

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

July 12, 2022

Meghna Bank Signs Deal with Nagad

Meghna Bank Limited recently signed an agreement with Nagad so that the bank's customers can directly send money from their accounts to a beneficiary account of the mobile financial service brand operating under Bangladesh Post Office.

Sohail RK Hussain, managing director and chief executive officer of Meghna Bank, and Rahel Ahmed, chief executive officer of Nagad, signed the agreement on behalf of their respective organisation.

Shyamol B Das, deputy managing director and chief information officer of Meghna Bank, M Nazeem A Choudhury, head of retail and SME banking, Md Saidur Rahman Dipu, head of business sales of Nagad, Sheikh Saud Bin Jahan, head of bank and FI of Nagad, among others, were present on the occasion.

Source: <https://www.thedailystar.net/business/economy/banks/news/meghna-bank-signs-deal-nagad-3066646>



Apparel Export to US Increases by 51.57%: EPB

The United States remained the top apparel export destination for Bangladesh, gaining \$9.01 billion in the fiscal year 2021-22 with 51.57% growth compared to the last fiscal, according to country-wise export statistics released by Export Promotion Bureau (EPB).

Also, export to the European Union, the largest apparel importer in the world increased by 33.87% to \$21.04 billion in FY2021-22 from \$15.99 billion in FY2020-21.

Germany, the largest apparel export market for Bangladesh in the EU region showed 27.74% year-on-year growth. Bangladesh exported \$7.16 billion worth of apparel to Germany.

Exports to other major EU markets such as Spain, France, Italy, Poland, and Netherland have shown strong positive growth. Bangladesh's export to UK and Canada also grew by 30.56% and 33.22% respectively.

At the same time, the year-on-year comparison shows that export to the non-traditional market increased by 25.40% in FY2021-22. Among the major non-traditional markets, China and Russia have shown negative growths of 18.04% and 1.67% respectively.

Source: <https://www.tbsnews.net/economy/apparel-export-us-increases-5157-epb-454926>



Tax Receipts from DSE Rise to Tk 291cr in FY22

The government's revenue collection from the Dhaka Stock Exchange rose by 8.40 per cent or Tk 24.43 crore in the just concluded financial year 2021-22 compared with that in the previous financial year FY 2020-21 due mainly to a surge in turnover on the country's premier bourse.

The National Board of Revenue in FY22 collected Tk 290.88 crore in tax, including tax on turnover and tax on sponsor-directors' share sales, against Tk 266.44 crore in FY21, DSE data showed.

The government in FY22 got Tk 218 crore in tax on turnover, while the amount was Tk 180 crore in FY21.

A total of Tk 72.87 crore came from the share sales by sponsor-directors and placement holders in the just concluded financial year, while the figure was Tk 86.28 crore in FY21, the DSE data showed.

The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05 per cent and 5.0 per cent respectively and deposits the amount to the government exchequer.

Source: <https://www.newagebd.net/article/175431/tax-receipts-from-dse-rise-to-tk-291cr-in-fy22>



28 firms Set to Invest \$1.3b in Three Economic Zones

Twenty-eight companies, including Walton, have got the nod from the authorities concerned to invest a total of \$1.3 billion in Bangabandhu Sheikh Mujib Industrial City, Jamalpur Economic Zone, and Sabrang Tourism Park.

The Bangladesh Economic Zone Authority (Beza) on Thursday also allotted 363.53 acres of land to these firms.

Beza said the approved investment by the 28 companies would create 36,000 jobs.

Beza Executive Chairman Sheikh Yusuf Harun said land lease agreements would be signed with these companies soon.

The proposed investments would help diversify the country's export basket, he expected, adding that this would also help the country achieve sustainable development goals (SDGs) alongside increasing the living standards of the people.

Of them, the electronic giant Walton alone will invest \$640 million as it has been allotted 100 acres of land.

Source: <https://www.tbsnews.net/economy/28-firms-set-invest-13b-three-economic-zones-455126>



DSE News

Intraco Tops DSE Gainers' Chart Riding on Merger News

Intraco Refueling Station Ltd (IRSL) led the gainers' chart of Dhaka Stock Exchange (DSE) in the outgoing week, as the company announced that it will merge its five subsidiaries with the parent company to reduce 'management cost' and avail 'tax benefit'.

In a filing with the DSE on Monday, the company said its Board of Directors has decided to hold an extraordinary general meeting to seek shareholders' approval to the merger issue.

The subsidiary companies are Absar & Elias Enterprises, East End Automobiles, M Hye & Co. CNG Refueling Station, Good CNG Refueling Station and Nessa & Sons. Intraco Refuelling Station holds more than 95 per cent stakes in its five subsidiaries.

Following the news, the investors rushed to buy its shares almost throughout the week amid positive expectations. As a result, the company's share price jumped 25.20 per cent in the outgoing week to close at Tk 31.30 on Thursday, becoming the week's top gainer. The closing price also hit the highest level in more than two years.

Source: <https://thefinancialexpress.com.bd/stock/intraco-tops-dse-gainers-chart-riding-on-merger-news-1657334459>



Stocks End almost Flat Following Bumpy Ride

Stocks finished almost flat on Thursday amid persistent bearish sentiment as investors mostly cautious to put fresh funds in stocks ahead of Eid vacation.

This was the last trading day before Eid holidays as the market will remain closed from Friday to Monday, including weekly holidays, on the occasion of Eid-ul-Azha.

The market moved between positive and negative several times before closing almost flat as the market lacked clear direction. DSEX, the key index of the Dhaka Stock Exchange (DSE), inched up by 0.90 points to settle at 6,368.95, after losing over 6.0 points in the previous day.

Turnover, the crucial indicator of the market, stood at Tk 7.87 billion, which was 5.0 per cent higher than the previous day's tally of Tk 7.46 billion. Market operators said most investors remained cautious due to global fuel price hike and possible impact on the country's economy.

Source: <https://thefinancialexpress.com.bd/stock/stocks-end-almost-flat-following-bumpy-ride-1657188771>



Global: Business

Euro Tumbles to 20-year Low against Dollar

European stocks sank Tuesday along with oil prices, while the euro slumped towards parity with the dollar on deepening recession fears as central banks contend with soaring inflation.

European stock markets fell nearly three percent, weighing on Wall Street early in the day before US stocks staged a turnaround.

"Fears about the health of the world economy are circulating and that is why we are seeing major declines in stocks, energies, and industrial metals," said market analyst David Madden at Equiti Capital.

The euro sank to a 20-year dollar low of \$1.0238 as investors eyed aggressive interest rate hikes by the US Federal Reserve in its fight against inflation, in contrast with the European Central Bank, seen as planning more modest increases.

Source: <https://www.thedailystar.net/business/global-economy/europe/news/euro-tumbles-20-year-low-against-dollar-3065846>



Oil Price Rises after Sell-off

Oil prices rose Wednesday after suffering a painful drop the previous day, though the euro remained wedged at a 20-year low and equities mostly fell in Asia as recession fears continue to flow through trading floors.

Both main crude contracts were pummelled Tuesday as investors grow increasingly worried that leading economies will contract this year or next owing to sharp central bank interest rate hikes aimed at fighting decades-high inflation.

The main US contract WTI sank nearly nine percent below \$100 a barrel for the first time since April, while Brent shed around 10 percent on expectations that any recession will slam demand, despite tight supplies caused by the Ukraine war.

And Citigroup said in a note that a recession could lead prices to as low as \$65 this year if Opec and other major producers do not step in to provide support and companies do not invest.

There are also signs that the high cost of fuel is hurting demand, in turn pushing prices down.

Source: <https://www.thedailystar.net/business/global-economy/news/oil-price-rises-after-sell-3065901>



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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