

Dollar slips

REUTERS, London/Tokyo

The dollar edged lower on Wednesday but hovered close to a two-week high ahead of an expected US Federal Reserve interest rate rise later in the day, with investors focused on Fed Chair Jerome Powell's upcoming comments.

Traders also awaited policy decisions from the European Central Bank (ECB) and Bank of Japan (BoJ) this week.

The US dollar index, which measures the currency against six major peers, edged 0.2 per cent lower to 101.09, but was close to a two-week high touched on Tuesday.

Money market traders see a quarter point hike from the Fed later on Wednesday as a near certainty but are fairly equally split on the odds for another later in the year.

Esther Reichelt, FX analyst at Commerzbank said market reaction will depend on Powell's comments.

"It is likely to be just as certain that the FX market's reaction will not depend very much on these 25 basis points but on everything else

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surrounding the meeting," she said.

Continued signs of a resilient US economy in the face of the Federal Open Market Committee's (FOMC) steep series of interest rate increases has helped lift the dollar index from a 15-month trough of 99.549 reached a week ago.

In the latest data, US consumer confidence rose to a two-year high in July amid a persistently tight labour market and receding inflation.

Elsewhere, the ECB sets policy on Thursday. Again, a quarter point hike is widely expected, but building evidence of an economic slowdown has called into question the chances of another by year-end.

The euro rose 0.2 per cent to \$1.1081, after hitting a two-week low on Tuesday.

"If the ECB retain their hawkish bias, by no means guaranteed but more likely than the FOMC, euro is likely to track higher this week," said Joseph Capurso, a strategist at Commonwealth Bank of Australia.



Lotkon has become the main cash crop for farmers in Narsingdi as they now earn extra by exporting the fruit after meeting local demand. Some Tk 350 crore worth of lotkon was produced this year with traders and growers now busy harvesting and selling the crop. PHOTO: JAHIDUL ISLAM

Lotkon farmers enjoying fair yields, prices

JAHIDUL ISLAM, Narsingdi

Lotkon farmers in Bangladesh are enjoying good yields and prices for the fruit this year thanks to its vast popularity at home and abroad, according to market players.

Narsingdi is well-known for producing lotkon, also known as Burmese grape, with local growers now going on to earn foreign currency by exporting the fruit after meeting domestic demand.

About 1,890 hectares of land in the district were used to cultivate lotkon this season, up by some 200 hectares from last year, shows data of the Department of Agricultural Extension (DAE).

Of the total acreage, Shibpur upazila made up the majority with 1,600 hectares. However, most of the fruit is being grown in the Joy nagar area for its perfect soil and climate conditions.

With each hectare expected to provide an average of 17 tonnes, the region will produce some 32,000 tonnes of lotkon with a combined market value of about Tk 350 crore, DAE officials in Narsingdi said.

Alamgir Hossain, a farmer in Shibpur upazila, said he started growing lotkon on around 10 bighas of land at a cost of about Tk 40,000 three years back.

"I already sold Tk 1.5 lakh worth of the fruit so far this



year," he added.

Mobarok Hossain, another local grower, said he started producing lotkon on a commercial basis amid the Covid-19 pandemic in 2020.

Having invested Tk 1.5 lakh to turn his family's barren land into a lotkon orchard, Hossain earned Tk 4.5 lakh from the fruit this year.

"My orchard is now making me financially solvent," he added.

During a recent visit to a local market in the upazila, it was found that producers and wholesalers were busy packing lotkon for transport to other areas of the country.

Hospital, said other than its great taste, lotkon is packed with calcium, vitamin c, anti-oxidants and iron.

"It also increases appetite and reduces mental exhaustion," he added.

Similarly, Azizur Rahman, deputy director of the Narsingdi DAE, said the demand for lotkon is increasing for its taste and medicinal properties.

Besides, Narsingdi and its surrounding areas where lotkon are produced are turning into economic green zones for being part of the eco-industrial business.

"We expect more than 32,000 tonnes of lotkon were produced in Narsingdi with a market price of Tk 350 core. The lotkon here is also exported to countries in Middle East and Europe, where it has gained popularity," he added.

The production cost of lotkon is comparatively less than other crops as the trees bear fruit within 10 seasons of planting.

As such, even though the fruit was unfamiliar not too long ago, it has quickly become the main source of income for farmers in Narsingdi.

It is said that lotkon cultivation began in the district about 100 years ago, when a man named Hazi Hakim Abdul Aziz planted three saplings in the Azkitola area of Shibpur upazila.

Dr ANM Mizanur Rahman, superintendent of Narsingdi

Heidelberg recovering from losses

STAR BUSINESS REPORT

Heidelberg Cement Bangladesh Ltd has continued to recover from losses as it registered profit for the second quarter in a row thanks to a reduction in the cost of sales.

The multinational company made a profit of Tk 9.11 crore in April-June against a loss of Tk 3.75 crore during the same quarter a year earlier.

As a result, the earnings per share returned to positive territory at Tk 1.61 in the second quarter of 2023 from a negative Tk 0.66 in the identical period in 2022.

This raised Heidelberg Cement's total profit to Tk 47.80 crore in January-June, against a loss of Tk 20.52 crore in the first half of 2022, according to its unaudited financial statements.

Thus, it posted Tk 8.46 earnings a share in January-June from a negative EPS of Tk 3.63 in the first half of 2022.

The company said its earnings rose due to higher net sales, according to a disclosure on the Dhaka Stock Exchange.

The cement maker's shares, however, fell 3.18 per cent to Tk 289.10 on the DSE yesterday.

Heidelberg sold Tk 1,020 crore worth of cement in January-June, registering roughly 10 per cent year-on-year growth. The cost of sales came down to 88 per cent during the period from 94 per cent last year.

SBAC Bank's profit soars 28%

STAR BUSINESS REPORT

Profit of South Bangla Agriculture & Commerce (SBAC) Bank Ltd soared 28 per cent in the first six months of the current financial year that will end in December as the lender was able to bring down its provision against defaulted loans.

The private bank recorded profit of Tk 33.6 crore in January-June period this year, up from Tk 26 crore in the same period a year ago.

Earnings per share (EPS) rose to Tk 0.41 during January-June from Tk 0.32 in the same period of 2022, according to the unaudited financial statement of the bank.

The private bank's earnings more than doubled to Tk 19.5 crore in the April-June period of the current financial year from Tk 7.8 crore in the same period a year ago.

The bank said its income from operating activities has increased in the first half of 2023 taking the net operating cash flow to positive territory.

National Bank suffers Tk 627cr loss in Jan-Jun

STAR BUSINESS REPORT

National Bank Limited suffered a Tk 627 crore loss in the first half of 2023, up 261 per cent year-on-year, due to lower incomes from interests on loans.

The private commercial lender incurred a loss of Tk 173 crore in the January-June half of 2022.

Thus, its losses per share widened to Tk 1.95 in the first half of the current financial year from Tk 0.54 a year earlier.

The earnings per share decreased because of a lower income from interest on loans and advances, NBL said in a disclosure on the Dhaka Stock Exchange. The bank's EPS was Tk 0.98 in the negative in April-June of 2023. It was Tk 0.36 in the negative during the same quarter last year.

NBL's shares remained unchanged at Tk 8.30 on the DSE yesterday.

The private commercial bank did not provide any dividend to its shareholders in 2022 due to huge losses.

European banks flag bad loan risks

REUTERS, London/Milan/Madrid

Europe's major banks, including Deutsche Bank and Lloyds Banking Group, on Wednesday pointed to the rising risk of bad loans as the global economy struggles with slow growth and high inflation.

Financial regulators and investors are keeping a close eye on how banks navigate the uncertain economic climate and are looking in particular for any signs of stress in banks' loan books.

The latest flurry of bank earnings in Europe highlighted broader trends in global banking, where investment banks are under pressure due to a deal drought, while higher interest rates are helping profitability in retail banking.

Lloyds took a higher charge for troubled loans and missed first-half profit expectations as Britain's economic chills weighed on its finances and upped pressure on management to do more to help savers.

Analysts at JPMorgan said Lloyds' higher than expected charge for potentially soured loans - up 76 per cent to 662 million pounds (\$855 million) - and declining loan volumes would trigger downgrades of Lloyds' performance for the year.

Lloyd's shares were down 3 per cent early on Wednesday.

Higher interest rates helped UniCredit strongly beat earnings expectations in the second quarter. While the bank continues to see a significant increase in its cost of risk ahead, it will be less than anticipated.

"We don't expect an Armageddon increase in cost of risk," CEO Andrea Orcel said.

"We continue to push into the future the expected shocks," he added.

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The European Central Bank (ECB) building is seen on the bank of the River Main in Frankfurt am Main, western Germany. The ECB this week reported that euro zone companies' demand for loans dropped to the lowest on record last quarter and a further decline is likely over the summer as banks continue to tighten access to credit. PHOTO: AFP

India open to Chinese investment

Deputy IT minister says

REUTERS

India is open to Chinese investment despite border clashes between the two countries, the Deputy Minister for Information Technology Rajeev Chandrasekhar told the Financial Times in a report published on Wednesday.

"We are open to doing business with any company anywhere as long as they are investing and conducting their business lawfully and are in compliance with the Indian laws," Chandrasekhar told the FT, adding that India was "open to all investment, including Chinese".

New Delhi ramped up scrutiny of Chinese businesses after a 2020 border clash between the two countries, banning more than 300 Chinese apps, including TikTok.

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