

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

July 25, 2022

StanChart Wins Asiamoney Best Bank Awards

Standard Chartered Bangladesh has won the Asiamoney Best Bank Awards 2022 as the "Best International Bank" in Bangladesh.

The bank was recognised for its focus on sustainability, driving economic empowerment and greater financial inclusion, and demonstrating a continued commitment to powering economic and social growth.

Standard Chartered won the award in sixth consecutive time, a press release said.

"This achievement is a testament to how, despite the challenges of the past year, we have continued to push boundaries for our clients and have marshalled our strength and resilience to support our communities," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

Established in 1989, Asiamoney, a financial publication in the UK, focuses on publishing content related to business and finance. It provides stakeholders with insights, reports, and analyses.

Source: <https://www.thedailystar.net/business/organisation-news/news/stanchart-wins-asiamoney-best-bank-awards-3078591>



City Bank's Profit Rises Slightly in Q2

The City Bank Ltd posted a slightly higher profit in the second quarter of 2022.

The consolidated earnings per share of the private commercial bank were Tk 1.21 in the April-June period, up from Tk 1.19 recorded in the same period last year, according to the un-audited financial statements.

The consolidated EPS, however, fell to Tk 2.04 in the first half of 2022 against Tk 2.16 registered in the same period of 2021.

The consolidated net operating cash flows, a measure of a firm's financial strength, was Tk 7.58 in the negative per share from January to June versus Tk 3.96 during the first half of 2021.

Shares of City Bank closed 0.91 per cent lower at Tk 21.80 on the Dhaka Stock Exchange yesterday.

Source: <https://www.thedailystar.net/business/organisation-news/news/city-banks-profit-rises-slightly-q2-3078551>



Interest Rates under Refinancing Scheme for Green Products Decrease

The Bangladesh Bank has reduced the interest rates of loans under the Refinancing Scheme for Green Products, Projects and Initiatives by 2%.

The Sustainable Finance Department of the central bank on Sunday issued a circular in this regard, also bringing some changes in the scheme policy.

From now on, the interest rate at the end borrowers level will be 5% for such loans with a tenure of less than 5 years, according to the circular. The rate will be 5.5% for loans with a tenure of more than 5 years but less than 8 years. In the case of over 8 years, borrowers have to pay 6% in interest.

Earlier, the interest rates were 7%, 7.5%, and 8% respectively.

Banks will get the fund from the scheme at 1% less than the bank rate. So, they will pay 3% following the current rate.

Source: <https://www.tbsnews.net/economy/interest-rates-under-refinancing-scheme-green-products-decrease-464390>



BGMEA Participates in Texworld

A delegation of BGMEA comprising leading apparel exporters from Bangladesh have participated in an international trade exhibition — Texworld USA Summer 2022 — to explore more business opportunities in the USA market.

Texworld USA, one of the largest sourcing events for suppliers, buyers, designers, merchandisers and overseas sourcing professionals, was held in New York in July 19-21, said the BGMEA on Saturday.

The international exhibition offers a wide product range covering the entire fabric spectrum.

From casual cotton to function fabrics and sophisticated knits to intricate laces, season-to-season attendees discover textiles of innovative structures, material mixes and surprising colour palettes.

The delegation headed by BGMEA vice-president Shahidulh Azim showcased the strengths of Bangladesh's RMG industry in the fair, especially its growing importance on manufacturing diversified products including value-added apparels made from non-cotton and technical textiles.

Source: <https://www.newagebd.net/article/176603/bgmea-participates-in-texworld>



DSE News

DSEX Sinks below 6,100-mark as Sell-off Continues

Stocks witnessed yet another big fall on Sunday, with the key index of the prime bourse sinking below the 6,100-mark after 13-month, as the jittery investors continued their sell-off.

The market witnessed a steep fall from the beginning of the session as investors went for sell-off on major sector issues plunging below the 6,100-mark instantly at the opening.

DSEX, the prime index of the Dhaka Stock Exchange (DSE), slid 74.07 points or 1.20 per cent to settle at 6,052, the lowest nearly 13 months since June 29, 2021.

Two other indices also ended lower. The DS30 index, comprising blue chips, plunged 32.68 points to finish at 2,168 and the DSE Shariah Index (DSES) lost 16.72 points to close at 1,328.

Turnover, a crucial indicator of the market, also dropped to Tk 4.71 billion, which was 30 per cent lower than the previous day's tally of Tk 6.77 billion.

Source: <https://thefinancialexpress.com.bd/stock/dsex-sinks-below-6100-mark-as-sell-off-continues-1658658033>

Total Trade	Total Volume	Total Value in Taka (mn)
106854	144539057	4709.771
Issues Advanced	Issues declined	Issues Unchanged
42	318	22



Matin Spinning's Special Unit to Start Operation on 1 August

Matin Spinning Mills Plc has announced to start the commercial operation of its Special Yarn Unit on 1 August.

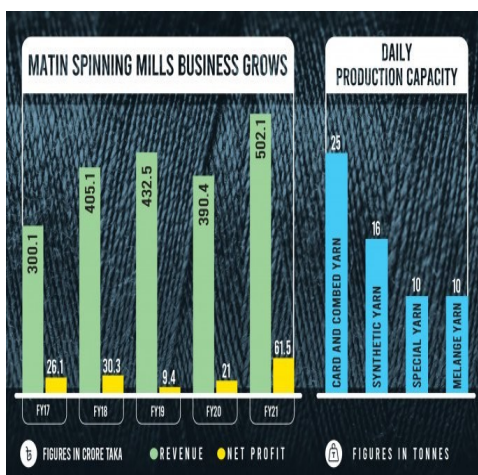
The new unit capable of producing 10 tonnes of yarn a day has increased the company's total daily production capacity to 61 tonnes.

The demand for special yarns is on the rise and the high-value products should bring better revenue for the company, said Matin Spinning Chief Financial Officer Mohammad Emarot Hossain.

In February 2021, the publicly listed spinning company announced its plan for the Special Yarn Unit, while its daily card and combed yarn production capacity has been 25 tonnes, melange yarn production capacity has been 10 tonnes and the synthetic yarn production capacity has been 16 tonnes.

The Special Yarn Unit has been a Tk186 crore project. The company announced to provide Tk61 crore from its own funds there and the remaining Tk125 crore was taken as loans from German Investment Corporation DEG.

Source: <https://www.tbsnews.net/economy/stocks/matin-spinnings-special-unit-start-operation-1-august-463682>



Global: Business

Oil Falls on Concerns Expected Fed Hike Will Impact Fuel Demand

Oil fell on Monday, reversing earlier gains but continuing a recent losing streak, on concerns that an expected increase in interest rates in the US, the world's biggest oil user, may limit fuel demand growth.

Brent crude futures for September settlement dropped 48 cents, or 0.5%, to \$102.72 a barrel at 0205 GMT, down for a fourth day.

US West Texas Intermediate (WTI) crude futures for September delivery fell 65 cents, or 0.7%, to \$94.05 a barrel, also down for a fourth day.

"The market tone is likely to remain bearish amid worries that interest rate hikes would slash global fuel demand and that the resumption of some Libyan crude oil output would ease tightness in global supply," said Kazuhiko Saito, chief analyst at Fujitomi Securities Co Ltd.

Oil futures have been volatile in recent weeks as traders try to reconcile the possibilities of further interest rate hikes that could limit economic activity, and thus cut fuel demand growth, against tight supply from the disruptions in the trading of Russian barrels because of the Western sanctions amid the Ukraine conflict.

Source: <https://www.tbsnews.net/world/global-economy/oil-falls-concerns-expected-fed-hike-will-impact-fuel-demand-464474>

Stocks Slip as Growth Risks Sap confidence; Bonds, Dollar in Demand

Asian stocks lost ground on Monday, retreating from over three-week highs as worries about a global economic downturn sapped investors' risk appetite.

Bond yields eased amid bets that a US recession would slow the Federal Reserve's aggressive tightening campaign, with markets looking for policy clues from its two-day Federal Open Market Committee meeting which begins on Tuesday.

At the same time, the dollar built on its recovery from a 2 1/2-week low against major peers, supported by demand for the US currency as a safe haven. "Risk markets are obviously priced for some kind of slowdown, but are they priced for an outright recession? I would argue no," said Ray Attrill, head of currency strategy at National Australia Bank.

"In that sense, it's hard to say we've reached a bottom as far as risk sentiment is concerned."

Source: <https://www.tbsnews.net/world/global-economy/stocks-slip-growth-risks-sap-confidence-bonds-dollar-demand-464478>



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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