

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

August 02, 2022

Ctg Customs Sees 42.5% Growth in July Revenues

The Chattogram Custom House has registered a 42.56% growth in revenue for July, the first month of fiscal year 2022-2023, relative to the same time last fiscal year, amid a volatile dollar market and other global crises caused by the ongoing Russia-Ukraine war.

It collected some Tk4,839 crore in July, which is also around 8% higher than the Tk4,482 crore target set for the month this fiscal year.

In the corresponding month of the previous fiscal (FY22), the House collected some Tk3,395 crore in revenues.

Following a proper Harmonised System (HS) of codes and collecting duties based on product values were the key drivers of the growth, he added.

Salahuddin Rizvi hopes the growth trend will also continue in the coming days of this fiscal year.

Source: <https://www.tbsnews.net/economy/ctg-customs-sees-425-growth-july-revenues-469450>



BB Increases Foreign Currency Deposit Rate for Non-residents

The Bangladesh Bank for the first time has set the interest rate ceiling for non-resident foreign currency deposit (NFCD) accounts with a great increase, in a bid to boost the inflow of foreign currencies to the country.

From now on, the interest rate on 1 to 3-year term deposits of the NFCD account holders will be 2.25% plus the benchmark reference rate – which is currently 1.75% – while it will be 3.25% plus the benchmark reference rate on the 3 to 5-year term deposits.

The central bank on Monday issued a circular in this regard.

A reference rate is an interest rate benchmark used to set other interest rates. Prior to this policy, the Bangladesh Bank used to pay interests to the NFCD account holders as per Euro Currency Deposit Rate only.

Earlier on 17 July, the central bank allowed banks across the country to raise fresh deposits through NFCD accounts without any reference to the euro currency interest rate.

Source: <https://www.tbsnews.net/economy/banking/bb-increases-foreign-currency-deposit-rate-non-residents-469366>



Bangladesh Receives \$2.09b Re-mittance in July, Highest in 14 Months

Expatriates sent inward remittances worth \$2.09 billion in July, the first month of the current fiscal year, Bangladesh Bank (BB) report said.

The BB report released on Monday stated that the remittance flow of July is the highest in 14 months.

The bankers and concerned people said that the holy Eid-ul-Azha is celebrated in July. Expatriates usually send additional money to their relatives during Eid.

Md Serajul Islam, executive director and spokesperson of BB told UNB that the central bank has simplified various processes to attract more remittances through banking channels.

The government is also extending remittance incentives as well as providing policy support. Now the dollar rate is getting higher, he said.

"Besides, last month was Eid-ul-Azha, and expatriates sent money to celebrate the family's Eid festival beautifully. Remittances have increased due to these reasons. I hope this trend will continue," Serajul said.

Source: <https://thefinancialexpress.com.bd/economy/bangladesh-receives-209b-remittance-in-july-highest-in-14-months-1659369011>



BEPZA Economic Zone Gets \$28m more Investment

M/s Nova Intima Limited, a Hong Kong-British Virgin Island owned ladies undergarments manufacturing company, has signed an agreement to invest \$ 28 million in BEPZA Economic Zone (BEPZA EZ).

Eleven companies including M/s Nova Intima have signed agreements with BEPZA to establish industries in BEPZA EZ with an investment of \$243.71 million in total, reports BSS citing a press release.

In presence of Major General Abul Kalam Mohammad Ziaur Rahman, the Executive Chairman of Bangladesh Export Processing Zones Authority (BEPZA), Ali Reza Mazid, Member (Investment Promotion) of BEPZA and Vijay Uttam, Managing Director of Nova Intima Limited signed the agreement on behalf of their respective organisations at BEPZA Complex in Dhaka on Monday.

M/s Nova Intima Limited will produce annually 60 million units of ladies undergarments and fabrics and accessories for producing those undergarments. 5,625 Bangladeshi nationals will get employment opportunities in this factory.

Source: <https://thefinancialexpress.com.bd/economy/bepza-economic-zone-gets-28m-more-investment-1659357964>



DSE News

Stocks Stay Afloat amid Increased Turnover

Stocks extended the gaining streak for the second straight session on Monday as the bargain hunters showed their buying interest in sector-wise issues by putting some confidence.

Following the previous day's steep rise, the market opened higher and the key index rose about 60 points within the first hour of trading. However, the rest of the session wiped out half of the early gains.

Finally, DSEX, the prime index of the Dhaka Stock Exchange (DSE), went up by 30.03 points or 0.48 per cent to 6,164.

DSEX recovered more than 183 points in the past two days after losing 386 points in the previous 13 days after the Eid vacation.

Market operators said the bargain hunters showed their buying interest in stocks at a lucrative price after the recent steep correction, riding on regulatory intervention.

Two other indices also ended higher. The DS30 index, comprising blue chips, rose 10.61 points to finish at 2,204 and the DSE Shariah Index (DSES) advanced 7.61 points to close at 1,347.

Source: <https://thefinancialexpress.com.bd/stock/stocks-stay-afloat-amid-increased->



Listed Firms Asked to Increase Investment

The stock market regulator today urged the Bangladesh Association of Publicly Listed Companies (BAPLC) to increase their investment in the market.

The call came at a meeting between the Bangladesh Securities and Exchange Commission (BSEC) and the association at the office of the regulator in Dhaka.

The BAPLC is the only organisation in Bangladesh that represents the publicly listed companies in the country.

BAPLC President M Anis Ud Dowla led the association at the meeting, which was presided over by BSEC Commissioner Shaikh Shamsuddin Ahmed.

At the meeting, sponsors and directors of the companies were asked to buy shares through declaration since shares of many companies are trading below their face value, said an official of the commission.

Source: <https://www.thedailystar.net/business/news/listed-firms-asked-increase-investment-3085241>



Global: Business

Oil Sinks about 4% after Weak Factory Data Sparks Demand Concerns

Oil prices dropped about 4% on Monday as weak manufacturing data in several countries weighed on the demand outlook while investors braced for this week's meeting of OPEC and its producer allies on supply.

Brent crude futures fell \$3.94, or 3.8%, to settle at \$100.03 a barrel, having fallen to a session low of \$99.09 a barrel.

US West Texas Intermediate crude fell \$4.73, or 4.8% to settle at \$93.89 a barrel, after hitting a low of \$92.42.

A break for Brent prices below the support level of \$102.68 could trigger a drop into a range of \$99.52 to \$101.26, Reuters technical analyst Wang Tao said.

Factories across the United States, Europe and Asia struggled for momentum in July as flagging global demand and China's strict Covid-19 restrictions slowed production, surveys showed on Monday, likely adding to fears of economies sliding into recession.

Source: <https://www.tbsnews.net/world/global-economy/oil-sinks-about-4-after-weak-factory-data-sparks-demand-concerns-469550>

Hong Kong Tips into Technical Recession

Hong Kong has tipped back into a technical recession, new government figures showed Monday, weighed down by mounting interest rates, weakened global trade and the city's continued adherence to strict coronavirus controls.

Following a year-on-year decrease of 3.9 per cent in the first quarter of 2022, the city's GDP again reported decline in the second quarter on Monday -- but with a narrower margin of 1.4 per cent -- according to advance estimates released by the Census and Statistics Department.

The downturn is reversing last year's recovery when the economy enjoyed a 6.3 per cent annual growth after the slowdown in 2019 and 2020, when the city was first upended by months of huge, sometimes violent pro-democracy protests, and then the pandemic.

The Hong Kong government said the economic improvement was smaller than expected due to weak performance in external trade.

Source: <https://www.thedailystar.net/business/global-economy/news/hong-kong-tips-technical-recession-3085506>



Global: Business

Australian Inflation Speeds to 21-year High, Peak still to Come

Australian inflation sped to a 21-year high last quarter and is likely to accelerate even further as food and energy costs explode, stoking speculation interest rates will need to more than double to bring the outbreak under control.

Wednesday's gloomy report comes just a day before Treasurer Jim Chalmers is due to update the previous government's budget forecasts, and he is already warning that inflation would get worse before it got better.

Data from the Australian Bureau of Statistics showed the consumer price index (CPI) jumped 1.8% in the June quarter, just short of market forecasts of 1.9%.

The annual rate picked up to 6.1% from 5.1%, the highest since 2001 and more than twice the pace of wage growth.

A closely watched measure of core inflation, the trimmed mean, rose 1.5% in the quarter, lifting the annual pace to the highest since the series began in 2003 at 4.9%.

Source: <https://www.tbsnews.net/world/global-economy/australian-inflation-speeds-21-year-high-peak-still-come-465746>



Central Banks Must Resist Urge to Back off Inflation Fight: IMF Economist

Global central banks may get "antsy" about the swiftness of economic pain brought on by monetary tightening to fight inflation and be tempted to cut interest rates before the job is done, the International Monetary Fund's chief economist said on Tuesday.

That would be a huge mistake, prolonging the agony of inflation, IMF research director Pierre-Olivier Gourinchas told Reuters in an interview.

Gourinchas said rate hikes like the one expected from the US Federal Reserve on Wednesday are already raising borrowing costs and softening demand. That process needs to continue until inflation rates are back "within sight" of central bank targets of around 2% a year, he added.

The IMF cut its global economic growth outlook on Tuesday, as it warned that monetary tightening, along with spillover from the war in Ukraine and Covid-19 lockdowns in China, could push the global economy to the brink of recession in the coming months.

Source: <https://www.tbsnews.net/world/global-economy/central-banks-must-resist-urge-back-inflation-fight-imf-economist-465762>



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