

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

May 26, 2022

Serbia Keen to Increase Trade with Bangladesh

Bangladesh and Serbia are very keen to increase bilateral trade as it is still in very low volume and expressed a desire to sign an agreement to facilitate bilateral trade.

The topic came up during a discussion between Bangladesh Foreign Minister AK Abdul Momen and his visiting Serbian counterpart Nikola Selaković at the Foreign Service Academy on Wednesday.

Besides, Bangladesh is looking forward to sending skilled workforces to the Southeast European country.

Meanwhile, Dhaka-Belgrade signed two memorandum of understanding (MoUs) on Wednesday on visa exemptions for holders of diplomatic and official passports and also for those engaged in bilateral consultations between the ministries of foreign affairs.

Bilateral relations with Serbia, being a part of former Yugoslavia, is rooted in history. After its independence on 16 December 1971, the Socialist Federal Republic of Yugoslavia (SFRY) was one of the first European countries to recognize Bangladesh on 22 January 1972.

Source: <https://www.tbsnews.net/economy/serbia-keen-increase-trade-bangladesh-426890>



Ctg Customs' Revenue Earnings See 19.55% Growth

Revenue earnings at the Chattogram Custom House, the largest customs station in the country, has crossed the Tk50,000 crore mark for the current fiscal year 2021-22.

As of 24 May 2021, total collection stands at Tk51,238.29 crore, a year-on-year growth of 19.55%.

Customs officials are expecting the figure to go beyond Tk60,000 by the end of the current fiscal to close in on the year's revenue collection target of Tk64,075 crore.

In April 2022, revenue earnings stood at Tk5,329.69 crore, the highest monthly collection in the current fiscal year. In the first few months of the current fiscal, revenue earning saw a gradual increase from July-September with the collection of Tk3,394.05 crore, Tk4,410.42 and Tk5,113.98 crore respectively. The monthly collection dropped a few hundred crore in October to Tk4,733.46 crore and hovered near Tk5,000 crore for the next three months. In February Tk5,187.60 crore was collected while Tk5,296.69 crore was collected in March.

Source: <https://www.tbsnews.net/economy/ctg-customs-revenue-earnings-see-1955-growth-426870>



NRBC Bank to Issue Tk500cr Subordinated Bond

The NRB Commercial (NRBC) Bank Limited will issue a subordinated bond worth Tk500 crore to meet its Tier-2 capital base.

The coupon-bearing bond will be unsecured, and non-convertible, according to the Dhaka Stock Exchange (DSE).

The bank will follow the regulatory requirement regarding issuing bonds and will take approval from the Bangladesh Securities and Exchange Commission, and the Bangladesh Bank.

Its activities include banking, accepting customer deposits, lease financing, project financing, inter-bank borrowing, lending to retail, small and medium-sized enterprises, corporate customers, and foreign trade businesses, and dealing in government securities and equity shares.

In the January to March quarter of 2022, the bank's consolidated net profit stood at Tk65.96 crore while its net interest income stood at Tk107.96 crore.

Source: <https://www.tbsnews.net/economy/stocks/nrbc-bank-issue-tk500cr-subordinated-bond-426862>



BSEC Resets Circuit Breaker at 2%

In just one month, the Bangladesh Securities and Exchange Commission (BSEC) has reset the lower circuit breaker from 5% to 2% again to protect investors from further capital erosion due to the ongoing bearish run.

The BSEC has put the floor under stocks after the index benchmark of the country's premier bourse – Dhaka Stock Exchange (DSE) – lost 511 points in the last 11 days.

The new circuit breaker will be effective from Thursday, the BSEC said. As a result of the new circuit breaker, the share price of a company can be reduced by a maximum of 2% in one day. However, in case of an increase in share price, the 10% limit will remain unchanged. Investors who need to sell get entrapped due to such disruptions that drastically decrease liquidity added Siddiqi.

The way the market sharply soared in fiscal 2020-21, a correction was natural, he said, adding that the global and local macroeconomic situation added to the selling pressure.

And with the fall of the index, the share prices of 250 companies decreased, while the prices of 76 companies increased.

Besides, the turnover on the DSE has decreased by 22% to Tk513 crore as compared to the previous day.

Source: <https://www.tbsnews.net/economy/stocks/bsec-resets-circuit-breaker-2-426858>



Bangladesh Economy at an Inflection point: CAL Securities

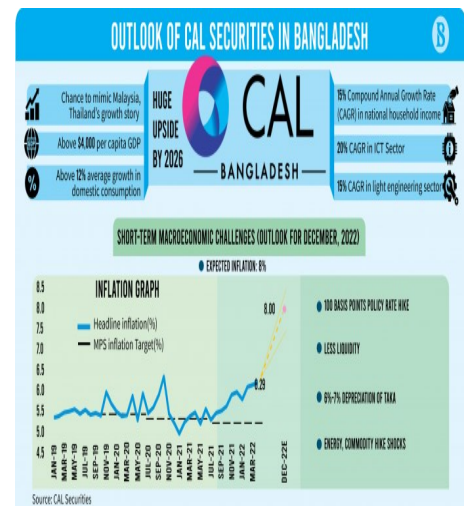
Despite ongoing macroeconomic challenges, Bangladesh still has the potential to mimic the 1980-1990s growth story of Malaysia and Thailand, said analysts of CAL Securities, the first-ever foreign brokerage firm waiting for its debut in the Bangladesh capital market.

With the economy's potential, the country is set to attract more investments, while its capital market similarly has the potential to grow, said Ajith Fernando, chief executive officer of Sri Lanka's Capital Alliance Limited (CAL), who is the chairman of the firm's Bangladeshi entity's board.

CAL Securities, as the first foreign stockbroker in the country, wants to utilise the potential of the Bangladesh capital market, he said at a press meet in the Capital Market Journalist Forum's conference hall in Dhaka on Wednesday.

CAL's short- and mid-term outlook is, that by the end of 2022, inflation in Bangladesh would soar to 8%, while the central bank is expected to raise the policy rate by 100 basis points to 6.75 for curbing inflation and liquidity absorption.

Source: <https://www.tbsnews.net/economy/stocks/bangladesh-economy-inflection-point-cal-securities-426934>



Stocks Extend Losing Streak amid Confidence Crisis

Following the previous day's losing streak, the market opened lower and moved positive and negative several times before ending marginally lower.

DSEX, the key index of Dhaka Stock Exchange, went down by 23.81 points or 0.38 per cent to settle at 6,187. DSEX lost 74 points in the past two straight sessions.

Two other indices also ended lower. The DS30 index, comprising blue chips, fell 7.06 points to finish at 2,287 and the DSE Shariah Index (DSES) shed 3.82 points to close at 1,363.

Turnover, a crucial indicator of the market, also came down below Tk 6.0 billion mark again and amounted to Tk 5.13 billion, which was 22 per cent lower than the previous day's tally of Tk 6.60 billion.

The market ended lower in the last 10 trading days out of 11. The index gained 118 points on Monday and before that the stock index lost 556 points in eight consecutive days which prompted the government to intervene in the market to bring back investors' confidence in the market.

Source: <https://thefinancialexpress.com.bd/stock/stocks-extend-losing-streak-amid-confidence-crisis-1653470442>



G7 Scrambles to Keep Climate Agenda on Track

Ministers from the world's wealthiest democracies will wrangle over how to keep climate change goals on track as they meet in Berlin on Thursday for talks overshadowed by spiralling energy costs and fuel supply worries sparked by the war in Ukraine.

Energy, climate and environment ministers from the Group of Seven (G7) countries want to reaffirm a commitment to cap global warming at 1.5 degrees Celsius and protect biodiversity at the May 25-27 meeting.

The group will also consider committing to a phase-out of coal power generation by 2030, according to a draft communique seen by Reuters, though sources suggested that opposition from the United States and Japan could derail such a pledge.

The draft, which could change considerably by the time talks conclude on Friday, would also commit G7 countries to have a "net zero electricity sector by 2035" and to start reporting publicly next year on how they are delivering on a past G7 commitment to end "inefficient" fossil fuel subsidies by 2025.

Source: <https://www.tbsnews.net/world/global-economy/g7-scrambles-keep-climate-agenda-track-427054>

Sony to Ramp up PS5 Production and Broaden Games Portfolio

Sony Group Corp said it plans to ramp up production of its PlayStation 5 console as supply chain snarls ease and signalled a radical broadening of its games portfolio including more titles on PC and mobile.

The PS5, which went on sale in November 2020, undersold its predecessor in its second year due to component shortages which have roiled the electronics industry. But it is expected to close the gap in year three and overtake PS4's install base the following year.

Sony has forecast PS5 sales of 18 million units in the business year to end-March compared to 11.5 million a year earlier.

Outlining a shift by PlayStation away from just concentrating on single-player games exclusive to its platform, Ryan said more PC and mobile titles will be on offer in addition to live service games, which provide continuous updated play.

While PS4 and PS5 titles are expected to make up more than two-thirds of releases this year, PC and mobile titles will make up almost half of new games in 2025.

Source: <https://www.tbsnews.net/world/global-economy/sony-ramp-ps5-production-and-broaden-games-portfolio-427130>



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>



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