

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

June 15, 2022

ADB Gives \$250m to Boost Social Protection

The government yesterday signed an agreement with the Asian Development Bank (ADB) for a \$250 million policy-based loan to further improve the social protection system in Bangladesh for supporting the vulnerable population against socioeconomic challenges.

The programme aims to accelerate reforms in increasing the coverage and efficiency of social protection measures, improve the financial inclusion of disadvantaged people, and strengthen the response to diversified protection needs.

The loan is the second subprogramme of the Strengthening of Social Resilience Programme (SSRP) approved in 2021, which helped implement institutional and policy reforms that strengthened the inclusiveness and responsiveness of social protection in Bangladesh.

Fatima Yasmin, secretary of the Economic Relations Division, and Edimon Ginting, country director of the ADB, signed the agreement through a virtual programme.

Source: <https://www.thedailystar.net/business/economy/news/adb-gives-250m-boost-social-protection-3047626>



Japanese IT Companies Urged to Explore Business Opportunities in Bangladesh



The Japanese Information technology (IT) companies have been urged to explore business opportunity in Bangladesh as Dhaka is offering various facilities and supports to the investors in the IT sector including tax benefits and one stop service at its High-Tech Parks.

Officials from Government entities like Ministry of Economy, Trade and Industry (METI), Japan International Cooperation Agency (JICA), Japan External Trade Organisation (JETRO), Embassy Officials as well as other agencies like United Nations Industrial Development Organisation (UNIDO) ITPO Tokyo, Japan Chamber of Commerce and Industries (JCCI) participated in the event.

Besides, top level Executives from Japanese IT Companies, NRB established IT companies in Japan, Bangladeshi IT professional working in prominent Japanese companies, Bangladeshi researchers in Japan in this field also participated, among others.

Source: <https://thefinancialexpress.com.bd/economy/japanese-it-companies-urged-to-explore-business-opportunities-in-bangladesh-1655209757>

Maslin Capital to Launch Tk100cr Impact Fund

Maslin Capital, a fund management company belonging to City Group, has initiated a process to launch a Tk100 crore impact fund.

Impact funds are alternative investment funds that consider the environmental, social and governance (ESG) impact of their investments in businesses.

City Bank Capital Resources Ltd, a leading local merchant bank, has been appointed as the mandated lead arranger of the fund.

Bangladesh is yet to get a local impact fund, while some foreign funds are investing in local companies showing ESG impacts through their businesses.

Banks, financial institutions, insurers, corporates and high net worth individuals are expected to be the local investors of the fund, while international funds and development financial institutions are also on the list of potential foreign investors, said Ershad Hossain, managing director of City Bank Capital.

Source: <https://www.tbsnews.net/economy/stocks/maslin-capital-launch-tk100cr-impact-fund-439450>



LankaBangla's Brokerage Clients to Get Free Life Insurance

LankaBangla Securities, the top stockbroker in the country, has recently signed a memorandum of understanding (MoU) with Chartered Life Insurance to offer free life insurance support to its clients.

For the first time in the local brokerage industry, LankaBangla Securities would provide life insurance coverage to all its beneficiary account holders having a certain amount of investments in the capital market, according to a press statement.

LankaBangla Securities will pay the premium on behalf of its clients and the insurer will pay insurance claims in case of death and permanent disability of any client.

After the pandemic, health care for the people has become a major concern. LankaBangla Securities and Chartered Life, earlier, stepped forward by issuing health cards for all the insured clients to get discounts in many listed hospitals and diagnostic centres for clients including family members.

Under the deal, both the organisations have also agreed to develop other insurance products linked to the capital market.

Source: <https://www.tbsnews.net/economy/stocks/lankabanglas-brokerage-clients-get-free-life-insurance-439446>



DSE News

New Project to Enhance RAK Ceramics Profit: co

RAK Ceramics Bangladesh Limited, a publicly listed company, on Tuesday announced that the company's average annual net profit was expected to grow by Tk 93 crore in 10 years, once its initiative for enhancement of production capacity was implemented.

To enhance the production capacity, RAK Ceramics would invest Tk 902.5 crore to build its new factory at Bhutulia in Gazipur, according to the company's board decision published on the Dhaka Stock Exchange web site on Tuesday.

Once the new project is implemented, the company's production capacity would increase to 15.5 million square metres of tiles per year from its existing capacity of producing 10.32 million square metres of tiles, RAK Ceramics chief operating officer and chief financial officer Sadhan Kumar Dey told reporters at a programme held in the capital Dhaka on Tuesday.

Besides producing 10.32 million square metres of tiles, the company also produces 1.45 million pieces of sanitary ware per year now.

Source: <https://www.newagebd.net/article/173295/new-project-to-enhance-rak-ceramics-profit-co>



DSE Stocks Fall for Second Day

The stock market index continued to fall today for the second consecutive day since the announcement of the proposed national budget for 2022-23 fiscal year.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 39 points, or 0.61 per cent, to 6,391.

At the DSE, 84 stocks up, 253 down and 42 remained unchanged.

Meghna Insurance topped the gainers' list that rose 9.77 per cent. Monno Fabrics, Tosrifa Industries, Prime Textiles, and Quasem Industries were also on the list of top gainers.

Southeast Bank eroded mostly that dropped 4.1 per cent. Rupali Bank, MIDAS Financing, Shinepukur Ceramics, and Sonali Life Insurance were among the other companies in the loser tally.

IPDC Finance became the most traded stock with shares worth Tk 76 crore changing hands followed by Shinepukur Ceramics, ACI Formulations, Delta Life Insurance, and JMI Hospital.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-fall-second-day-3046346>



Energy Crisis Grips Australia

Australians have been warned to expect blackouts across the densely populated east coast on Tuesday, as an energy crisis grips one of the world's biggest coal and gas producers.

The Australian Energy Market Operator warned there could be significant power shortfalls in the states of Queensland and New South Wales, which are home to more than 13 million people.

It also issued notices for a forecast of reserve shortfalls in the states of Victoria, South Australia and Tasmania.

Newly elected Prime Minister Anthony Albanese blamed the energy crisis on the previous government, which was in power for nearly a decade.

"The consequences of the former government's failure to put in place an energy policy is being felt right now," he told reporters in Brisbane.

Albanese said "all things are on the table" as his government examines how to ease the crisis, which has dominated his centre-left government's first weeks in power.

Source: <https://www.thedailystar.net/business/global-economy/news/energy-crisis-grips-australia-3047586>



Oil Prices Climb, but Expected US Interest Rate Hike Looms

Oil prices rose on Wednesday, rebounding from losses earlier in the session amid concerns over fuel demand and the broader economy ahead of an expected big hike in interest rates by the US Federal Reserve.

In a volatile session, Brent crude futures for August were up 46 cents, or 0.4%, at \$121.63 a barrel as of 0642 GMT after falling to as low as \$120.65 earlier in the session on the back of a 0.9% decline on Tuesday.

US West Texas Intermediate crude for July rose 41 cents, or 0.3%, to \$119.34 a barrel, after hitting a low of \$118.22 earlier in the day, having dropped 1.7% a day earlier.

Surging inflation has led investors and oil traders to brace for a big move by the Fed this week - a 75-basis-point increase, which would be the largest US interest rate hike in 28 years.

"An aggressively hawkish signal from the (US) Fed may increase concerns of a global recession, which may dampen the demands of the energy market," said Leona Liu, analyst at Singapore-based DailyFX.

Source: <https://www.tbsnews.net/world/oil-prices-climb-expected-us-interest-rate-hike-looms-440070>



Global: Business

Global Advertising to Grow by 8.4% this Year -Report

The global advertising industry is expected to grow 8.4% this year, despite ongoing geopolitical situations around the world and fears of a recession, a report on the sector said on Monday.

That figure excludes the impact of US political advertising, which is on track to reach \$13 billion in revenue this year, up from \$12 billion in 2020, the report from ad agency GroupM, a unit of WPP PLC showed.

The advertising market, which typically tracks the broader health of economies, is settling after experiencing highs in 2021, when it was boosted by strong economic recovery and personal consumption.

Sources of growth in 2022 include increasing numbers of new small businesses, which are likely to advertise at higher levels than the business they are replacing; venture-funded "new economy" advertisers seeking growth; and Chinese-based marketers advertising abroad, the report showed. The expected deceleration of e-commerce and interest rate hikes will be a drag on growth.

Source: <https://www.tbsnews.net/world/global-economy/global-advertising-grow-84-year-report-439014>



US Electric Vehicle Maker ELMS Files for Bankruptcy

Electric delivery van maker Electric Last Mile Solutions, under investigation by a top US securities regulator, has announced plans to file for bankruptcy, less than a year after going public.

The Michigan-based company, which aimed to provide urban delivery vehicles, announced late Sunday had filed for Chapter 7 bankruptcy, or liquidation.

In February, the company's CEO, Jim Taylor, and chairman, Jason Luo, resigned following an internal investigation into share purchases by the co-founders before ELMS went public.

ELMS appointed board member Shauna McIntyre as interim CEO to review the company's products and plans.

Source: <https://www.thedailystar.net/business/global-economy/news/us-electric-vehicle-maker-elms-files-bankruptcy-3046636>



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