Prime Bank inks deal with Electra Holdings

STAR BUSINESS DESK

Prime Bank signed an agreement with Electra Holdings, the official seller of Xiaomi branded mobile phones in Bangladesh, at the bank's head office in Dhaka.

Under this deal, all Prime Bank cardholders will enjoy up to Tk 5,000 discount on purchases of mobile phones from Electra Holdings. Creditcard holders will enjoy up to six months zero percent EMI facility, read a press release.

Nazeem A Choudhury, deputy managing director of Prime Bank and Md Zakiullah Shahid, managing director of Electra Holdings, signed the agreement on behalf of their respective organisations.

Md Asif Bin Idrish, senior executive vice president, commercial banking division, Masudul Haque Bhuiyan, head of cards & alternative delivery channel and Md Abu Sufian, general manager of Electra Holdings, were among those present.

Nazeem A Choudhury, deputy managing director of Prime Bank, and Md Zakiullah Shahid, managing director of Electra Holdings, pose alongside senior officials of both organisations during an agreement signing ceremony at the bank's head office in Dhaka.
PHOTO: PRIME BANK

National Finance gets new MD

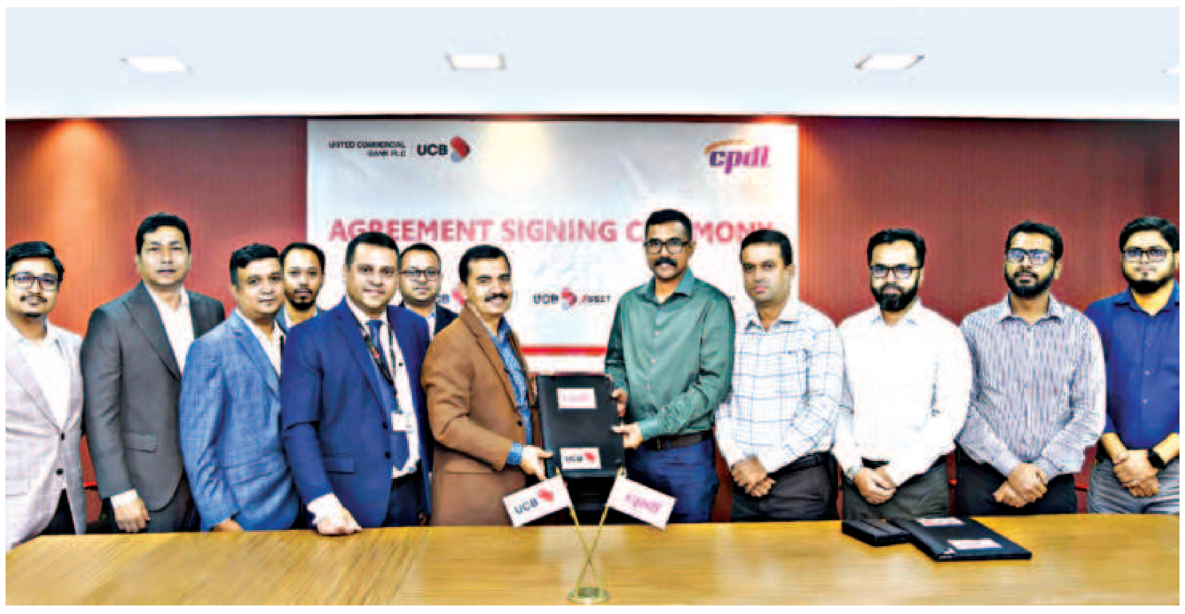
STAR BUSINESS DESK

National Finance Limited (NFL), a non-banking financial institution, has appointed Irteza Ahmed Khan as its managing director, read a press release.

Irteza has 25 years of experience in business leadership and was previously instrumental in transforming two firms, Meridian Finance & Investment Ltd and Strategic Finance and Investments Ltd, into compliant financial institutions in his roles as MD and CEO respectively.

His career highlights include working as general manager and head of consumer division in IDLC Finance Ltd and as head of Motijheel branch at DBH PLC.

He obtained an EMBA from North South University and Chartered Accountancy Intermediate from the Institute of Chartered Accountants of Bangladesh.



Ziaul Hoque Khan, chief business officer of CPDL, and ATM Tahmiduzzaman, deputy managing director of UCB, were present alongside other senior officials at the signing of an MoU.
PHOTO: UCB

CPDL signs MoU with UCB

STAR BUSINESS DESK

CA Property Development Limited (CPDL), a real estate firm of the country, signed a memorandum of understanding (MoU) with United Commercial Bank PLC at the UCB corporate head office in Dhaka.

Customers of CPDL will be able to avail UCB home loans at attractive rates while UCB home loan customers will get preferential benefits from CPDL in terms of apartment purchase, read a press release.

CPDL employees will also enjoy an exclusive corporate executive package (payroll banking solutions) from UCB.

Ziaul Hoque Khan, chief business officer of CBDL, and Mohammad Shafiqur Rahman, SEVP & head of retail business division of UCB, signed the agreement on behalf of their respective organisations.

ATM Tahmiduzzaman, deputy managing director of the bank, Mohammad Shajedul Haque Mredha, FVP & head of national sales, and Eftikhar Uddin Chowdhury, general manager of CBDL, were present alongside other officials.

Toyota's global production rises

REUTERS, *Tokyo*

Toyota Motor said on Monday that worldwide production rose 1.5 percent in September from the same period a year earlier to 900,919 vehicles, boosted by stronger demand in Japan, the United States and in Europe.

The Japanese automaker's domestic production, which accounted for just over a third of the vehicles it produced during the month, rose 12.8 percent from a year earlier, offsetting a 3.6 percent decline in overseas output.

The world's biggest automaker by sales reported an 11.6 percent jump in global sales in September to 921,308 vehicles.

City Bank holds virtual earnings disclosure

STAR BUSINESS DESK

City Bank held a virtual earnings disclosure event to announce the bank's Q3 2023 results.

Investors, researchers, analysts and other individuals involved in the capital market joined the event, read a press release.

The bank returned a profit after tax of Tk 379 crore from January to September 2023, registering 15 percent year-on-year growth. As a result, its earnings per share were recorded at Tk 3.09.

Md Mahbubur Rahman, additional managing director and chief financial officer, Mashrur Arefin, MD and CEO, Sheikh Mohammad Maroof, additional managing director and chief business officer, Mesbaul Asif Siddiqui, deputy managing director and chief risk officer and Akm Saif Ullah Kowchar, deputy managing director and head of internal control and compliance, were present alongside other senior officials.

Senior officials of City Bank, including MD and CEO Mashrur Arefin, attend a virtual earnings disclosure event to announce the bank's Q3 2023 results recently.
PHOTO: CITY BANK

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (OCT 30, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 72	0	-5.71 ↓
Coarse rice (kg)	Tk 48-Tk 50	2.04 ↑	-3.85 ↓
Loose flour (kg)	Tk 42-Tk 45	0	-23.01 ↓
Lentil (kg)	Tk 105-Tk 110	0	5.91 ↑
Soybean (litre)	Tk 140-Tk 145	-9.52 ↓	-12.31 ↓
Potato (kg)	Tk 55-Tk 60	32.18 ↑	109.09 ↑
Onion (kg)	Tk 115-Tk 130	44.64 ↑	122.73 ↑
Egg (4 pcs)	Tk 50-Tk 52	4.08 ↑	5.15 ↑

SOURCE: TCB

Global business cycle is in transition

REUTERS, *London*

Global economic activity was mixed during the third quarter of 2023, with distinct signs of improvement in the United States and China but continued sluggishness elsewhere.

Global industrial production was up by just 0.4 percent in August 2023 compared with the same month a year earlier, according to estimates compiled by the Netherlands Bureau for Economic Policy Analysis (CPB).

But trade volumes were down by 3.8 percent in August compared with a year earlier and have not grown for a year, a sign of stagnation that is consistent with a recession ("World trade monitor", CPB, Oct. 25).

The United States and China, the world's two largest economies, showed signs of growing somewhat faster in the third quarter after a pronounced slowdown in the first half of 2023.

Preliminary estimates show U.S. real gross domestic product increased at an annualised rate of 4.9 percent in the three months from July to September up from 2.1 percent in the three months from April to June.

The largest contribution came from increased consumer spending (+2.7 percentage points) especially on services (+1.6 percentage points) with a smaller contribution from goods (+1.1 percentage points).

The acceleration is consistent with data from purchasing managers surveys showing service sector activity increased in the third quarter after the barest of slowdowns during the second quarter.

Manufacturing activity continued to decline but there were clear signs it was approaching a cyclical trough with expansion imminent.

Chartbook: Global economy and trade

Initial claims for unemployment benefits have trended lower since the start of July after rising throughout the first six months of the year.

Service sector prices rose at an annualised rate of 5.2 percent in the three months ending in September up from 3.3 percent in the three months ending in June.

But there were also warning signs that some of the strength may be temporary and not sustained in the coming quarters.

The second largest contributor to real gross domestic product growth in the third quarter came from business inventories (1.3 percentage points).

> **The US and China, the world's two largest economies, showed signs of growing somewhat faster in the third quarter after a pronounced slowdown in the first half**

Contributions from inventory changes are normally reversed within 3-6 months so the tailwind in the third quarter is likely to turn into a headwind in the fourth.

Real final sales to private domestic purchasers (FSPDP), a measure that strips out volatile changes in inventories, trade and government spending, increased at an annualised rate of 3.3 percent between July and September.

Real final sales accelerated markedly from annualised growth of 1.7 percent between April and June and a contraction of -0.2 percent between October and December 2022.

Final sales confirm the economy has returned to moderate growth after the briefest and shallowest of cyclical slowdowns at the end of 2022 and the start of 2023.

But there are questions about how sustainable the current rebound will prove.

There is not much spare capacity in the labour market or in energy supplies for renewed growth without sparking inflation.

The unemployment rate was just 3.8 percent in September while inventories of diesel and other distillate fuel oils were 19 million barrels (-15 percent or -1.29 standard deviations) below the prior 10-year seasonal average.

CHINA AND ASIA

China's economy also appears to have returned to growth during the third quarter after a slump in the second quarter.

The manufacturing purchasing managers index improved for four consecutive months and by September was in the 38th percentile for all months since 2011 up from just the 2nd percentile in May.

The volume of containers handled by China's coastal ports was up almost 8 percent in September compared with the same month a year before, according to data from the Ministry of Transport.

China's electricity generation was up 9 percent in September compared with a year earlier, with big increases in power consumed by service sector firms (17 percent), manufacturers (9 percent) and primary industries (9 percent).

China's recovery is helping lift other regional economies.

Singapore acts as a major transshipment hub for trade between Asia and Europe and freight volumes also show signs of accelerating.

The port handled a record volume of shipping containers in the last 12 months and volumes were up more than 4 percent in September compared with a year earlier.

Fed may hold rates

FROM PAGE B4

June last year, inflation as measured by the Fed's favored yardstick has fallen by more than half -- though it remains stuck firmly above three percent.

Futures traders assign a probability of 99.9 percent that the Fed will vote to hold rates steady in November, according to CME Group data.

In a surprising development for many analysts, the Fed's aggressive interest rate policy has not pushed the world's largest economy into a recession, and it looks unlikely to do so in the coming months.

In fact, resilient consumer spending fueled higher-than-expected annualized growth of 4.9 percent in the third quarter, building on positive growth in the first half of the year.

At the same time, hiring has picked up and unemployment remains close to historic lows.

"I always say it is a mistake to bet against the American people," President Joe Biden said in a statement Thursday, shortly after the latest GDP figures were released.

"I never believed we would need a recession to bring inflation down -- and today we saw again that the American economy continues to grow even as inflation has come down," he added.

Another factor weighing on the Fed as it mulls whether to hold its key short-term lending rate steady has been the recent surge in yields on longer-term government bonds.

Whereas the Fed's key short-term rate mainly affects the borrowing rates offered by banks, Treasury yields determine "everything from mortgage rates to corporate and municipal bond yields," KPMG Chief Economist Diane Swonk wrote in a recent note to clients.

"It has already added an Arctic blast to the mortgage winter, which has frozen current owners in place and locked first-time buyers out of the housing market," she said.

"Many within the Fed believe that the rise in yields we have seen are equivalent to an additional rate hike," she added.

Since the Fed's last rate-setting meeting, when most policymakers indicated they expected at least one more increase this year, officials have moderated their tone about further hikes.

Earlier this month, Fed Chair Jerome Powell said the current policy stance is "restrictive," suggesting monetary policy was working to put "downward pressure on economic activity and inflation."

The economy "is handling much higher rates -- at least for now -- without difficulty," he continued.

And Philadelphia Fed President Patrick Harker said he believed the Fed was "at the point where we can hold rates where they are."

"I think doing nothing at this moment equates to doing quite a lot," he added.

Against this backdrop, many analysts have indicated they expect a "hawkish" pause -- whereby the Fed holds rates steady while indicating it could still hike rates again this year if needed.

HSBC's profit resilience

FROM PAGE B4

full-year targets give him a buffer. For example, HSBC expects net interest income in 2023 to be above $35 billion. Given that it churned out $27 billion-plus in the first nine months of the year, it's hardly a challenge.

Besides, the rising interest rates which have swelled HSBC's top line may have peaked. The bank's net interest margin slipped to 1.7 percent in the latest quarter, from 1.72 percent in the previous three months.

Meanwhile, costs are proving stubborn, although HSBC blamed the 2 percent rise in third-quarter operating expenses on one-off technology costs, inflation and pay hikes.

Quinn is also sticking to his target for return on tangible equity in the mid-teens, despite HSBC clocking an annualised 17.1 percent in the first nine months of the year, excluding one-off gains. Investors appear to

share his lack of conviction. HSBC shares trade at around 0.9 times the bank's tangible book value at the end of September. That leaves plenty of scope for leaner times.

HSBC on Oct. 30 reported pre-tax profit of $7.7 billion for the three months to Sept. 30, more than double the level from the same period last year. But the figure was below the $8.1 billion average of analysts' estimates compiled by the bank.

The bank set aside $1.1 billion for expected credit losses and other credit impairment charges in the third quarter, mostly in line with the same period of 2022. It included $500 million related to mainland China's troubled commercial real estate sector.

HSBC said it remains committed to targeting a return on tangible equity in the mid-teens for 2023 and 2024, excluding the impact of acquisitions and disposals. Its adjusted annualised return on equity for the third quarter was 14.3 percent.