

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

June 05, 2022

BB Lines up Tk 100cr for Digital Nano Loans

Bangladesh Bank yesterday introduced a Tk 100 crore refinance scheme for "digital nano loan" disbursements with an aim to expand the financial inclusion of marginalised people.

Participating banks will be able to disburse loans of Tk 500 to Tk 50,000 to individual customers with up to 9 per cent interest under the scheme.

The loans have to be disbursed entirely digitally by using internet banking, mobile apps, mobile financial services (MFS), or e-wallet services, according to a central bank circular.

Scheduled banks will be able to avail the fund to disburse it to customers. Of the Tk 100 crore, Tk 50 crore will be disbursed as loans and later, another Tk 50 crore will be given as refinance benefits.

The global phenomena of digital lending entered Bangladesh after City Bank, in collaboration with MFS provider bKash, launched the product in December last year.

Source: <https://www.thedailystar.net/business/economy/banks/news/bb-lines-tk-100cr-digital-nano-loans-3038241>



Exports See 23% Growth in May

Bangladesh recorded export amounting to \$3.83 billion in May this year, according to data released by the Export Promotion Bureau (EPB) on Thursday (02 June).

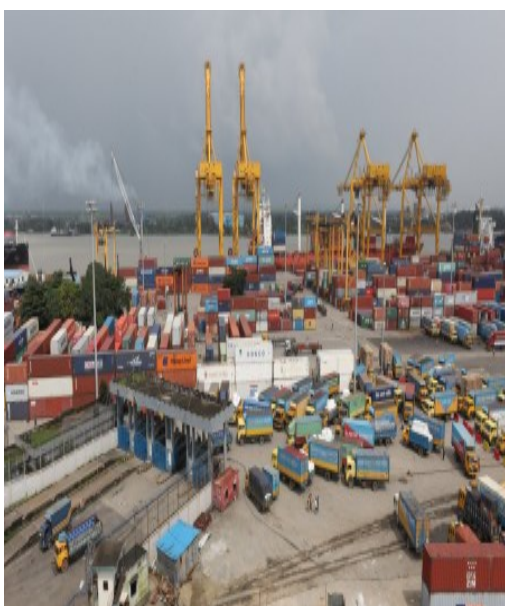
The export receipts couldn't surpass the \$3.89 billion target set for the month. However, the export has been 23.24% high than the \$3.10 billion of May last year.

Earnings in May fell compared to April when the country's export earnings crossed \$4.73 billion. Export was above \$4 billion per month for the last eight months, before falling from the mark in May this year.

The country's exporters posted 34.09% year-on-year growth in export earnings to \$47.17 billion in the July-May period of the current fiscal year of 2021-22.

In April, the exports clocked the \$4 billion mark with 51% year-on-year growth, raking in \$43.34 billion in 10 months of the current fiscal year.

Source: <https://www.tbsnews.net/economy/exports-see-23-growth-may-431706>



T-bond Trading in Secondary Market: Stakeholders to Sign Deal on June 12

Stakeholders will sign an agreement on June 12 to commence the trading of treasury bonds in a bid to diversify the capital market with the participation of general investors.

Bangladesh Bank, Bangladesh Securities and Exchange, Dhaka and Chattogram bourses, Central Depository Bangladesh Ltd and Central Counterparty Bangladesh Ltd will sign the deal led by finance ministry.

All preparations have been made to commence the long-awaited trading of treasury bonds. An agreement is required under a legal framework for this, says BSEC commissioner Prof Shaikh Shamsuddin Ahmed.

The trading of treasury bonds is likely to be started within one month into signing the agreement.

After commencement of the trading in the market, general investors will also be able to take part in T-bond transactions through BO (beneficiary owner) accounts.

Source: <https://thefinancialexpress.com.bd/stock/t-bond-trading-in-secondary-market-stakeholders-to-sign-deal-on-june-12-1654402901>



Weekly Market Review: Stocks Bounce back after Four Weeks of Losses

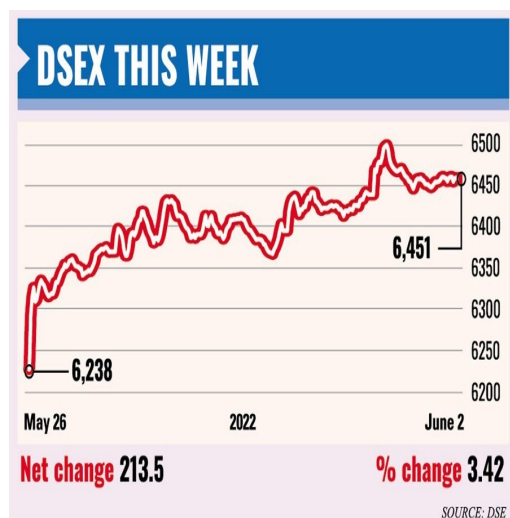
The equities benchmark index bounced back in the week to Thursday after four consecutive weeks of losses as the Dhaka bourse tried to recover from sell-off with the increased participation of investors.

This week saw all the five trading days end higher and the market turnover also went up as the listed securities witnessed price appreciation across the sectors.

Week on week, the benchmark DSEX index jumped 213.55 points or 0.32 per cent to settle 6451.53 on Thursday. In the previous four weeks, the DSEX shed a total of 424 points.

On the first day of this week, The DSEX saw a sharp rise of 130 points. Analysts attributed this sharp rise to market-supportive measures put in place by the regulators to halt the free fall of the market. Earlier, the Bangladesh Securities and Exchange Commission (BSEC) extended the credit facilities setting the fresh margin loan ration at 1:1.

Source: <https://thefinancialexpress.com.bd/stock/weekly-market-review-stocks-bounce-back-after-four-weeks-of-losses-1654318274>



BEXIMCO's Sukuk to give 5.8pc return for first 6 months

Beximco Green Sukuk al Istisna'a will give 5.8 per cent or Tk 174 crore as return to its sukukholders for the first six months of the first year (December 23, 2021 to June 22, 2022).

The trustee Investment Corporation of Bangladesh made the decision at a trustee committee meeting on June 2.

The trustee set June 22 as record date for finding the eligible sukukholders for the entitlement of the return.

The 5.8 per cent return would be payable on face value of sukuk Tk 100 each.

Earlier on July 8, 2021, the BSEC gave approval to BEXIMCO for issuing Tk 3,000 crore Shariah-compliant green Sukuk and the sukuk made debut on January 13 this year.

Beximco Green Sukuk al Istisna'a is issued by Beximco Green-Sukuk Trust as an asset backed Shariah compliant security and the proceeds received from the subscription will be utilised for solar projects of Teesta Solar Ltd and Korotoa Solar Ltd.

Source: <https://www.newagebd.net/article/172428/beximcos-sukuk-to-give-58pc->



BSEC to Take Stern Steps if Cos Fail



The Bangladesh Securities and Exchange Commission has decided to take stern measures if companies, especially banks, fail to transfer unclaimed shares to capital market stabilisation fund within next seven days.

If the companies fail to transfer shares within the stipulated time, the non-compliant companies would be barred from transferring or selling shares of unclaimed dividend without prior approval of the commission, BSEC officials said.

If the companies including banks would not willingly send those shares to the CMSF, the BSEC would forcefully take away the unclaimed share dividends from CDBL system and deposit it to the CMSF, they said.

Most of the listed banks and non-bank financial institutions are yet to transfer 147 crore shares, or 82 per cent of the total unclaimed dividends, to the capital market stabilisation fund.

According to the latest CMSF data, around 190 crore unclaimed stock dividends worth Tk 7,769 crore have remained due to be transferred.

Source: <https://www.newagebd.net/article/172425/bsec-to-take-stern-steps-if-cos-fail>

India Says No Plans for Now to Curb Food Exports

India has no plans to curb food exports for now, Piyush Goyal, the Minister for Commerce and Industry, Consumer Affairs and Food and Public Distribution said on Friday, weeks after New Delhi banned private wheat exports.

"As of now we do not see the need to do it on any other commodity," Goyal said answering a query whether the government of Prime Minister Narendra Modi was considering banning the export of food products such as rice.

India banned wheat exports on May 14, just days after New Delhi forecast record shipments of 10 million tonnes this year, as a heat wave hit output and sent domestic prices to record highs.

A few weeks later, India imposed restrictions on sugar exports for the first time in six years by capping this season's exports at 10 million tonnes to prevent a surge in domestic prices after mills sold a record volume on the world market.



Source: <https://www.thedailystar.net/business/global-economy/news/india-says-no-plans-now-curb-food-exports-3039371>

Musk Backtracks on Job Cuts, says Tesla Salaried Staff to be 'Fairly Flat'

Tesla Inc Chief Executive Elon Musk said on Saturday that the electric vehicle maker's total headcount will increase over the next 12 months, but the number of salaried staff should be little changed, backtracking from an email just two days ago saying that job cuts of 10% were needed.

"Total headcount will increase, but salaried should be fairly flat," Musk tweeted in a reply to an unverified Twitter account that made a "prediction" that Tesla's headcount would increase over the next 12 months.

Musk in an email to Tesla executives on Thursday, which was seen by Reuters on Friday, said he has a "super bad feeling" about the U.S. economy and needed to cut jobs by about 10%.

According to a Tesla U.S. regulatory filing, the company and its subsidiaries had almost 100,000 employees at the end of 2021.

Ahead of his emails on staffing levels, Musk on Wednesday in an email to Tesla employees issued an ultimatum to return to the office for a minimum of 40 hours a week. Failure to do so would be taken as a resignation, he wrote.



Source: <https://www.tbsnews.net/world/global-economy/musk-backtracks-job-cuts-says-tesla-salaried-staff-be-fairly-flat-433162>

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>



Disclaimer

The above is a summary of important business news published in the leading daily newspapers of Bangladesh. Please note that the news summary doesn't reflect the opinion of Alliance Capital Asset Management Limited (ACAML). Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. This report is intended for distribution in only those jurisdictions in which Alliance Capital Asset Management Ltd. is liable and any distribution outside those jurisdictions is strictly prohibited.

Alliance Capital Asset Management Ltd.

Contact Us

Address:

Sima Blossom (10th floor)
Comprehensive Holdings
Plot # 390 (Old) 03 (New)
Road # 27 (Old) 16 (New)
Dhanmondi C/A,
Dhaka-1209.

Office: +880 2 9121360 Fax
: +880 2 9120971

Developed By:

Mehnaz Tabassum Khaleel
sarah@acaml.com

Visit us on the web at:
www.acaml.com