

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

April 18, 2022

StanChart Showcases Bangladesh's Growth Story to Global Investors

Standard Chartered Bangladesh hosted an International Investors and Lenders Roadshow to help Bangladesh businesses build lasting relationships with leading investment and lending institutions from the Middle East, Europe, and Asia.

The roadshow was organised in collaboration with Standard Chartered's regional Financing Solutions and Distributions Team.

As part of the roadshow, designated speakers outlined recent business developments, shared outlook for high-potential sectors, and showcased notable success stories in Bangladesh. All the speakers reflected on how despite current challenges, Bangladesh has maintained steady growth while exhibiting high levels of resilience and grit.

Naser Ezaz Bijoy, Chief Executive Officer, Standard Chartered Bangladesh said, "As a nation, Bangladesh is at a point of inflection. Stable macroeconomic indicators in conjunction with strong post-pandemic recovery measures have established our nation as one of two Asian economies delivering constant growth – despite current market uncertainties."

Source: <https://thefinancialexpress.com.bd/economy/stanchart-showcases-bangladeshs-growth-story-to-global-investors-1650193509>



Despite BB Policy, Banks are Far off Investment Limit

Although the investment volume of banks in the capital market has increased, many are still far away from their investment limit.

Despite the policy relaxation and enforcement of Bangladesh Bank (BB), 36 out of 61 scheduled banks of the country have invested in the stock market. Though the BB set a limit on investment in the share market, the banks are ignoring it as the compliance is not obligatory by law, he said.

The latest data found that 36 banks have constituted a special fund of Tk 57.20 billion so far to invest in the capital markets, far below permitted limit of TK 72 billion.

Of the fund, Tk 14 billion has been invested in 'sukuk bond', a bond that conforms to Islamic strictures on the prohibition of charging or paying interest.

Source: <https://thefinancialexpress.com.bd/economy/despite-bb-policy-banks-are-far-off-investment-limit-1650197669>



Govt Eyes FTAs with Seven Countries, Two Blocs

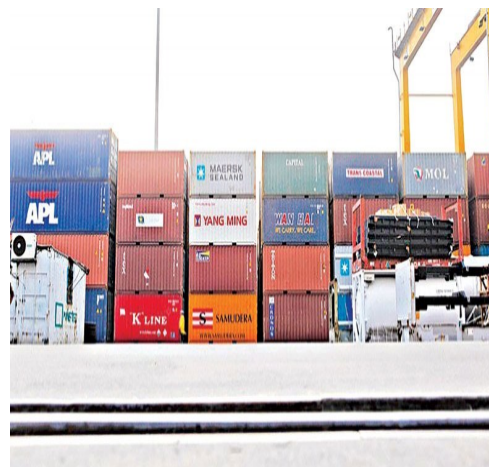
The government is considering seven countries and two regional blocs as potential partners for signing free trade agreements to retain duty-free market access of Bangladeshi products after the graduation from the least developed country to a developing one in 2026.

In the action plan, the government listed China, India, Japan, Korea, Singapore, Canada and Malaysia as the potential FTA partners for Bangladesh.

It also sees prospects in joining the Eurasian Customs Union and the Regional Comprehensive Economic Partnership, a free trade agreement among the Asia-Pacific nations.

In a national workshop on proposed time-bound action plan of the two LDC graduation related sub-committees held at Parjatan Bhaban in the city, experts said that to retain the existing preferential market access, Bangladesh would have to go for FTA and PTA with its major trading partners as the country would lose its duty-free benefits after the LDC graduation.

Source: <https://www.newagebd.net/article/168346/govt-eyes-ftas-with-seven-countries-two-blocs>



Thailand Favours Increased Connectivity, Trade with Bangladesh: Envoy

Thailand has said Bangladesh's economy would be more resilient provided it diversifies its sources of income rather than relying heavily on readymade industry.

The Southeast Asian nation is also keen on promoting economic cooperation with Bangladesh through increased connectivity and bilateral trade, said the country's ambassador in Dhaka.

"Bangladesh should also consider adding more value to its RMG products by building capacity on design, and research and development to enable local brands to compete in the global market," Thai Ambassador to Bangladesh Makawadee Sumitmor told UNB in an interview this week.

She noted that both countries have set the goal to increase the bilateral trade volume to US\$ 2 billion.

During the past five decades, Bangladesh has progressively built the nation with growing per capita income, said the ambassador.

Source: <https://www.tbsnews.net/economy/thailand-favours-increased-connectivity-trade-bangladesh-envoy-403618>

DSE Turnover Slumps below Tk 4.0 Billion Mark

Stocks slipped into the red on Sunday, after a single-day break, with a turnover on the prime bourse falling below Tk 4.0 billion mark again.

Turnover, the crucial indicator of the market, came down to Tk 3.94 billion, which was 25.5 per cent lower than the previous day's mark of Tk 5.29 billion.

It was also the lowest single-day turnover in more than a year since April 5, 2021, when turnover totalled Tk 2.37 billion.

Market insiders said the investors were mostly reluctant to put fresh bets on stocks as they were continuously losing their risk-taking appetite amid persistent volatility in the market.

Along with lower turnover, DSEX, the prime index of Dhaka Stock Exchange, went down by 30.10 points or 0.45 per cent to settle at 6,554, after gaining nearly 11 points in the previous sessions.

Source: <https://thefinancialexpress.com.bd/stock/dse-turnover-slumps-below-tk-40-billion-mark-1650189401>



BSEC Seeks Info on Listed Banks' Unclaimed Dividend Status



The Bangladesh Securities and Exchange Commission has asked the listed banks to give it information about the latest status of their investors' unclaimed dividends which were supposed to be sent to the capital market stabilisation fund.

The BSEC issued a letter to the banks on April 12, and copies of the letter were also sent to the Bangladesh Bank governor and the Association of Bankers Bangladesh.

"The banks did not transfer the cash and shares remaining undistributed or unsettled in line with the BSEC's instruction which prompts significant doubts on the misappropriation of investors fund," according to the letter.

So, the BSEC asked the banks to inform the commission whether those shares held in suspense account against unclaimed to investors have been carrying against negotiable instrument or not and whether the unclaimed dividends are kept as payable in the branches of the bank against any depositors' money or held in the safe custody of the bank as part of banks' custodian service or not.

Source: <https://www.newagebd.net/article/168345/bsec-seeks-info-on-listed-banks-unclaimed-dividend-status>

Global: Business

China's Q1 GDP Beats Forecast, but March Activity Heightens Risks to Outlook

China's economic activity slowed in March, with weakness in consumption, property and exports eclipsing faster-than-expected first quarter GDP growth, suggesting a worsening in the outlook as sweeping Covid-19 curbs and the Ukraine war take a toll.

The Ukraine crisis has complicated the job of policymakers as it has intensified supply and commodity cost pressures, boosting global inflation sharply and leaving Chinese authorities to walk a tight rope as they try to stimulate growth without endangering price stability.

China's gross domestic product (GDP) expanded by 4.8% in the first quarter from a year earlier, data from the National Bureau of Statistics showed on Monday, beating analysts' expectations for a gain of 4.4% and picking up from 4.0% in the fourth quarter last year.

A surprisingly strong start in the first two months of the year improved the headline figures, with GDP up 1.3% in January-March in quarter-on-quarter terms, compared with expectations for a 0.6% rise and a revised 1.5% gain in the previous quarter.

Source: <https://www.tbsnews.net/world/global-economy/chinas-q1-gdp-beats-forecast-march-activity-heightens-risks-outlook-405026>



Oil Prices Rise on Supply Concerns as Ukraine Crisis Deepens

Oil prices rose on Monday as concerns grew about tighter global supply, with the deepening crisis in Ukraine raising the prospect of heavier sanctions by the West on top exporter Russia.

Brent futures were up \$1.50, or 1.3%, at \$113.20 a barrel at 0030 GMT, and US West Texas Intermediate futures rose 98 cents, or 0.9%, to \$107.93 a barrel.

Ahead of Easter weekend holidays, both contracts gained more than 2.5% on Thursday on news that the European Union might phase in a ban on Russian oil imports. EU governments said last week the bloc's executive was drafting proposals to ban Russian crude, but diplomats said Germany was not actively supporting an immediate embargo.

Those comments came before tensions grew in the Ukraine crisis over the weekend, with Ukrainian soldiers resisting a Russian ultimatum to lay down arms on Sunday in the pulverised port of Mariupol. Moscow, which calls its actions in Ukraine a "special operation", said its forces had almost completely seized the city, providing no signs of a ceasefire.

Source: <https://www.tbsnews.net/world/global-economy/oil-prices-rise-supply-concerns-ukraine-crisis-deepens-405038>



Lankan Bondholders Brace for Losses in Debt Restructuring

Some big US banks have again started stockpiling cash to cushion potential loan losses due to growing worries over the war in Ukraine and the impact of inflation on the US economy, although trading continues to be bright spot for Wall Street.

JPMorgan Chase & Co, Goldman Sachs Group Inc and Citigroup Inc combined put aside a \$3.36 billion in credit loss reserves in the first quarter, the banks said.

That's a reversal from the past 12 months when lenders released reserves after Covid-19-related losses failed to materialise, signaling lenders believe the economic rebound from that crisis may be short-lived as inflation soars and the Ukraine conflict roils markets and dampens global growth.

"The prospect for higher rates and slowing economic growth likely mean increased credit losses," said Tim Ghriskey, senior portfolio strategist at Ingalls & Snyder in New York.

Source: <https://www.thedailystar.net/business/global-economy/news/lankan-bondholders-brace-losses-debt-restructuring-3006741>



Nepal Seeks Overseas Nationals' Help to Build up Forex Reserves



Nepal is asking citizens living abroad to deposit funds in domestic banks as part of efforts to ensure the financial system has enough liquidity and to preserve foreign exchange reserves, finance minister Janardan Sharma said on Saturday.

Speaking to Reuters, he denied Nepal was facing an economic crisis despite the impact of soaring commodity prices as the tourist industry, a key source of revenue, struggles to recover after the COVID-19 pandemic.

Nepal, wedged between China and India, this month imposed curbs on luxury goods imports to rein in capital outflows. Foreign exchange reserves fell over 18 per cent to \$9.6 billion as of mid-March from mid-July - enough for around six months imports, reports Reuters.

By depositing their savings in Nepal, overseas Nepalis would continue to "maintain their link as well as benefit from 6 to 7 per cent interest" offered by Nepali banks, Sharma said.

Source: <https://thefinancialexpress.com.bd/economy/nepal-seeks-overseas-nationals-help-to-build-up-forex-reserves-1650109855>

Disclaimer

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