

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

July 19, 2022

Soybean Oil Price Slashed by Tk14 a litre, Palm Oil by Tk6

The commerce ministry has cut the prices of bottled soybean oil by Tk14 and palm oil by Tk6 per litre.

The decision was taken at a meeting held with the edible oil millers at the Secretariat on Sunday, Tapan Kanti Ghosh, senior secretary of the ministry, told the media.

The reduced prices are scheduled to come into effect today (Monday).

As per the move, one litre of bottled soybean will be sold at Tk185, and 5 litres at Tk910, while the price of bottled palm oil will be Tk152 per litre.

Earlier on 26 June, the ministry reduced the prices of bottled soybean oil by Tk6 to Tk199 per litre. Prices of soybean and palm oil are dwindling due to the declining prices in the international market.

Bangladesh saw a record price hike of Tk205 per litre of bottled soybean oil recently as the price of the essential commodity spiralled on the global market in the aftermath of the Russia-Ukraine war and the Indonesian ban on its palm oil export.

Source: <https://www.tbsnews.net/economy/soybean-oil-price-slashed-tk14-litre-palm-oil-tk6-459962>



Bangladesh, Indonesia for Early Conclusion of PTA for Strengthening Economic Cooperation

Foreign Minister Dr AK Abdul Momen and Indonesian Minister of Foreign Affairs Retno Marsudi led the respective delegation in the discussions, reports UNB.

The meeting reviewed the whole gamut of the existing excellent bilateral relations and both sides renewed their commitment for further strengthening it.

The two Foreign Ministers exchanged felicitations on the occasion of the 50th anniversary of the diplomatic relations between the two countries. The two countries agreed to accelerate cooperation in the areas of trade, investment, agriculture, food, energy, health & pharmaceuticals, connectivity, ICT, tourism, halal trade, human resources development, defence, youth & cultural exchanges, etc.

They expressed optimism that the MoUs in the pipeline would be concluded soon.

Source: <https://thefinancialexpress.com.bd/economy/bangladesh-indonesia-for-early-conclusion-of-pta-for-strengthening-economic-cooperation-1658144258>



Massive Rule Relaxation for Loan Defaulters

The Bangladesh Bank today relaxed the policy for loan rescheduling of defaulted loans grossly, as the defaulters will now get a maximum of eight years to repay term loans instead of the previous two years.

Defaulters will also be allowed to reschedule their non-performing loans (NPLs) for four times in contrast to the previous three times, according to a Bangladesh Bank notice.

As per the new rules, defaulters who took term loans will be allowed to repay funds by enjoying 6-8 years compared to the previous tenure of 9-24 months after rescheduling their NPLs.

Term loans, which tenure is more than one year, are usually given out to businesses to set up new industrial units and expand their existing ones.

Defaulters who took working capital and demand loans will be permitted to pay back loans in 5-7 years in contrast to the previous tenure of 6-18 months.

Source: <https://www.thedailystar.net/business/news/massive-rule-relaxation-loan-defaulters-3073491>



IMF Offers Help on NBR Capacity Building



The International Monetary Fund (IMF) has expressed interest in supporting capacity building of the National Board of Revenue (NBR), particularly digitalisation and automation, to boost revenue collection.

An IMF delegation visiting Dhaka, at a meeting on Monday, inquired of the revenue authorities about their demands.

At the meeting, the delegation also inquired about revenue collection in the recently concluded fiscal year and collection strategies for the new year.

The delegation will attend several meetings with various public and private bodies in Bangladesh till 20 July. In these discussions, it will be apprised of various government policies.

Besides, the board also shared its capacity building plans with the delegation. Revenue board Chairman Abu Hena Md Rahmatul Muneem presided over the meeting, where senior NBR officers were also present.

Source: <https://www.tbsnews.net/economy/imf-offers-help-nbr-capacity-building-460602>

DSE News

DSE Conducts Third Mock-test of T-bond

The country's premier bourse conducted the mock test on treasury bonds for the third time on Monday as the final trading of much-hyped instruments will begin soon.

Presently, only the listed corporate bonds can be traded through the bourses as the data of such debt instruments are preserved by Central Depository Bangladesh Limited (CDBL).

The representatives of Bangladesh Bank, stakeholder companies, CDBL, Dhaka Stock Exchange, banks, non-bank financial institutions, insurance, merchant banker, asset management companies and authorized provident funds & gratuity funds, took part in the mock session.

Syed Al Amin Rahman, deputy managing director and chief of strategy & programme management department of DSE explained details about the government treasury bonds, says a DSE press release.

Ruhul Amin, assistant general manager of the IT department and Jishan Muhammad Bin Hasan, assistant general manager of system & market administration of DSE showed the trading system of the government Treasury bond.

Source: <https://thefinancialexpress.com.bd/stock/dse-conducts-third-mock-test-of-t-bond-1658203906>



Stocks Plummet on Panic Sales

Stocks witnessed yet another setback Monday, with the key index of the bourse dipping below 6,300-mark after two months, as jittery investors dumped their holdings.

DSEX, the benchmark index of Dhaka Stock Exchange (DSE), slid 87.40 points or 1.38 per cent to settle at 6,217, lowest in almost two months since May 25, 2022.

DSEX shed over 150 points in the past five straight sessions.

Market insiders said stocks plunged further as looming global economic uncertainties and the country's macroeconomic cues weakened investors' sentiment. The government made some decisions Monday, including keeping diesel-run power plants shut, to reduce power generation costs, which also take a heavy toll on the struggling market, they said.

Turnover, the crucial indicator of the market, remained low and amounted to Tk 5.15 billion, which was 13 per cent lower than the previous day's tally of Tk 5.93 billion.

Source: <https://thefinancialexpress.com.bd/stock/stocks-plummet-on-panic-sales-1658136761>



Stocks Climb, Euro Inches Higher in Big week for Markets

World equity markets got off to a solid start on Monday and the euro pulled away from parity as market participants scaled back bets on the Federal Reserve interest rate hike next week and on optimism spurred by central bank pledges to support China's economy.

U.S. stock futures were up more than 1 per cent while European stock indices were a sea of green in a big week for the region.

The European Central Bank is set to raise rates for the first time in more than a decade on Thursday, the same day the bloc will be hoping Russia resumes gas supplies. Italy, meanwhile, is again in the grip of a political crisis.

The pan-European STOXX 600 index was up 1.3 per cent by 1030 GMT after posting a 0.8 per cent drop last week. Gains on Monday were broad-based and led by miners, energy stocks and banks.

"It is a wild week this week, there is so much going on," said James Rossiter, senior global strategist at TD Securities.

Source: <https://www.thedailystar.net/business/global-economy/news/stocks-climb-euro-inches-higher-big-week-markets-3073721>



Oil Price Jumps

Oil prices extended gains on Monday, propped up by a weaker dollar and tight supplies that offset concerns about recession and the prospect of widespread Covid-19 lockdowns in China again reducing fuel demand.

Brent crude futures for September settlement rose \$2.44, or 2.4 per cent, to \$103.60 a barrel by 0900 GMT, having advanced by 2.1 per cent on Friday.

US West Texas Intermediate (WTI) crude futures for August delivery gained \$2.17, or 2.2 per cent, to \$99.76 after rising by 1.9 per cent in the previous session.

Both Brent and WTI last week registered their biggest weekly declines for about a month on fears of a recession that would hit oil demand. Mass Covid-testing exercises continue in parts of China this week, raising concerns over oil demand from the world's second-largest oil consumer.

However, oil supplies remain tight. As expected, US President Joe Biden's trip to Saudi Arabia failed to yield any pledge from the top OPEC producer to boost oil supply.

Biden wants Gulf oil producers to step up output to help to lower oil prices and drive down inflation.

Source: <https://www.thedailystar.net/business/global-economy/news/oil-price-jumps-3073746>



Global: Business

Asian Stocks at Lowest in Two years, Euro near par with Dollar on Growth Fears

Asian shares fell on Tuesday, weighed down by the prospect of further monetary policy tightening by central banks, China's renewed Covid outbreak and Europe's energy shortage, which also left the euro a whisker from parity with the safe-haven dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.8% to its lowest level in two years, while Japan's Nikkei lost 1.75%.

The euro fell as low as \$1.0006 against the US dollar, moving ever closer to parity for the first time since December 2002, as investors worry an energy crisis will tip the region into a recession.

"Risk-off sentiment is dominating global markets," said Yuting Shao, macro strategist at State Street Global Markets.

"The dollar is the go-to international reserve currency. So when there is a recessionary risk or there's pickup of volatility, the greenback is the currency that people rush to because that is the safest," Shao added.

Source: <https://www.tbsnews.net/world/global-economy/asian-stocks-lowest-two-years-euro-near-par-dollar-growth-fears-456850>



Japanese Shares Fall as Recession Fears Resurface

Japanese shares fell on Tuesday, following the prior session's gains after the weekend's upper house election, as rising domestic cases of Covid-19 raised worries of a recession.

Stocks had risen on Monday, outperforming the rest of the region, as the Japanese government's ruling coalition secured a strong result.

Japan's Nikkei share average was down 1.68% at 26,362.76 as the morning trading session ended.

The index was down 2.58% from the previous session's high of 27,062.17 and trading 0.58% lower than its Friday close when markets were rocked by the shooting of former Prime Minister Shinzo Abe.

A domestic securities broker said that the market was overbought on Monday despite the absence of any positive external factors.

The broader Topix lost 1.46% on Tuesday.

"The increased spread of Covid-19 has strengthened fears of a global recession," said a market participant at a domestic securities firm.

Source: <https://www.tbsnews.net/world/global-economy/japanese-shares-fall-recession-fears-resurface-456842>



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