

HIGHLIGHTS OF THE DAY

Bangladesh: Economy

June 06, 2022

VAT from Retail Outlets Rises 10 times on EFD Use

The collection of value added tax (VAT) from retail outlets has increased ten times in general after the shops have started issuing Electronic Fiscal Device (EFD) generated invoices.

Top officials of the National Board of Revenue (NBR) said this while explaining positive outcomes of EFD installation, at a programme arranged on the occasion of EFD lottery draw on Sunday.

The NBR started EFD installation in 2020 and has so far installed the device in some 4,937 businesses.

In the month of May, the EFD machines recorded Tk 3.10 billion, which was Tk 2.03 billion last year.

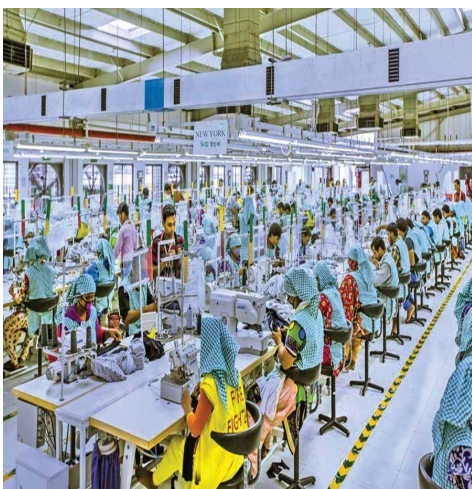
The revenue board received Tk 260 million VAT against the transaction, which was Tk 170 million in the corresponding period last year. The NBR officials said some 3,200 EFD devices would be installed in Dhaka and Chattogram and the target was to reach 30 million in future.

The collection of advance tax and arrear taxes has been prioritised in the last month of the fiscal year, they said.

Source: <https://thefinancialexpress.com.bd/economy/vat-from-retail-outlets-rises-10-times-on-efd-use-1654481791>



EU to Continue Duty-free Facilities after LDC Graduation



A delegation of the BGMEA made the call while meeting with Parliamentary State Secretary (Deputy Minister) to the Federal Minister for Economic Cooperation and Development in Berlin Dr B"rbel Kofler on Thursday, reports BSS citing a press release.

Ambassador of Bangladesh to Germany Md Mosharraf Hossain Bhuiyan was also present at the meeting held on Sunday.

At the meeting, Commercial Counsellor of Bangladesh Embassy in Berlin Md Saiful Islam was present.

They discussed possible ways of expanding Bangladesh's trade with Germany and further deepening the relationship between the two countries.

They underscored the need for more cooperation and collaboration between Germany and Bangladesh to unlock trade and investment potentials.

Source: <https://thefinancialexpress.com.bd/economy/bgmea-urges-eu-to-continue-duty-free-facilities-after-ldc-graduation-1654432627>

Marico Exceeds Tk1,000cr Sales for 2nd Time

Marico Bangladesh Limited – an India-based multinational company – has passed another milestone in sales, with its revenue exceeding the Tk1,000 crore threshold for the second time.

One of the top brands in the beauty and wellness space in Bangladesh, Marico posted more than 15% growth in sales year on year.

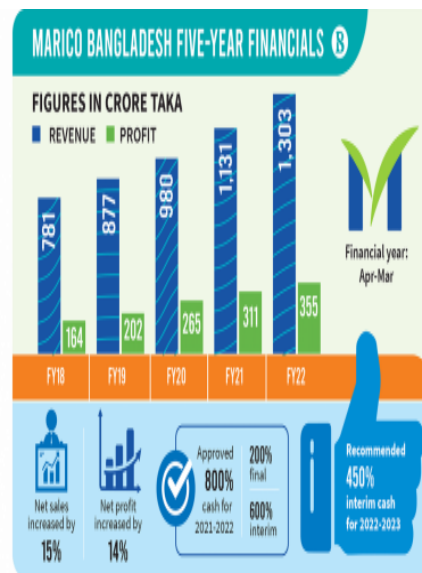
The company also reported a record profit. It saw a 14% increase in net profit in the financial year that started in April 2021 and ended in March 2022.

On 2 June, in its board meeting, the company approved financials for that year through a digital platform and recommended a 450% interim cash dividend before the end of the first quarter from April-June of 2022-23.

Manufacturing and marketing of the fast-moving consumer goods (FMCG) continued to remain the core business activities of Marico Bangladesh Limited.

Year on year, its business is growing by more than 10% owing to product portfolio diversification, and production capacity expansion through a fresh investment.

Source: <https://www.tbsnews.net/economy/stocks/marico-exceeds-tk1000cr-sales-2nd-time-433338>



STS Group's MD to Buy 1.35cr Dhaka Bank Shares

Khondoker Monir Uddin, managing director of STS Group, declared to buy 1.35 crore shares of Dhaka Bank at the prevailing market price in the block market through the Dhaka Stock Exchange (DSE).

According to the DSE source, he has already bought 1.30 crore shares of the bank at Tk13.20 each in the block market on Sunday.

A block trade is a large, privately negotiated securities transaction. Block trades are arranged away from public markets to lessen the effect on the security's price.

Meanwhile, Dhaka Bank's share price increased 0.76% to Tk13.10 on Sunday at the DSE compared to the previous trading session.

On 26 April, its board had recommended a 12% cash dividend for 2021. The annual general meeting for the dividend approval will be held on 23 June.

In 2021, its consolidated earnings per share (EPS) stood at Tk2.25, which was Tk2.09 a year ago.

Source: <https://www.tbsnews.net/economy/stocks/sts-groups-md-buy-135cr-dhaka-bank-shares-433698>



Stocks Extend Gains, Rise for Seventh Day

Shares on the Dhaka Stock Exchange rose for the seventh consecutive day yesterday amid renewed buying spree among general investors after the volatility in the foreign exchange regime lessened following the government's move to float the local currency.

The DSEX, the benchmark index of the premier bourse of Bangladesh, added 45 points, or 0.71 per cent, to close the day at 6,497. In the last seven trading sessions, the index advanced 310 points or 5 per cent.

"General investors are buying as their confidence level has received a boost following the stock regulator's several steps aimed at pushing the index up," said an asset manager.

The Bangladesh Securities and Exchange Commission (BSEC) has widened the scope of lending to investors for buying stocks.

Moreover, it brought down the lower limit of the circuit breaker to 2 per cent from the previous 5 per cent, meaning a stock can't fall more than the new ceiling on a single day.

Source: <https://www.thedailystar.net/business/economy/stock/news/stocks-extend-gains-rise-seventh-day-3040291>



BSEC Lifts Embargo on Pre-IPO Shares of Associated Oxygen

The market regulator has lifted an embargo on the pre-IPO shares of Associated Oxygen Ltd except for its four BO accounts.

The Bangladesh Securities and Exchange Commission (BSEC) has directed the Central Depository Bangladesh Limited (CDBL) to make the pre-IPO shares of the company lock-free, known as placement shares which are issued before listing.

The commission issued letters to its related concerns in this regard last week. The BSEC observed that the problem has been created among the four BO accounts, but all pre-IPO shareholders suffer.

For the interest of other investors, the commission decided to make the company's shares lock-free, he added.

Associated Oxygen, which produces and supplies gas products for the last three decades, raised Tk15 crore from the capital market to expand its business in 2020.

Source: <https://www.tbsnews.net/economy/stocks/bsec-lifts-embargo-pre-ipo-shares-associated-oxygen-433738>



Asia Shares Brace for US inflation, Euro up on ECB Bets

Asian shares steadied on Monday as US stock futures made cautious gains ahead of US inflation data later in the week, while the euro touched a seven-year top on the yen amid wagers of European Central Bank tightening.

Oil prices firmed after Saudi Arabia raised prices sharply for its crude sales in July, an indicator of how tight supply is even after OPEC+ agreed to accelerate its output increases over the next two months.

MSCI's broadest index of Asia-Pacific shares outside Japan inched up 0.1%, while Japan's Nikkei recouped early losses to gain 0.3%.

S&P 500 futures added 0.4% and Nasdaq futures 0.6%. EURO-STOXX 50 futures rose 0.6% and FTSE futures 0.9%.

Chinese blue chips climbed 1.2% after a survey confirmed service sector activity contracted in May, but the Caixin index did improve to 41.4 from 36.2.

Source: <https://www.tbsnews.net/world/global-economy/asia-shares-brace-us-inflation-euro-ecb-bets-433874>



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Pakistan Expects GDP Growth to Slow to 5% amid Fiscal Consolidation

Pakistan GDP growth will slow to 5% for the upcoming fiscal year beginning on 1 July, from 5.9% in the outgoing year, following budgetary tightening aimed at winning International Monetary Fund (IMF) support, the government said on Saturday.

The planning ministry made the estimates ahead of the annual budget to be presented on 10 June.

"Keeping in view external and local uncertain economic environment, GDP growth will slightly taper off and is envisaged at 5 percent for 2022-23 on the back of agriculture (3.9%), manufacturing (7.1%) and services sector (5.1%)," said the ministry in a working paper seen by Reuters.

Moody's has changed Pakistan's outlook to negative from stable.

Pakistan has been waiting for the IMF board to clear a seventh review to resume a \$6 billion rescue package signed in 2019 after both sides concluded talks in Doha last month.

Source: <https://www.tbsnews.net/world/south-asia/pakistan-expects-gdp-growth-slow-5-amid-fiscal-consolidation-433710>



Asian Stocks Shrug off Wall St Weakness but Growth Concerns Remain

Asia stocks opened mostly in positive territory on Wednesday even as global growth concerns and weak US economic data weighed on Wall Street overnight.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.35%, Australian shares were up 0.33%, and Seoul and Taiwan both ticked upwards 0.61% and 0.2%.

Hong Kong's, Shanghai's and China's CSI300 indexes opened marginally higher while Japan's Nikkei share average was down 0.18%.

On Wall Street, the Nasdaq Composite dropped 2.35% and the S&P 500 lost 0.81% as worries returned over surging global inflation cornering central banks into aggressive rate hikes, thereby slowing growth.

"The Fed's problem right now is that plenty of soft indicators and surveys are pointing to a slowdown," Steve Englander of Standard Chartered Bank said.

Source: <https://www.tbsnews.net/world/global-economy/asian-stocks-shrug-wall-st-weakness-growth-concerns-remain-426410>



Tata Steel Says India Export Tax Could Alter Output Targets

India's Tata Steel is concerned New Delhi's sudden decision to impose an export tax on some steel products could force it to review its production targets, if the levy remains in place for a long time, its CEO told Reuters on Tuesday.

India imposed an export tax of 15% on some steel products over the weekend, at a time steelmakers are looking to make up for tepid local demand by increasing market share in Europe, where the Ukraine conflict has hit supplies.

The taxes were part of a series of measures India has taken to rein in retail inflation, which has hit eight-year highs. But India's top steelmakers body has warned the new duty will "adversely impact" mills that have been aiming to boost exports and widen global market share.

Tata Steel has plans to double its capacity from around 20 million tonnes per annum (mtpa) to 40 mtpa in India, but Narendran said it had baked in an assumption that 10-15% of that would be exported.

Source: <https://www.tbsnews.net/world/global-economy/tata-steel-says-india-export-tax-could-alter-output-targets-426254>



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Alliance Capital Asset Management Ltd.

Contact Us

Address:

Sima Blossom (10th floor)
Comprehensive Holdings
Plot # 390 (Old) 03 (New)
Road # 27 (Old) 16 (New)
Dhanmondi C/A,
Dhaka-1209.

Office: +880 2 9121360 Fax
: +880 2 9120971

Developed By:

Mehnaz Tabassum Khaleel
sarah@acaml.com

Visit us on the web at:
www.acaml.com

