

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

May 29, 2022

Indian Investors Urged to Invest in EZs in Bangladesh

Rizwan Rahman, president of Dhaka Chamber of Commerce and Industry (DCCI), has invited Indian entrepreneurs to invest in Bangladesh's economic zones.

Pharmaceuticals, footwear, energy, food processing, light engineering and ICT were some of the areas where Indian investors could tap opportunities, he added.

Rezwan said this at a meeting with the Kolkata Chamber of Commerce during the first day of a visit to Kolkata on 25 May, said a press release.

A 47-member business delegation from Dhaka Chamber of Commerce and Industry led by Rizwan Rahman is now visiting Kolkata to explore new business potentials.

The DCCI president further said initiatives of signing comprehensive economic partnership agreements (CEPA) between India and Bangladesh would usher a win-win situation for both the countries.

Source: <https://www.tbsnews.net/economy/indian-investors-urged-invest-ezs-bangladesh-427350>



TK Subsidiary to Sell 5,000 Tonnes of Lentils to Govt

Shabnam Vegetable Oil Industries, a concern of the TK Group of Industries, is set to secure a government contract to sell 5,000 tonnes of lentils at Tk 107.50 per kilogramme.

The Trading Corporation of Bangladesh (TCB) is going to purchase the lentils to make it available for the financially insolvent at a subsidised rate.

Meanwhile, the government is going to import liquefied natural gas (LNG) and fertiliser at prices lower than previous rates.

The cabinet committee also approved a proposal of Petrobangla to import 33.60 lakh million British thermal unit (MMBtu) of LNG from Vitot Asia Pte in Singapore.

The total cost of the consignment will be Tk 886.76 crore. Earlier, the government bought LNG at \$26.40 per MMBtu, he said. The cabinet committee also approved a proposal of Bangladesh Chemical Industries Corporation for purchasing 30,000 tonnes of urea fertiliser.

Source: <https://www.thedailystar.net/business/economy/news/tk-subsiary-sell-5000-tonnes-lentils-govt-3032891>



Shipping Corporation's EPS Jumps 310pc in 9 months

The state-run Bangladesh Shipping Corporation has reported a 310 per cent increase in its profit year-on-year in nine months of the current fiscal year thanks to significant increase in shipping fares globally.

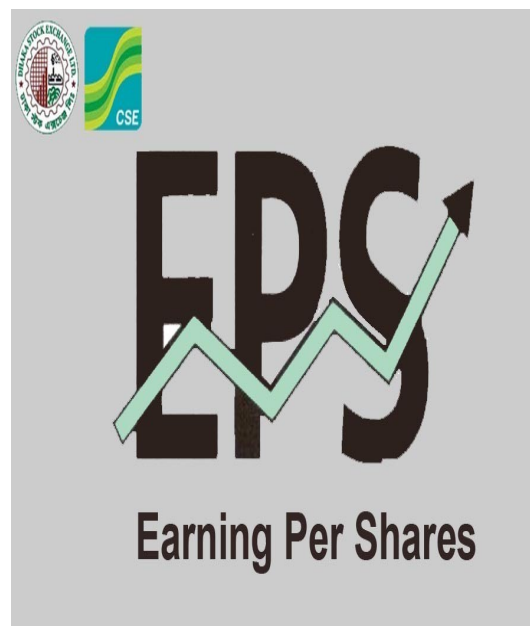
In a filing with Dhaka Stock Exchange (DSE) Thursday, the corporation said its earnings per share (EPS) jumped to Tk 11.59 for July 2021 to March 2022, up by a whopping 310 per cent, from Tk 2.83 in the corresponding period.

The shipping corporation's unaudited net profit grew to Tk 1.77 billion in nine months for July 2021 to March 2022 against Tk 431.66 million in the same period a year earlier.

The net operating cash flow per share (NOCFPS), a gauge of a company's financial health, also rose to Tk 17.76 in the nine-month period of the ongoing financial year, against Tk 9.58 during the same period of the previous financial year.

The net asset value, which represents the net value of an entity, was Tk 69.31 per share as on March 31. It was Tk 60.28 as on June 30 last year. Following the news, the corporation's share price jumped 5.04 per cent to close at Tk 118.70 on Thursday.

Source: <https://thefinancialexpress.com.bd/stock/shipping-corporations-eps-jumps-310pc-in-9-months-1653626374>



CMSF Emerges Big to Support the Market

Most of the undisbursed cash dividends in the listed firms have already been deposited to the Capital Market Stabilization Fund (CMSF), while the scenario is quite the opposite for undisbursed shares.

According to the Thursday report by the CMSF – a special entity the securities regulator formed in August last year to utilise investors' unclaimed assets within listed companies – Tk460 crore cash and shares worth Tk338 crore have been handed over to them, against the expected cash of Tk609 crore and shares worth over Tk8,100 crore.

Over 60% of the eligible companies have transferred their undisbursed cash dividends and non-refunded public subscription, whereas only 35% of firms transferred their unclaimed stock dividends or unallocated right shares.

With the received total assets worth Tk798 crore, CMSF has already emerged as a market support entity and the remainder of the investors' wealth in the pipeline is set to make it big enough.

Source: <https://www.tbsnews.net/economy/stocks/cmsf-emerges-big-support-market-428806>





Stocks Stop Falling Riding on Regulatory Efforts

Stocks bounced back on Thursday amid choppy trading as bargain hunters went on late hours buying spree riding on the securities regulator's latest effort to lower the downward circuit breaker again.

The market opened lower and the key index fell around 15 points within the first hour of trading, but late hours buying spree led by some institutional investors took the market index higher, ultimately ending over 50 points gain.

DSEX, the key index of Dhaka Stock Exchange (DSE), went up by 50.33 points or 0.81 per cent to settle at 6,237, after losing 74 points in the past two days.

Two other indices also ended higher. The DS30 index, comprising blue chips, rose 19.40 points to finish at 2,307 and the DSE Shariah Index (DSES) gained 10.24 points to close at 1,373.

Turnover, a crucial indicator of the market, however, remained low and total turnover stood at Tk 5.39 billion, which was 5.06 per cent higher than the previous day's tally of Tk 5.13 billion.

Source: <https://thefinancialexpress.com.bd/stock/stocks-stop-falling-riding-on-regulatory-efforts-1653560449>



Bashundhara Group Seeks BSEC Nod for Pvt Commodity Exchange

Bashundhara Group has filed an application with the Bangladesh Securities and Exchange Commission for establishing a private commodity exchange.

The Group has opened a separate company named ABG Limited to launch ABG Commodity Exchange (ABGEX) as a private commodity exchange in Bangladesh under the supervision of the BSEC, according to the filings.

A commodity exchange is an organised marketplace where buyers and sellers come together to purchase and sell enforceable contracts to deliver a commodity such as wheat, gold, or cotton or a financial instrument such as foreign currencies at some future date.

‘ABGEX will provide all facilities related to commodity exchange which includes but not limited to providing a platform to sellers and buyers to sell, buy and transfer all kinds of commodities and derivatives available in Bangladesh and abroad,’ the letter reads.

Source: <https://www.newagebd.net/article/171774/bashundhara-group-seeks-bsec-nod-for-pvt-commodity-exchange>



Fed Carrying \$330b in Unrealized Losses on its Assets According to Q1 Financial Statement

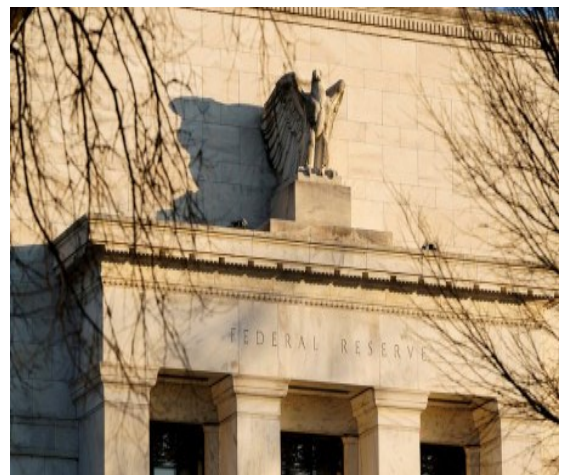
The US Federal Reserve is carrying \$330 billion in unrealized losses on its holdings of US Treasury and mortgage-backed securities as of the end of March, according to newly released financial statements showing the impact of rising interest rates on the market value of the Fed's balance sheet.

The central bank's holdings of nearly \$9 trillion in assets still allowed the Fed to remit \$32.2 billion to the US Treasury in the first quarter of 2022, according to the documents.

But the losses on the Fed's investments, an \$8.5 trillion portfolio that surged higher through asset purchases designed to keep financial markets stable through the pandemic, pose a potentially tough political problem for the central bank.

Criticized for continuing to buy assets even as the economy was well on the way to healing from the pandemic, it is now trying to reverse course and shrink its holdings, particularly of mortgage backed securities.

Source: <https://www.tbsnews.net/world/global-economy/fed-carrying-330b-unrealized-losses-its-assets-according-q1-financial-statement>



Pakistan Hikes Fuel Prices to Unlock IMF Funding

Pakistan on Thursday announced it will hike fuel prices so that it can resume receiving aid from a \$6 billion package signed with the International Monetary Fund (IMF) in 2019, the country's finance minister said.

Prices will rise by 20% starting Friday, causing long lines to form at filling stations as the news spread. The new price of petrol will be 179.86 rupee per litre and diesel will be 174.15 rupee, said the minister, Miftah Ismail, in a tweet.

In addition to the \$900 million, if IMF clears the seventh review as a result of the talks, it will also unlock other external financing for the cash-strapped South Asian nation, whose foreign reserves cover less than two months of imports.

About half of the funds out of the \$6 billion deal are yet to be released, and it is not clear when the IMF review would take place.

Source: <https://www.tbsnews.net/world/global-economy/pakistan-hikes-fuel-prices-unlock-imf-funding-428594>





Asian Stocks Shrug off Wall St Weakness but Growth Concerns Remain

Asia stocks opened mostly in positive territory on Wednesday even as global growth concerns and weak US economic data weighed on Wall Street overnight.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.35%, Australian shares were up 0.33%, and Seoul and Taiwan both ticked upwards 0.61% and 0.2%.

Hong Kong's, Shanghai's and China's CSI300 indexes opened marginally higher while Japan's Nikkei share average was down 0.18%.

On Wall Street, the Nasdaq Composite dropped 2.35% and the S&P 500 lost 0.81% as worries returned over surging global inflation cornering central banks into aggressive rate hikes, thereby slowing growth.

"The Fed's problem right now is that plenty of soft indicators and surveys are pointing to a slowdown," Steve Englander of Standard Chartered Bank said.

Source: <https://www.tbsnews.net/world/global-economy/asian-stocks-shrug-wall-st-weakness-growth-concerns-remain-426410>



Tata Steel Says India Export Tax Could Alter Output Targets

India's Tata Steel is concerned New Delhi's sudden decision to impose an export tax on some steel products could force it to review its production targets, if the levy remains in place for a long time, its CEO told Reuters on Tuesday.

India imposed an export tax of 15% on some steel products over the weekend, at a time steelmakers are looking to make up for tepid local demand by increasing market share in Europe, where the Ukraine conflict has hit supplies.

The taxes were part of a series of measures India has taken to rein in retail inflation, which has hit eight-year highs. But India's top steelmakers body has warned the new duty will "adversely impact" mills that have been aiming to boost exports and widen global market share.

Tata Steel has plans to double its capacity from around 20 million tonnes per annum (mtpa) to 40 mtpa in India, but Narendran said it had baked in an assumption that 10-15% of that would be exported.

Source: <https://www.tbsnews.net/world/global-economy/tata-steel-says-india-export-tax-could-alter-output-targets-426254>



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