

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

March 23, 2022

BB Announces NFC Facility for Debit, Credit Cards

The central bank has approved the facility of Near Field Communication (NFC) technology for debit and credit card users of the country.

With the addition of this technology, transactions will be completed without the need of physical contact of the card or the use of password.

According to the central bank circular, the contact-less payments through NFC credit cards have become popular due to its effectiveness. Electronic transactions will increase if NFC technology is introduced in credit card as well as debit and prepaid card considering customer demand.

EMVCo compliant debit and prepaid cards can be used through the NFC technology, the circular stated.

The maximum limit for each transaction is Tk3000 and users won't have to use a PIN. However, the information of each such transaction must be immediately notified to the customer through SMS only.

Source: <https://www.tbsnews.net/economy/bb-announces-nfc-facility-debit-credit-cards-389498>



Businesses Demand Withdrawal of Advance Income Tax

Businesses at a discussion on Tuesday demanded a complete withdrawal of advance income tax (AIT) as it is neither refunded nor adjusted in any cases.

They currently pay 0.5%-10% in AIT on raw material imports. Many of them are supposed to get refunds in the case of no profits, but that does not happen – as manufacturing companies claim. In the face of allegations from a number of business leaders that they do not get tax refund, Md Jashim Uddin, president at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), questions, "Why are you [the NBR] collecting it [AIT] if it is supposed to be refunded? If you have realised it from taxpayers, why are you not paying it back?"

In response, Abu Hena Md Rahmatul Muneem, chairman at the National Board of Revenue (NBR), asked businesses to communicate with his office if they have refund claims.

Source: <https://www.tbsnews.net/economy/businesses-demand-withdrawal-advance-income-tax-389490>



Banglalink Wants to Go Public, BSEC Assures of Support

Banglalink Digital Communications Ltd, the third-largest mobile phone operator in the country, has again expressed its interest to be listed in the stock market after more than a decade since its first rejection by the stock market regulator.

The company wants to float 10% of its shares, officials said.

The information was disclosed following a meeting between senior Banglalink officials and Professor Shibli Rubayat-Ul-Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC) on Monday to discuss the potential listing.

Dutch firm Veon is the ultimate holding company of Banglalink. It owns Global Telecom Holding which holds Banglalink's 100% shares' owner Malta-based Telecom Ventures Ltd.

Banglalink lost the second position in the cellphone market in late 2016 to Robi Axiata after the latter merged with Airtel Bangladesh.

Source: <https://www.tbsnews.net/economy/stocks/banglalink-wants-go-public-bsec-assures-support-389418>



Stocks Surge after Two Days of Fall

After a fall for two days, indices of both stock exchanges in the country surged on Tuesday with an increase in the participation of institutional investors.

On Tuesday, Dhaka Stock Exchange's (DSE) benchmark index DSEX jumped by 79 points or 1.19% to reach 6,771 while the blue-chip index DS30 rose 1.42% to 2,471.

Out of the 384 issues traded at the DSE, 257 advanced, 73 declined, and 54 remained unchanged.

Port city bourse Chittagong Stock Exchange's (CSE) price index CASPI also jumped by 1% or 197 points to 19,813.

A senior officer of the Bangladesh Securities and Exchange Commission (BSEC) said institutional investors came forward with fresh investment in the downward market which helped to boost the index on Tuesday.

Meanwhile, trading activities increased while participation on the DSE was agile as most investors favoured taking a position in selective issues. As a result, bourses observed increased participation while turnover rose by 50.9% to Tk958 crore.

Source: <https://www.tbsnews.net/economy/stocks/stocks-surge-after-two-days-fall-389422>



BSEC Approves Mercantile Bank's Tk500cr Bond

The Bangladesh Securities and Exchange Commission (BSEC) approved the issuance of a Tk500 crore perpetual bond by Mercantile Bank.

The bank will issue the bond to strengthen its additional Tier-I capital base.

Local institutional investors and high-net-worth individuals can buy the bond units through a private placement, while general investors will be able to get it through a public offering.

Of the bond value, Tk450 crore will be issued through the private placement and the remaining Tk50 crore through the public offering.

The face value per unit of the bond will be Tk5,000. The coupon rate will be 6%-10%.

Local merchant bank UCB Investment Ltd will act as the trustee of the bond while IDLC Finance Ltd will be its arranger.

Source: <https://www.tbsnews.net/economy/stocks/bsec-approves-mercantile-banks-tk500cr-bond-389410>



BSEC Imposes Restrictions in Order to Discipline Stockbrokers

The securities regulator will not renew the licences of stockbrokers until they adjust investors' money and shares kept in the stipulated accounts. Such brokers will not also be entitled to enjoy different other facilities.

The Bangladesh Securities and Exchange Commission (BSEC) imposed the restrictions on Tuesday to ensure security of investors' money and securities, and bring back discipline in the capital market.

Earlier, the BSEC found huge shortages of funds and shares in many consolidated customers' accounts maintained by the TREC (trading right entitlement certificate) holders - some of them embezzled investors' money and securities.

According to the order, renewal of licence of TREC holder companies and their DP (depository participant) will remain suspended until they adjust the shortages found in the consolidated customers' accounts.

Source: <https://thefinancialexpress.com.bd/stock/bsec-imposes-restrictions-in-order-to-discipline-stockbrokers-1648003157>



Oil Slips below \$114

Oil slipped below \$114 a barrel on Tuesday, giving up some of the previous day's 7 per cent surge, as European Union members disagreed on a potential oil embargo on Russia, although persistent supply risks limited the decline.

European Union foreign ministers are split on whether to join the United States in banning Russian oil. Some countries, including Germany, say the bloc is too dependent on Russia's fossil fuels to withstand such a step.

Brent crude fell \$1.92, or 1.7 per cent, to \$113.70 a barrel at 0920 GMT. US West Texas Intermediate crude slipped \$2.82, or 2.5 per cent, to \$109.3. Both contracts had settled up more than 7 per cent on Monday.

Oil also slipped as the US dollar strengthened after comments from US Federal Reserve Chair Jerome Powell on Monday that flagged a more aggressive tightening of monetary policy than previously anticipated.

Source: <https://www.thedailystar.net/business/global-economy/news/oil-slips-below-114-2988366>



China to Boost Renewable Power

China aims to increase renewable power, maintain crude oil output and boost natural gas production, as it seeks to balance energy security and achieve its climate change goals.

China, the world's biggest greenhouse gases emitter, has said its carbon emission would peak by 2030 while it would achieve carbon neutrality by 2060.

"We will accelerate the adjustment of the energy structure and promote energy supply security and low-carbon transformation at the same time," the National Development and Reform Commission said in a statement on Tuesday.

China will keep annual crude oil output at 200 million tonnes and crank up annual natural gas production to more than 230 billion cubic metres by 2025.

Source: <https://www.thedailystar.net/business/global-economy/indian/news/indian-banks-start-debt-recovery-proceedings-against-future-retail-2988356>



Thailand's Economy Rebounds in Q4

Thailand's economy rebounded in the fourth quarter of last year on the back of rising exports and the easing of coronavirus restrictions that allowed tourists to return, senior officials said Monday.

The 1.9 per cent on-year expansion was more than double what was forecast and marked a strong bounce after a 0.2 per cent contraction in the previous three months.

For the whole year the economy grew 1.6 per cent, according to the National Economic and Social Development Council, and also beat expectations.

South East Asia's second largest economy was hit with a 6.1 per cent contraction in 2020 -- its worst economic performance since the 1997 Asian Economic Crisis.

The NESDC said it saw growth of 3.5-4.5 per cent this year as tourism picks up and government spending kicks in.

Source: <https://www.thedailystar.net/business/global-economy/news/thailands-economy-rebounds-q4-2967516>



Gold Bid, Stocks Dumped further

Russia's invasion of Ukraine saw investors scrambling for the safety of gold and the protection of inflation hedges as weeks of brinkmanship came to a head on Thursday.

While market participants had been bracing for some form of aggression on Russia's part, Thursday's attack that brought explosions even in the Ukrainian capital of Kyiv, and across the country, made the war real for market participants.

Trader playbooks seemed to change from one that was built around the possibility of a diplomatic resolution to the crisis, to what had at one point been a tail-risk, or extreme, scenario.

"It looks pretty clear that they are moving toward Kyiv, which was always one of the worst case scenarios, because we now have a long night ahead of us trying to understand how bad this gets, and what sanctions get put up," said Chris Weston, head of research at brokerage Pepperstone in Melbourne.

Source: <https://www.thedailystar.net/business/global-economy/news/gold-bid-stocks-dumped-further-2970031>



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