

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

July 24, 2022

FBCCI to Enhance Trade Ties with Brazil, Two MoU Inked

The Federation of Bangladesh Chambers of Commerce & Industries (FBCCI) is keen to develop trade relations with Brazil - the largest economy in Latin America.

As a part of this initiative, FBCCI has signed two Memoranda of Understanding with the Rio de Janeiro Chamber of Commerce and Industry and the Sao Paulo Chamber of Commerce; two of the country's most influential trade organizations.

Federation chief Jashim Uddin on behalf FBCCI signed the MoU during the visit to Brazil as entourage of State Minister for Foreign Affairs Shahriar Alam.

The signing between Rio de Janeiro Chamber of Commerce and Industry and FBCCI took place in Rio de Janeiro, the second Capital of Brazil on July 20 and Sao Paulo Chamber of Commerce inked the MoU in Sao Paulo-the port city of the Country on July 21.

Source: <https://www.tbsnews.net/economy/fbcci-enhance-trade-ties-brazil-two-mou-inked-463622>



Chattogram Vat Commissionerate Sees 15.56% Revenue Growth

Chattogram Customs, Excise and Vat Commissionerate collected TK 10,908.64 crore of Vat revenue in FY 2021-22 at a 15.56% growth from the previous fiscal year.

Anurupa Dev, deputy commissioner of Chattogram Vat Commissionerate, said the Vat revenue collection for FY2020-2021 was Tk9,439.87 crore. The commissionerate collected TK 1,468.77 crore more than the previous financial year.

"FY 2021-22 Vat registrations increased by about 27% the previous fiscal year. Online Vat return submission percentage was 99.13%," she added.

Chattogram Customs, Excise and Vat Commissionerate is divided into 8 Vat divisions – Agrabad, Chandgaon, Chattala, Rangamati, Patiya, Cox's Bazar, Khagrachari, and Bandarban.

Source: <https://www.tbsnews.net/economy/chattogram-vat-commissionerate-sees-1556-revenue-growth-462482>



First Security Islami Bank Profits Jump 74%

The First Security Islami Bank posted a 74% growth in profits in the first half of 2022, compared to the previous year's first half.

In January to June this year, the bank's consolidated net profit increased to Tk93.30 crore, from Tk53.49 crore in the same time last year in 2021.

Its consolidated earnings per share (EPS) stood at Tk0.87, which was Tk0.49 in January to June of 2021.

The company said its EPS increased mainly due to a decline in interest rate paid out on deposits for 2022. Net investment income also increased Tk64.03 crore.

However, total operating income increased Tk129.41 crore compared to the previous year.

According to its unaudited half-yearly information, during the period, its income from investments in shares and securities increased 120% to Tk41.87 crore, from Tk19.04 crore for the same time frame in the previous year.

Source: <https://www.tbsnews.net/economy/stocks/first-security-islami-bank-profits-jump-74-462758>



LafargeHolcim Q2 EPS Jumps 10 per cent

LafargeHolcim Bangladesh, a publicly listed company, has registered a 10 per cent growth in its EPS (earnings per share) for April-June (Q2) of 2022, compared to the same quarter of the previous year.

The company has posted an EPS of Tk 1.06 for the Q2 of 2022 as against Tk 0.96 for the same period of the previous year.

During April-June of 2022, the net sales of LafargeHolcim Bangladesh rose to Tk 5.01 billion, up 6.0 per cent from Tk 4.74 billion in the same period of the previous year.

The company has also posted its net profit of Tk 1.23 billion for the Q2 of 2022 as against Tk 1.11 billion in the same period of the previous year.

The board of directors of LafargeHolcim has declared a 15 per cent interim cash dividend, said a press release.

"With continuous emphasis on agility, cost and innovation, we demonstrated strong performance in the second quarter of 2022, setting a solid foundation for rest of the year," said Rajesh K Surana, CEO of LafargeHolcim.

Source: <https://thefinancialexpress.com.bd/stock/lafargeholcim-q2-eps-jumps-10-per-cent-1658462623>



DSE News

JMI Hospital being Added to DSEX

The Dhaka Stock Exchange (DSE) is going to add JMI Hospital Requisite Manufacturing to the DSEX - the bourse's broad based index - as the newly listed firm meets all the eligibility criteria to be part of the major index.

The premier bourse does not include new firms in the DSEX right after their debut. Instead, it adds new companies to the broad index once a quarter, based on the indexing method.

In a statement, the DSE also informed about half yearly changes in its blue-chip index, DS30.

Pubali Bank is being included in the DS30, while IFIC Bank is being dropped from the list.

The rebalancing is done as per criteria set by the S&P Dow Jones Indices and the changes are going to be effective from Sunday, 24 July.

Source: <https://www.tbsnews.net/economy/stocks/jmi-hospital-being-added-dsex-462778>

 **RAK**
CERAMICS

RAK Ceramics to Set up Bath Fittings Plant

RAK Ceramics (Bangladesh), a UAE-Bangladesh joint venture company, is going to invest in faucets business by establishing a new plant at an estimated cost of Tk 950 million.

"The board of directors of the company has decided to invest in faucets business by establishing a new plant with production capacity of 1,500 pieces per day," said the company in a filing with Dhaka Stock Exchange (DSE) on Thursday.

The board of directors of one of the leading tile and sanitary ware manufacturers took the investment decision at a meeting held on Wednesday.

"The new plant is expected to go into operation in the next 15 months," Muhammad Shahidul Islam, company secretary of RAK Ceramics told the FE.

Recently, RAK Ceramics has also decided to increase the tiles production capacity by 15,000 square meters per day through green field projects at an investment of Tk 9,025 million to meet the growing demand for the construction material in the country.

Source: <https://thefinancialexpress.com.bd/stock/rak-ceramics-to-set-up-bath-fittings-plant-1658462258>

Global: Business

India's Forex Reserves Fall to 20-month Low

India's foreign exchange reserves fell \$7.5 billion to \$572.7 billion during the week ended on 15 July, according to the central bank latest data.

The decline in reserves of almost \$60 billion in 2022 is mostly attributable to the strong involvement of the central bank in the foreign currency market. Since the outbreak of war in Europe in late February, the rupee has been under pressure. In 2022, the Indian rupee has declined against the dollar by almost 7 percent.

RBI Governor Shaktikanta Das on Friday said the current level of foreign exchange reserves were adequate.

"...the Indian rupee is holding up well relative to both advanced and emerging market economies (EME) peers. This is because our underlying fundamentals are strong, resilient, and intact. The recovery is gradually strengthening. The current account deficit is modest. Inflation is stabilising. The financial sector is well-capitalised and sound. The external debt-to-GDP ratio is declining. The foreign exchange reserves are adequate," Shaktikanta said.

Source: <https://www.tbsnews.net/world/south-asia/indias-forex-reserves-fall-20-month-low-463638>



Global Slowdown Fears Darken

The global economy looks increasingly likely to be heading into a serious slowdown, just as the highest inflation in a generation prompts central banks to aggressively reverse the ultra-loose monetary policy adopted during the pandemic to support growth, data showed on Friday.

Business activity in the United States, the world's largest economy, contracted for the first time in nearly two years this month, activity in the euro zone retreated for the first time in over a year, and growth in Britain was at a 17-month low, purchasing managers' surveys said on Friday.

In another ominous sign for the global economy, Japan's government is expected to sharply cut its forecast for domestic growth. Meanwhile, China's strict Covid-19 lockdowns and Russia's invasion of Ukraine have further damaged global supply chains that had not yet recovered from the pandemic.

S&P Global on Friday said its preliminary - or "flash" - US Composite PMI Output Index had tumbled far more than expected to 47.5 this month from a final reading of 52.3 in June. That was the fourth straight monthly drop and was driven by weakness in the services sector, which contracted enough to offset moderate growth in manufacturing.

Source: <https://www.thedailystar.net/business/global-economy/news/global-slowdown-fears-darken-3077766>



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>



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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