuts to mandatory spending like Medicare, Medicaid and Social Security even though these programs cost more than discretionary spending.

Debt-ceiling negotiations spared cuts to mandatory spending like Medicare, Medicaid and Social Security even though these programs cost more than discretionary spending.

Oil market rallies

FROM PAGE B4

breakthrough deal late last week to lift its debt ceiling and avert a disastrous default.

"The outcome of the much-anticipated Opec+ meeting has created a splash in the oil market, if not a wave," said KCM Trade analyst Tim Waterer. "Saudi Arabia has backed up their words with actions by going it alone and extending their supply cuts."

The 23-nation Opec+ alliance, which includes Russia, agreed Sunday to continue current output cuts until the end of next year.

But influential player Saudi Arabia also announced its own new cutback taking July production to nine million barrels per day.

Saudi Energy Minister Prince Abdulaziz bin Salman told reporters that he "will do whatever is necessary to bring stability to this market."

Opec+ nations are grappling with falling prices on concerns oil demand will weaken as major economies struggle to cool elevated inflation.

Onion prices

FROM PAGE B1

certain section of traders manipulated the market for more profit, claimed AHM Shafiquzzaman, director general of the Directorate of National Consumers Rights Protection (DNCRP).

"We requested the commerce ministry to give import permission a month ago to contain onion prices. Had that been implemented at the time, the sufferings of consumers could have been less," Shafiquzzaman told The Daily Star.

He said that traders, not farmers, reaped the benefits of the high price.

"Since the harvesting season is nearing an end, farmers have little onions in store. It is the traders who have stockpiled it and manipulated the market," Shafiquzzaman added.

Farmers of Pabna, the leading onion-producing hub in Bangladesh, claimed that wholesalers in Dhaka, Chattogram and Sylhet were responsible for the unstable onion market.

"Big merchants in these regions try to control the wholesale price of onion. They keep buying through local agents until they have sufficient stock," said Md Kamruzzaman, a leading onion grower of Durgapur village in Pabna's

Sujanagar upazila.

"Once they have the majority of the stock, they start manipulating the market," he added.

Senior Commerce Secretary Tapan Kanti Ghosh also said that a section of unscrupulous traders took advantage of the high price of onion over the last month.

"The import will continue until the market becomes stable. We will rein in imports once the price of onion comes down to Tk 50 per kg," Ghosh said.

Meanwhile, wholesale traders of Dhaka, Pabna and Chattogram said after Sunday's announcement, the price of onion has decreased by Tk 250 to Tk 300 per maund (37 kg).

Onion was sold at Tk 3,400 to Tk 3,600 per maund on Saturday but now, it is being sold at Tk 3,150 to Tk 3,300, said Mohammad Majed, a wholesaler of the capital's Shyambazar.

He claimed onion prices would drop further when the low-cost Indian variety hits local markets.

"After paying all the costs, the price of imported Indian onion will be around Tk 20 per kg," Majed added.

The government approved 210 import permit applications for 280,800 tonnes of onion on the first

day (June 5), said an official of the agriculture ministry.

Dipankar Ghosh, organising secretary of the Bhomra Clearing and Forwarding Agents, said 330 tonnes of onion arrived at the Bhomra Land Port from India yesterday.

Considering the recent spike in onion prices, the commerce ministry sent a letter to the agriculture ministry on May 14, urging to allow imports of the popular cooking ingredient.

Onion imports have remained halted since March 15 in a bid to ensure better prices for local producers.

The annual demand for onion in Bangladesh is around 25 lakh tonnes, according to the commerce ministry.

This year, the agriculture ministry claimed that domestic production was around 34 lakh tonnes.

However, the country still needs to import around 6.50 lakh tonnes of onion as around 25 percent of the annual domestic yield is wasted due to a lack of storage facilities, according to agriculture ministry data.

Ring Shine Textiles' losses widen

STAR BUSINESS REPORT

Ring Shine Textiles Ltd incurred a loss of Tk 74 crore in the July-March period of the current financial year as its utility and net interest costs surged.

This means the loss of the listed textile maker widened by 58 per cent compared to the same period a year ago.

Thus, its earnings per share stood at Tk 1.49 in negative during the nine-month period, which was Tk 0.94 in negative in July-March of 2021-22.

The EPS declined because of the increase in net losses, highly impacted by the spike in utility overhead and financial expenses, Ring Shine said in its financial report.

Shares of the textile company traded at Tk 9.80 on the DSE yesterday, unchanged from a day earlier.

Ring Shine Textiles raised Tk 150 crore in 2019. But its performance has deteriorated since then.

In August 2020, the management decided to close the factory for a month due to the coronavirus pandemic-induced shortage of imported raw materials. However, the company was unable to return to operation.

This prompted the Bangladesh Securities and Exchange Commission to restructure the board of Ring Shine in January 2021 as the regulator looks to reverse the course of the company, protect the interests of the investors, and restore confidence in the market.

US factory orders rise

REUTERS

New orders for US made goods rose for a second month in April, boosted largely by defense spending, but the overall manufacturing industry continued to struggle under the weight of higher interest rates.

Factory orders increased 0.4 per cent after a 0.6 per cent gain in March, the Commerce Department said on Monday. Economists polled by Reuters had forecast orders rising 0.8 per cent. Orders increased 1.4 per cent on a year-on-year basis in April.

The sector, which accounts for 11.3 per cent of the economy, is being dragged down by the Federal Reserve's fastest interest rate hiking campaign since the 1980s.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUN 5, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	0.75 ↑
Coarse rice (kg)	Tk 48-Tk 50	2.08 ↑	-2 ↓
Loose flour (kg)	Tk 52-Tk 58	-2.65 ↓	20.88 ↑
Lentil (kg)	Tk 90-Tk 100	0	-11.63 ↓
Soybean (litre)	Tk 175-Tk 185	4.96 ↑	-2.17 ↓
Potato (kg)	Tk 36-Tk 40	13.43 ↑	76.74 ↑
Onion (kg)	Tk 80-Tk 90	61.9 ↑	126.67 ↑
Egg (4 pcs)	Tk 45-Tk 50	3.26 ↑	14.46 ↑

SOURCE: TCB

Steel prices unlikely

FROM PAGE B1

He thinks that the energy crisis will continue in the coming days and the price of the dollar might increase further. "So, there is a possibility that the price of steel products will rise in the future."

According to Rahat, there is a provision of paying a 2 per cent source tax on the sales of rods and a Tk 500 per tonne source tax on the import of scrap.

In its budget proposal, the sector had demanded a cut in the advance income tax to Tk 100 per tonne from Tk 500 (non-adjustable), but the government did not pay any heed.

Rahat argued that the additional tax paid is not adjustable in the next financial year. As a result, businesses sometimes end up paying more tax than they owe.

He thinks it is necessary to fix the source tax at Tk 200 per tonne in the case of scrap import, withdraw the source tax on the sales of rods, cancel the provision of the minimum tax at source at the import level, and offer an opportunity to adjust the advance income tax. "In order to sustain the business of the sector, the amendment of laws is necessary."

In Bangladesh, the steel industry has been facing a difficult situation after a sudden increase in the price of gas and electricity. This has pushed up the energy bills of steel production, sending the price of rods to a record high.

Data from the Trading Corporation of Bangladesh showed that the 60-grade MS (mild-steel) rod has been retailing at Tk 101,500 per tonne since May 15, up from Tk 91,500 a year ago.

Dhaka stocks

FROM PAGE B4

SK Trims & Industries were among the top gainers.

National Tea Company was the biggest loser, shedding 8.7 per cent.

Northern Jute Manufacturing, Meghna Insurance Company, Sonali Life Insurance Company, and Sea Pearl Beach Resort & Spa suffered significant losses.

Lub-tref (Bangladesh) was the most-traded stock on the day with its issues worth Tk 58 crore transacting. Meghna Life Insurance Co, Intraco Refueling Station, IT Consultants, and Rupali Life Insurance Company also saw a significant turnover.

The Caspi, the all-share price index of the Chittagong Stock Exchange, dipped 11 points, or 0.06 per cent, to close at 18,776.

Of the issues, 60 rose, 79 retreated and 93 did not see any price swing.

However, turnover on the port city bourse edged up 4.28 per cent to Tk 22.88 crore.