

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

April 11, 2022

Agent Banking Transactions Top Tk 50,000cr

The amount of money transacted through agent banking exceeded the Tk 50,000-crore mark for the first time in January 2022 as the service has managed to expand its reach in the country's rural areas.

The Bangladesh Bank gave agent banking licence in 2014 with a view to bringing the unbanked people under the formal banking channel by taking the services to the remote locations of Bangladesh.

After the formation of agent banking guidelines in 2013, Bank Asia launched the service in January 2014.

The central bank has so far issued licence to 28 banks to run agent banking service. Of them, 26 banks are providing the service to the customers.

Transactions through agent banking accounts reached Tk 52,172.8 crore in January 2022 from Tk 49,139.3 crore in the previous month.

The transaction was Tk 34,078.6 crore in January 2021 and Tk 18,584.2 crore in the same month a year ago.

Source: <https://www.newagebd.net/article/167788/agent-banking-transactions-top-tk-50000cr>



NBR to Introduce DEDO Pay App to Resolve Refund Claims

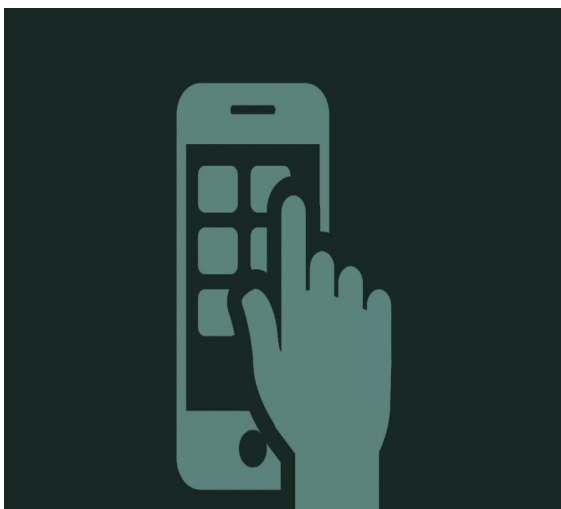
The Duty Exemption and Drawback Office (DEDO) under the National Board of Revenue (NBR) is going to introduce the online refund app Dedopay to speedily resolve the refund claims of the taxpayers online.

In this regard, the website of the DEDO has already been launched. This app will be directly incorporated into the website of the DEDO, reports BSS.

Director-General of DEDO Mohammad Belal Hossain Chowdhury said that Dedopay is a platform for refunding the amount of the concerned stakeholders and taxpayers in a speedy and flawless manner online.

"The main objective of such an app is to provide concerned data and services to the applicants through online after analysing the nature of the refund claim.

Source: <https://thefinancialexpress.com.bd/economy/nbr-to-introduce-dedo-pay-app-to-resolve-refund-claims-1649599428>





Banks Relieved from Contradictory Regulatory Pressures Regarding Dividends

Banks got relief from stock category downgrade in cases of their failure to pay cash dividends amid bars from their primary regulator.

It came because the central bank does not allow banks to pay cash dividends in cases of inadequate capitalisation or provisioning and both local stock exchanges punish them by treating them as inferior Z category stocks.

The Bangladesh Securities and Exchange Commission (BSEC), in a letter on Thursday, asked the bourses not to place any listed securities in the Z category if they fail to pay cash dividends for two consecutive years due to any regulatory restrictions or for the sake of regulatory compliances.

In a meeting with the Bangladesh Bank and the BSEC on 1 March, bankers sought the relaxation among some others while discussing the reasons behind banks' ongoing low appetite for stock investments.

Source: <https://www.tbsnews.net/economy/banks-relieved-contradictory-regulatory-pressures-regarding-dividends-400986>



Doreen Power's Subsidiary Gets BPDB Nod to Start Commercial Operation



The Bangladesh Power Development Board (BPDB) approved Chandpur Power Generation Limited - a subsidiary company of the Doreen Power Generations and Systems Limited - for starting its power plant's commercial operation.

Doreen Power disclosed the information on the Dhaka Stock Exchange (DSE) website on Sunday.

According to the disclosure, Chandpur Power already started the commercial operation of its 115 MW power plant on 11 February this year.

Of the amount, Tk520 crore came in the form of syndicated loans under the supervision of the lead arranger Dhaka Bank, and Tk160 crore came from Doreen Power's funds - out of which Tk85 crore came from its stock dividends and retained earnings from the accounting year 2018-19.

Doreen Power has a 99.9% stake in the Chandpur power plant.

Source: <https://www.tbsnews.net/economy/stocks/doreen-powers-subsiary-gets-bpdb-nod-start-commercial-operation-400994>



JMI Hospital Shares Flying High following Debut

In just seven trading sessions after its Dhaka Stock Exchange (DSE) debut, the stock price of JMI Hospital Requisite Manufacturing kept flying high and almost doubled amid the market's volatility.

On 31 March, the newly listed medical devices manufacturer's share trading debuted at Tk20 each.

On Sunday, they closed at Tk38.8 per share — 9.92% higher than the previous trading session and 94% higher compared to the debut trading day.

Normally, up to the stock price of Tk200 per share, a company's shares may go up by 10% of its previous day's closing price - as per the upper limit of the circuit breaker.

But if the previous day's share price exceeds Tk200, then the upper limit will be less than 10%.

It has become usual in the stock market that any newly listed firm's shares keep on increasing for a few sessions after its debut.

Source: <https://www.tbsnews.net/economy/stocks/jmi-hospital-shares-flying-high-following-debut-400990>



Stocks Rebound after 4-day Decline

Stocks in Bangladesh yesterday ended a four-day losing streak as investors capitalised on declining share prices in anticipation of future gains, according to market analysts.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 21 points, or 0.31 per cent, to hit 6,662 by the end of the trading session.

Similarly, the CASPI, the main index of the Chittagong Stock Exchange, gained 42 points, or 0.21 per cent, to close at 19,544.

"Stocks posted modest gains as investors are showing interest in stocks with lucrative prices," International Leasing Securities Ltd (ILSL) said in its daily market review.

As such, investors increased their participation in order to grab the potential of future gains by purchasing cheaper stocks, it added.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-rebound-after-4-day-decline-3002381>

Oil Falls, Pressured by China Lockdowns, Reserves Release

Oil prices slipped \$2 a barrel in early Asian trading on Monday, following a second straight weekly decline after world consumers announced plans to release a record volume of crude and oil products from strategic stocks and as China lockdowns continued.

Brent crude fell \$2.04, or 2%, to \$100.74 a barrel at 0139 GMT, while US West Texas Intermediate crude lost \$1.94, or 2%, to \$96.32. Last week, Brent dropped 1.5% while US oil slid 1%. For several weeks, the benchmarks have been at their most volatile since June 2020.

The market has been watching developments in China, where authorities have kept Shanghai, a city of 26 million people, locked down under its "zero tolerance" for Covid-19. China is the world's biggest oil importer.

The unprecedented release of 240 million barrels, equivalent to well over 1 million barrels per day, has helped cool prices and sharply narrowed backwardation in oil price curves, where prices in prompt months are higher than those in future months.

Source: <https://www.tbsnews.net/world/global-economy/oil-falls-pressured-china-lockdowns-reserves-release-401114>



Crypto-curious Corporations Struggle to Find Right Recipe

Four years ago, fried-chicken chain KFC tweeted from its Canadian account that it would accept bitcoin as payment for its "buckets".

The company told AFP its tongue-in-cheek campaign -- "digital tender for chicken tenders" -- sold out in an hour and the chain has not taken crypto payments since, but online articles regularly recycle the claim that KFC "accepts" bitcoin.

Many other companies have tried to harness crypto payments before abandoning their efforts, Tesla and Dell among them.

Bitcoin will almost certainly never be practical for everyday purchases because its value fluctuates wildly, and each transaction is expensive, energy-hungry and takes at least half an hour.

PayPal and Apple, two other crypto-curious corporations, have made similar pledges to their shareholders.

Source: <https://www.thedailystar.net/business/global-economy/news/crypto-curious-corporations-struggle-find-right-recipe-3002306>





Asian Shares Slip on Hawkish Fed, Dollar Stands Tall

Asian shares retreated on Thursday in line with a global selloff, as markets were spooked by more aggressive noises from US policy-makers about the need for tighter monetary policy, which also kept the dollar near a two-year peak.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.53% and Japan's Nikkei dropped 1.9%.

"The whole political and policy stance in the US has shifted, and markets are starting to get that," said Redmond Wong, a market strategist at Saxo Markets Hong Kong.

US Federal Reserve Governor Lael Brainard said on Tuesday she expects rapid reductions to the central bank's balance sheet.

Wong said that in the long run positive real interest rates would be good for the global economy, but in the medium term there would be a repricing of assets.

Overnight all three major US benchmarks fell with the Nasdaq Composite worst hit, losing 2.22%. In Asia trade S&P 500 futures fell 0.26% and Nasdaq futures fell 0.22%.

Source: <https://www.tbsnews.net/world/global-economy/asian-shares-slip-hawkish-fed-dollar-stands-tall-398826>



Oil Gains \$1 as Emergency Oil Release Seen as Band-aid

Oil prices clawed back some losses on Thursday after tumbling more than 5% to a three-week low in the previous session after consuming nations announced a huge release of oil from emergency reserves to offset supply lost from Russia.

Brent crude futures climbed \$1.32, or 1.3%, to \$102.39 a barrel at 0119 GMT, while US West Texas Intermediate (WTI) crude futures rose \$1.18, or 1.2%, to \$97.41 a barrel.

International Energy Agency member countries agreed to release 60 million barrels on top of a 180 million-barrel release announced by the United States last week to help drive down prices in a tight market following Russia's invasion of Ukraine.

"In addition to the enormous global reserves release, demand destruction and recession are currently the only price-lowering mechanism in a world devoid of inventory buffers," said Stephen Innes, managing director of SPI Asset Management.

Political decisions are needed in Tehran and Washington to overcome remaining issues, negotiators say.

Source: <https://www.tbsnews.net/world/global-economy/oil-gains-1-emergency-oil-release-seen-band-aid-398822>



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