



HIGHLIGHTS OF THE DAY

Bangladesh: Economy

July 13, 2022

Over Tk 1,000cr Transacted on Digital Cattle Market

Nearly 60,000 cattle were sold and over a Tk 1,000 crore transaction was made in little over one week on the digital cattle market initiated by the government in partnership with other organisations, the authorities said on Tuesday.

Data from the Digital Haat platform showed that between the inauguration day on July 3 and the Eid day on July 10, the number of visitors on the platform was 66,06,842 and a total of 59,481 sacrificial animals were sold from the platform and regional markets worth Tk 866 crore.

In addition, 17,502 sacrificial animals were sold by merchants and farmers worth Tk 142 crore and the total online transaction was Tk 1008 crore.

Organisers of the digital cattle market said that they were overwhelmed by the response from traders and buyers, who were increasingly turning to digital platforms with growing online literacy.

Source: <https://www.newagebd.net/article/175570/over-tk-1000cr-transacted-on-digital-cattle-marketket>



Forex Reserves Slip below \$40b for First Time in Two Years



Bangladesh's foreign exchange reserves on Tuesday declined to US\$39.77 billion, according to updated data from the central bank.

This is the first time in two years that the reserve dropped below the \$40 billion mark.

Bangladesh, Bhutan, India, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are members of ACU. The central banks of these countries have to make the payments every two months.

The reserves have been under stress for the past couple of months due to a surge in the import bills and a drop in the inward remittance, reports UNB.

Bangladesh's foreign exchange reserves soared to a record amount of \$46.15 billion in December last year.

Bangladesh's forex reserves witnessed a fall as import volume in the fiscal year 2021-22 increased to about \$78 billion, while foreign exchange gained from remittance and export stood at \$73 billion. The export earnings in FY22 amounted to 52.08 billion and inward remittances \$21.03 billion.

Source: <https://thefinancialexpress.com.bd/economy/forex-reserves-slip-below-40b-for-first-time-in-two-years-1657633279>



Desh General Insurance Posts 7% Profit Growth in April-June

Desh General Insurance Company posted a 7% profit growth in the April-June quarter of this year compared to the same period of last year.

In the second quarter, the company's net profit stood at Tk1.24 crore, which was Tk1.16 crore in the corresponding period of 2021.

Its earnings per share (EPS) stood at Tk0.31 in April-June, which was 7% higher than the previous year. The net asset value of the company was Tk12.15 as of 30 June, 2022.

From the January to June period, its net profit stood at Tk3.32 crore and EPS at Tk0.83.

The insurer got listed on the capital market in March last year. The company raised Tk16 crore capital from the stock market by issuing shares at Tk10 each with an initial public offering (IPO) for business expansion.

As of 30 June 2022, sponsors and directors jointly held 60%, institutions 4.97%, and the general public 35.03% shares of the company.

The last trading share price of the company on the Dhaka Stock Exchange was Tk30.30 per share on Tuesday.

Source: <https://www.tbsnews.net/economy/stocks/desh-general-insurance-posts-7-profit-growth-april-june-457222>



SS Steel EGM for Investment in Al-Falah Steel

SS Steel Limited is going to hold an extraordinary general meeting (EGM) on 3 September on a digital platform to secure shareholder approval for its equity investment in Al-Falah Steel and Re-rolling Mills Limited.

In April this year, the company decided to buy 99% shares of Al-Falah Steel for Tk87.46 crore. Al-Falah Steel will now issue new shares to SS Steel for this investment.

SS Steel expects this investment will add about a Tk450 crore turnover to Al-Falah Steel annually, and substantially increase the company's profitability.

SS Steel will finance the investment with retained earnings and bank loans. Earlier, the company decided on investing Tk96.68 crore in Al-Falah Steel as a share money deposit for the acquisition of 99% shares of Al-Falah Steel.

Al-Falah Steel and Re-rolling Mills Limited, a reputed steel manufacturing company of Bangladesh, can produce around 64,800 tonnes of steel per year.

Source: <https://www.tbsnews.net/economy/stocks/ss-steel-egm-investment-al-falah-steel-457194>

DSE News

Textile Stocks Move up in Tuesday's Bearish Session

Textile stocks, riding on the record export earnings in the just-concluded fiscal year (FY22), advanced in the bourses of Dhaka and Chattogram on Tuesday, while the overall market was bearish after the Eid vacation.

DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), declined by 11.5 points or 0.18% to close at 6,355 on Tuesday, while the blue-chip index DS30 fell by 0.42% to 2,284.

Textile sector, which saw a 2% increase in its total market capitalisation, made 23.4% of the daily turnover in the DSE, while non-bank financial institutions and miscellaneous sectors contributed to around 15% and 11% of the day's turnover respectively.

Apart from the textile, NBFIs and travel sectors gained by 0.3% each and all other sectors saw their market capitalisation shrinking over the session.

Paper, ceramic, and services led the sectoral table of losers on Tuesday with 1.6%, 1.5% and 1.2% falls respectively.

Source: <https://www.tbsnews.net/economy/stocks/textile-stocks-move-tuesdays-bearish-session-457206>



BD Paints Keeps Rising since Debut

The stock price of newly-listed Bangladesh Paints is rising 'abnormally' since debut a month earlier as it created an 'irrational hype' among investors.

Within a month since its debut, the SME company's share price jumped 460 per cent or Tk 46 each from its issue price of Tk 10 riding on short-term speculation.

The paint manufacturer's share price closed at Tk 56 on Tuesday on the Dhaka Stock Exchange (DSE). Its shares traded between Tk 10 and Tk 56.40 since debut on June 14. The recent price surge prompted the prime bourse to serve a show-cause notice on the company to know whether there was any price sensitive information for recent unusual price hike.

The company, however, in a response said that there is no undisclosed price sensitive information of the recent unusual price hike and increase in volume of shares. Even after being served show-cause notice, the company's share price has not stopped rising and jumped 9.16 per cent further on Tuesday.

Source: <https://thefinancialexpress.com.bd/stock/bd-paints-keeps-rising-since-debut-1657682607>

Global: Business

Oil Edges Higher; Market Wary of US Inflation Data

Oil edged up on Wednesday, a day after it fell through \$100 a barrel for the first time since April, while traders looked towards US inflation data that could weaken the market.

Brent crude futures were up 24 cents, or 0.2%, at \$99.73 a barrel at 0325 GMT. US West Texas Intermediate crude gained 10 cents, or 0.1%, to \$95.94.

Investors have sold oil positions on worries that aggressive interest rate hikes to stem inflation will spur an economic downturn that will hit oil demand. Prices fell by more than 7% on Tuesday amid volatile trading.

A further concern is that US interest rate rises in response to high inflation will push up the dollar, also undermining oil prices.

"Lingering recession fears continue to hit the market, whilst the strength of the USD and flare-up in Covid cases in parts of China is certainly not helping," said Warren Patterson, head of commodities strategy at ING.

Source: <https://www.tbsnews.net/world/global-economy/oil-edges-higher-market-wary-us-inflation-data-457386>



Boeing Deliveries Reach Highest Monthly Level since March 2019

Boeing Co delivered 51 airplanes in June to bring its first-half tally to 216 jets, up 38% from the same period last year, pushing its shares sharply higher on Tuesday.

June's deliveries exceeded the 50 threshold for the first time since March 2019 and included 43 Boeing 737 MAX, which is recovering from a nearly two-year safety crisis, according to new company data.

Boeing's shares rose more than 8% as it also confirmed that monthly MAX production had touched a target of 31 airplanes, while cautioning it had yet to be "stabilised" at that level as aerospace faces world-wide supply chain snags.

Jefferies analyst Sheila Kahyaoglu estimated that the average second-quarter MAX production rate was 28 per month.

June deliveries included six wide-body commercial freighters but, for the 12th consecutive month, no 787 Dreamliners.

Source: <https://www.tbsnews.net/world/global-economy/boeing-deliveries-reach-highest-monthly-level-march-2019-457326>



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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