

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

July 17, 2022

World Bank's \$500 Million Financing for Bangladesh's Disaster Preparedness

The World Bank has approved a \$500 million credit to help Bangladesh improve disaster preparedness against inland flooding in 14 flood-prone districts benefiting over 1.25 million people.

The Resilient Infrastructure for Adaptation and Vulnerability Reduction (RIVER) project will help Bangladesh reduce vulnerability to riverine and flash floods by constructing over 500 multipurpose flood shelters, access roads, and climate-resilient community infrastructure.

In normal times, the flood shelters will operate as primary schools and they will be equipped with solar energy systems, water, sanitation, and hygiene facilities that cater to the needs of women and vulnerable populations.

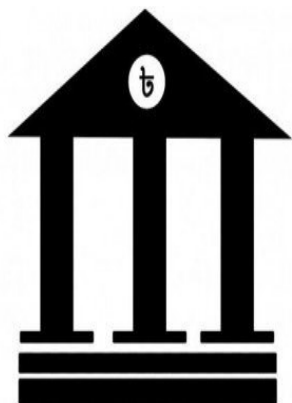
The project will also help strengthen the capacity of communities and government agencies to prepare and respond to floods and undertake behavioural change interventions.

The World Bank was among the first development partners to support Bangladesh and has committed \$37 billion in grants, interest-free, and concessional credits to the country since its Independence.

Source: <https://www.thedailystar.net/business/news/world-banks-500-million-financing-bangladeshs-disaster-preparedness-3071576>



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Banks Now Can Collect Funds from Offshore Units to Settle Import Payments

Banks will now be allowed to collect funds from their offshore banking operations for a tenure of six months to settle import payments of capital machinery, industrial raw materials and imports by the government, according to the Bangladesh Bank.

But such placement of funds to domestic banking units will not exceed 25% of a bank's regulatory capital, said a circular issued by the central bank on Thursday.

The facility will remain valid till 31 December this year, the circular also said.

This relaxation will help mitigate the ongoing dollar crisis to some extent, seeking anonymity, a central bank official told The Business Standard.

Source: <https://www.tbsnews.net/economy/banking/banks-now-can-collect-funds-offshore-units-settle-import-payments-458350>

Home Textiles Shine as Buyers Shift Orders to Bangladesh

Bangladesh's earnings from home textile exports maintained a robust growth in the past two financial years and the earnings posted the second highest amount in the just concluded financial year of 2021-22 as global buyers shifted their orders to Bangladesh from other manufacturing countries, including Pakistan.

Though Pakistan was the leader of home textiles on the global market, the country lost some of its buyers during the global outbreak of pandemic due to the factory closure, they said.

Exporters said that buyers also shifted orders for home textiles from China and Turkey as factories remained closed in the countries due to the pandemic.

In the just concluded fiscal, the home textile sector remained as the second highest export earning sector after the readymade garment sector.

Export Promotion Bureau data showed that export earnings from home textiles in FY22 grew by 43.28 per cent to \$1.62 billion from \$1.13 billion in FY21.

Source: <https://www.newagebd.net/article/175993/home-textiles-shine-as-buyers-shift-orders-to-bangladesh>



Ctg Customs' New Revenue Target Tk74,206cr for FY23

The National Board of Revenue (NBR) recently set a new revenue target of Tk74,206 crore for Chattogram Custom House for the fiscal 2022-23.

Chattogram Custom House, the largest revenue station of Bangladesh, earned Tk59,256 crore in revenues in FY2021-22 against a target of Tk64,075 crore.

The new fiscal target is Tk10,131 crore more – about 14% higher – than the previous fiscal year, which saw nearly 15% growth in revenue collection year-on-year.

If the outstanding revenues of Tk3,884 crore for the previous fiscal year can be realised, the revenue collection target of FY2021-2022 could be fulfilled with a growth rate of 22.42%, he added.

Of the total outstanding amount, Petrobangla has a pending amount of Tk3,699 crore, Padma Oil Company Tk116.73 crore, Meghna Petroleum Tk28.40 crore, Standard Asiatic Oil Tk57 lakh, Summit LNG Tk5.11 crore, Accelerate Energy Tk13 lakh and Bangladesh Police Tk34.21 crore.

Source: <https://www.tbsnews.net/economy/ctg-customs-new-revenue-target-tk74206cr-fy23-458250>



DSE News

Ten Cos Grab One Third of Weekly DSE Turnover

Ten most-traded stocks accounted for nearly one-third of transactions on the Dhaka Stock Exchange (DSE) in the outgoing week, with Bangladesh Export Import Company (Beximco) leading the turnover list.

Beximco Group companies -- particularly, Beximco and Shinepukur Ceramics -- have led the market turnover chart in the past few months.

According to DSE data, some 9.56 million Beximco shares were traded, generating a turnover of Tk 1.24 billion, which was 6.32 per cent of the week's total turnover.

The week's total turnover stood at Tk 19.62 billion on the prime bourse in the outgoing week as against Tk 38.14 billion in the week before as last week saw only three trading days instead of regular five sessions.

Beximco's share closed at Tk 128 on Thursday, losing 2.88 per cent over the previous week. Its shares traded between Tk 88.60 and Tk 187.90 in the last one year.

The company's EPS for three months (January-March 2022) soared to Tk 4.51 as against Tk 2.38 for January-March 2021.

Source: <https://thefinancialexpress.com.bd/stock/ten-cos-grab-one-third-of-weekly-dse-turnover-1657946345>



Navana Pharma Share Cut-off Price Set at Tk34

The per share cut-off price of Navana Pharmaceuticals Ltd has been fixed at Tk34 on the electronic subscription system (ESS).

Qualified and institutional investors including mutual funds can buy 25% of the company's shares at the cut-off price.

Individual investors will be able to purchase the remaining shares at Tk23.80 each, i.e., at a 30% discount on the cut-off price.

The cut-off price is the price at which institutional investors have primary shares allocated for them in an initial public offering (IPO) under the book-building method.

The company's electronic bidding took place between 4 July and 7 July. During this period, 281 institutional and eligible investors offered to buy the company's shares at a range of rates. Most bids were received for Tk34.

Source: <https://www.tbsnews.net/economy/stocks/navana-pharma-share-cut-price-set-tk34-458330>



Global: Business

China's Refinery Output Declines

China's refinery throughput for the six months to June marked the first annual decline for the period since at least 2011, data showed on Friday, as strict Covid-19 restrictions and fuel export curbs dampened production.

For June, output was 54.94 million tonnes, according to data from the National Bureau of Statistics (NBS), bringing January-June processing volumes to 332.22 million tonnes or 13.4 million barrels per day (bpd), down 6 per cent from a year earlier.

The production in June was equivalent to 13.37 million bpd - up 5 per cent from 12.7 million bpd in May, but about 10 per cent below the all-time high of 14.8 million bpd reached in June 2021.

The month-on-month rebound came as some independent refiners began raising production late in May, after steep cuts between February and April, in response to a moderate pick-up in demand as some Covid-19 curbs were eased.

The return of Sinopec Corp's Yangzi and Hainan refineries from overhauls also contributed to the higher processing, though the state major had to close a 320,000-bpd plant in Shanghai due to a fire on June 18.

Source: <https://www.thedailystar.net/business/global-economy/news/chinas-refinery-output-declines-3071951>

Starbucks Says it's Not in Formal Sale Process for UK Business

Starbucks Corp is not in a formal sale process for its UK business, a company spokesperson said in a statement after The Times reported earlier on Saturday that the coffee chain is exploring a sale of the UK operations.

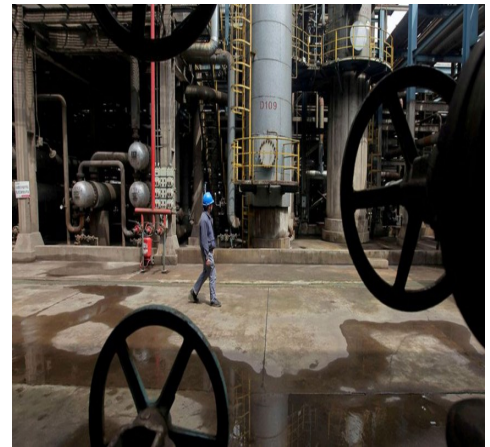
According to the Times report, Starbucks has not initiated a "formal sales process" of its UK business and continues to "evaluate strategic options" for its company-owned international operations.

The company faces rising costs and competition from rivals like Pret A Manger, Tim Hortons and Costa, the newspaper said.

Starbucks suspended its guidance for the remainder of the fiscal year when it last reported quarterly earnings in May as sales growth missed Wall Street targets due to China's tough Covid-19 curbs.

Starbucks, which has been dealing with recent unionization efforts of its U.S. workforce, is looking for a permanent CEO while Howard Schultz would remain interim CEO until the end of March.

Source: <https://www.tbsnews.net/world/global-economy/starbucks-says-its-not-formal-sale-process-uk-business-459474>



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>



Disclaimer

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