

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

February 02, 2022

Remittance Inflow Sees 5% Growth in January

The rising trend of remittance continued in January with a nearly 5% growth over the earnings of December 2021.

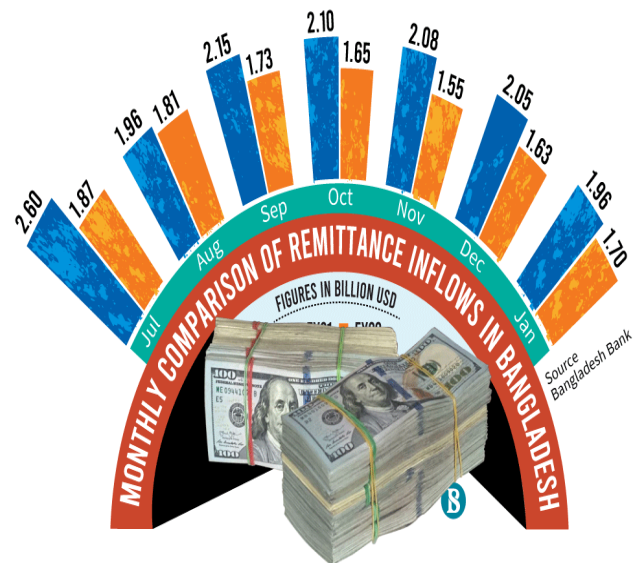
Remittances sent by expatriates increased by about \$74 million compared to December, by around 4.52%. A report from Bangladesh Bank published Tuesday (1 February) contained the information.

Expatriates sent \$1.70 billion in remittances in January this year. Which was \$1.63 billion in the previous month.

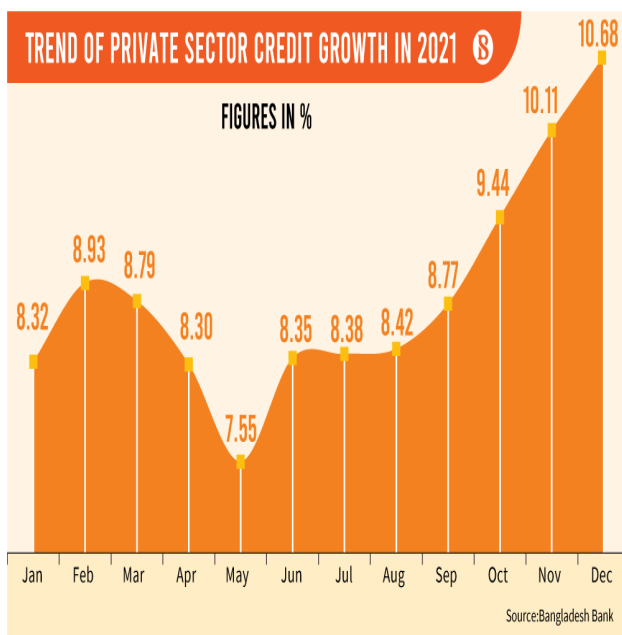
However, compared to January 2021, the remittances fell by about \$257 million as expatriates sent \$1.96 billion in remittances in the same period last year. Which shows a 13.12% decline.

About 299,410 Bangladeshi employees went abroad during October-December 2021 quarter. In comparison, 73,992 workers had gone abroad in the previous June- September 2021 quarter.

Source: <https://www.tbsnews.net/economy/remittance-inflow-sees-5-growth-january-365161>



Private Credit Flow Rises further in Dec



Private sector credit grew for the seventh month in December, reaching 10.68% in December year on year as the external and internal economic activities are picking up showing a steady fiscal recovery.

Bangladesh Bank data shows the amount of private sector credit was Tk11.41 lakh crore in December 2020.

In December 2021, the amount rose to above Tk12.63 lakh crore.

The month registered a 0.57 percentage point growth in December against 10.11% in November.

In January 2021, the credit growth was 8.46% which increased in February to 8.51% and in March to 8.79%. But the flow dropped in the next two months.

Industry insiders attributed the current growth to the rise in excessive imports, especially capital machineries.

Source: <https://www.tbsnews.net/economy/banking/private-credit-flow-rises-further-dec-364819>

Submarine Cable Company's Profit Jumps 57% as Internet Use Surges

Bangladesh Submarine Cable Company Ltd (BSCCL), a core telecommunication service provider in the country, posted 30% growth in revenue and 57% rise in net profit in the first half of FY22 as the use of the internet surged across the country recently.

The state-run company said the substantial efforts of its management, the government's policy of digitisation of services and the introduction of 4G and 5G services have helped increase the use of overall international private leased circuit (IPLC), a point-to-point data communication service, in the country.

As a result, its revenue increased in the July-December period of FY22, reads the latest financial statements of BSCCL.

The company mainly provides high capacity voice and data bandwidth to all important places in Bangladesh for the benefit of IT-related services.

According to its financial statement, the company's revenue rose by 30% to Tk202.53 crore and its net profit rose by 57% to Tk112.90 crore in the July-December period of FY22, compared to the same period of the previous fiscal.

Source: <https://www.tbsnews.net/bangladesh/submarine-cable-companys-profit-jumps-57-internet-use-surges-365266>



Bangladesh Submarine Cable Company Limited

LafargeHolcim to Pay 25% Cash Dividend

Multinational cement manufacturer LafargeHolcim Bangladesh Limited has recommended a 25% cash dividend for its shareholders for 2021.

The company took the decision at a board meeting on Monday. It also approved the audited financial statement. According to a press release, its sales during the year increased by 27% to Tk2,053 crore thanks to its aggregates business. But its aggregate production is now suspended as per the High Court order.

In 2021, the company reported a profit growth of 64% to Tk388 crore. Rajesh K Surana, chief executive officer of the multinational company, said in the press release that 2021 had been an unprecedented year for everyone with so many external challenges.

Source: <https://www.tbsnews.net/economy/stocks/lafargeholcim-pay-25-cash-dividend-364816>





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DSE News

Market Bounces back on Bargain Hunting

Following a sharp fall in the previous trading session, stocks bounced back on Tuesday as bargain hunters opted for shares of their preferred company at a cheaper price, mostly based on the latest financial updates or the anticipated ones.

DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), shot higher in the morning and the intraday rally continued amid a few short downward moves.

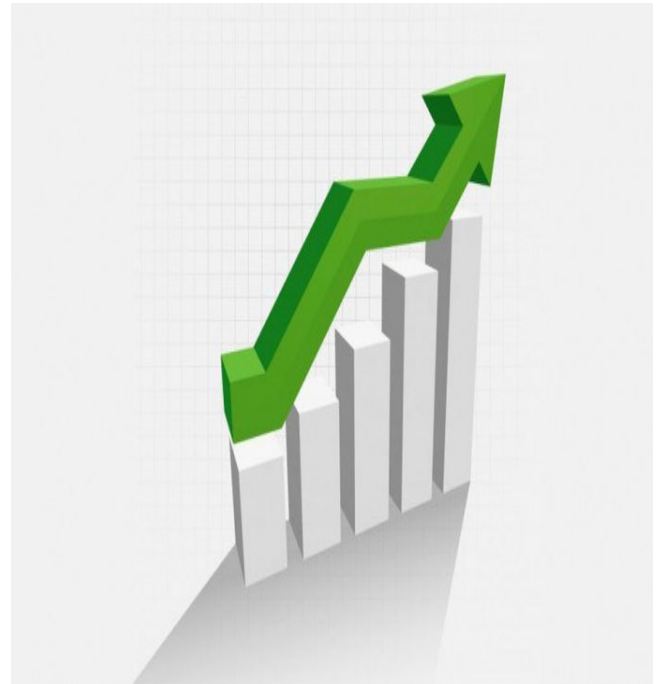
Recovering Monday's loss, the index gained 1.02% at the end to close at 6,997.

Besides, investors' participation in the market increased while total turnover considerably swelled by 11.3% to Tk1,353 crore at the DSE on Tuesday.

Engineering, miscellaneous, and pharmaceutical sectors contributed the most to the daily turnover.

The majority of the sectors observed an increase in their respective market capitalisation, out of which ceramic, cement and life insurance gained by more than 4%.

Source: <https://www.tbsnews.net/economy/stocks/market-bounces-back-bargain-hunting-365248>



Krishibid Seed Allowed to Raise Tk11.60cr

Aiming to create a long-term financing source for the SME sector, the securities regulator has approved Krishibid Seed Limited – a sister concern of Krishibid Group – to raise Tk11.60 crore capital with a qualified investor offer (QIO).

The Bangladesh Securities and Exchange Commission (BSEC) on Monday also approved a draft prospectus of SAML Growth Fund, an open-ended mutual fund.

The primary target of the fund is Tk25 crore, in which the asset manager, Shahjalal Asset Management Limited (SAML), will provide Tk2.5 crore, and the rest will remain open for general investors.

Krishibid Seed will issue 1.16 crore general shares and thus join the SME platform of the Dhaka Stock Exchange (DSE).

Source: <https://www.tbsnews.net/economy/stocks/krishibid-seed-allowed-raise-tk1160cr-364786>



Asian Markets Rise as Traders Buoyed by Another Wall St Rally

Asian markets rose in limited trade Tuesday following another strong lead from Wall Street fuelled by a rebound in tech firms, while comments from Federal Reserve officials eased concerns that it will embark on an aggressive phase of policy tightening.

US equities rallied for a second day with plenty of support coming from Apple's blowout earnings report last week, while the current reporting season has proved fruitful despite concerns about inflation and central banks withdrawing financial support.

The Wall Street surge came at the end of a volatile month characterised by speculation over the Fed's plans to get a grip on runaway prices, with fears that its new hawkish tilt could see it hike borrowing costs as much as seven times this year with a 50 basis point move in March.

Source: <https://www.thedailystar.net/business/global-economy/news/asian-markets-rise-traders-buoyed-another-wall-st-rally-2952466>

Google Propels Record Alphabet Revenue, Driving Shares up 8%

Google parent Alphabet Inc reported record quarterly sales that topped expectations on Tuesday, as its internet advertising business surged on consumers using Google search as they shopped online and advertisers upping their marketing budgets.

Alphabet's shares jumped more than 8% in after-hours trading, also rising on the company's announcement that it would undertake a 20-to-one stock split.

The results were the latest to reinforce that the global trend toward a more digital economy has made Big Tech companies resistant to small-market shocks. While concerns about rising inflation, Covid-19 variants and supply-chain shortages have rattled Wall Street and hurt sales at some businesses, the companies that control key gateways to e-commerce, hybrid work and streaming entertainment have not seen a dip since the early days of the pandemic.

Source: <https://www.tbsnews.net/world/global-economy/google-propels-record-alphabet-revenue-driving-shares-8-365332>





Mexico's Economy Enters Technical Recession

Mexico's economy contracted for a second straight quarter in the last three-month period of 2021, according to official data published on Monday, putting it in a technical recession and joining regional powerhouse Brazil, whose economy fell back into negative territory last year.

Gross domestic product (GDP) in Latin America's second largest economy shrank in the fourth quarter by 0.1 per cent from the previous three-month period in seasonally adjusted terms, preliminary data published by Mexico's INEGI national statistics agency showed.

That beat out expectations in a Reuters poll for GDP to contract in the fourth quarter by 0.3 per cent, after the economy declined by 0.4 per cent in the third quarter.

Mexico's Deputy Finance Minister Gabriel Yorio said Friday that talk of a "technical recession," defined as two consecutive quarters of contraction, does not take into account coronavirus-related economic volatility and global supply chain issues.

Source: <https://www.thedailystar.net/business/global-economy/news/mexicos-economy-enters-technical-recession-2952461>



India Goes on a Spending Spree to Boost Growth

India's government will step up spending to 39.45 trillion rupees (\$529.7 billion) in the coming fiscal year to build public infrastructure and drive economic growth, it said on Tuesday, but it involves a wider fiscal deficit than targeted and record borrowing.

Asia's third largest economy has been on the mend after the government lifted mobility measures in June to curb the spread of coronavirus, after contracting 6.6 per cent in the previous fiscal year.

Growth is estimated to be 9.2 per cent for 2021/2022, coming off the low base and slowing to 8 to 8.5 per cent in the coming fiscal year, still the fastest among the world's major economies.

The recovery from the pandemic has been swift but incomplete, officials say. Private consumption has been hampered by a lack of jobs, depleted household balance sheets and wider income inequalities.

Source: <https://www.thedailystar.net/business/global-economy/indian/news/india-goes-spending-spree-boost-growth-2952536>

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