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HIGHLIGHTS OF THE DAY

Bangladesh: Economy **April 25, 2022**

Demand for Liquidity Surges in Banks ahead of Eid

Demand for liquidity on the money market has intensified ahead of Eid-ul-Fitr, one of the biggest religious festivals of the Muslims, as the central bank has adopted a policy to contain any sort of excess money supply on the market amid an inflation spike.



As the liquidity demand has turned intense, the call money market has also heated up, leaving no scope for the banks other than borrowing at higher rates.

So, the weighted average interest rate on the call money market increased to 4.54 per cent in April from 2.75 per cent in the previous month.

Officials of banks said that the interest rate would remain high in the coming days as the crisis usually intensified ahead of Eid festivals.

Ahead of Eid, economic activities in the country reached their pick and so did the demand for cash, the bank officials said, adding that banks usually rushed to the call money market to tackle any immediate cash requirement.

Source: https://www.newagebd.net/article/168920/demand-for-liquidity-surges-in-banks-ahead-of-eid

MFIs' Loan Disbursement Rebounds

Loan disbursement by microfinance institutions (MFIs) rebounded in the last fiscal year (FY) of 2020-21 as demand grew thanks to the ongoing recovery of economic activities from pandemic-induced shocks.

MFIs disbursed Tk 151,209 crore in FY21, up 11 per cent from Tk 136,275 crore a year ago.

During the 2018-19 fiscal year, the disbursement was Tk 140,600 crore, according to a paper presented by Mohammad Yakub Hossain, director of the Microcredit Regulatory Authority (MRA), at a workshop on Wednesday.

The MRA organised the event to discuss the publication of the annual statistics of microfinance in Bangladesh at the Centre on Integrated Rural Development for Asia and the Pacific in Dhaka. Some 3.50 crore marginal people have come under the services of 740 MFIs with 22,000 branches, he added.

Source: https://www.thedailystar.net/business/economy/news/mfis-loan-disbursement-rebounds-3009991

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DSE News

Walton Buys Land for Tk44cr

Walton Hi-Tech Industries PLC – an electronics giant in the country – has decided to purchase around 588.38 decimal of land at Chandra, Kaliakair of Gazipur.

The purchase value of the land is Tk44.13 crore, excluding registration and other related expenses.

The land will be used for the balancing, modernisation, rehabilitation and expansion (BMRE) project of the company, according to a stock exchange filing Sunday.

In the first nine months of the current fiscal year, the home appliances maker has reported a 21% decline in earnings per share (EPS) due to a hike in raw materials prices.

During the period, its EPS dropped to Tk27.07 from Tk34.26 in the July-March of fiscal 2020-2021.

In fiscal 2020-21, the company made a profit of Tk1,639.20 crore, a 125% jump from Tk726.45 crore in fiscal 2019-2020.

The company paid a 250% cash dividend for general shareholders and 170% cash for sponsors-directors of the company.

Source: https://www.tbsnews.net/economy/stocks/walton-buys-land-tk44cr-408854

People's Insurance Declares a 12.50% Cash Dividend

People's Insurance Company Limited has declared a cash dividend of 12.50% for its shareholders for 2021.

The announcement was made at the company's board meeting on 19 April.

Its net profit for 2021 stood at Tk21.22 crore and the consolidated earnings per share (EPS) at Tk2.58.

Its profit stood at Tk16.7 crore and EPS at Tk2.26 in the previous year.

At the end of 2021, the company declared a cash dividend of 12.50%. As such, the shareholders will be paid a cash dividend of Tk5.77 crore. The amount per share will be Tk1.25.

And the rest of the income will be invested following government rules, including maintaining the retained earnings of the company.

Source: https://www.tbsnews.net/economy/stocks/peoples-insurance-declares-1250-cash-dividend-408838

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DSE News

Khulna Power to Sell 110MW Plant

Khulna Power Company Limited (KPCL) is set to sell its 110 megawatt barge mounted power plant at a value of $15 million, according to a company statement posted on the Dhaka Stock Exchange (DSE) website yesterday.



An asset purchase agreement has been signed between KPCL and Excelerate Global Operations LLC of the US to this end, it said.

The company also informed that they have applied to the Bangladesh Power Development Board (BPDB) and other concerned authorities for approval to re-export the plant (power barges) outside Bangladesh.

KPCL's profits fell in the first half of the current fiscal year.

Its earnings per share dropped Tk 1.57 in the July-December period of 2021-22 while it was Tk 2.88 in the same period of the previous fiscal year.

Source: https://www.thedailystar.net/business/economy/news/khulna-power-sell-110mw-plant-3011761

Stocks Rise for Fourth Day

The stock index in Bangladesh continued to rise for a fourth consecutive day yesterday while turnover of the market reached nearly Tk 900 crore after 14 working days.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 20 points, or 0.31 per cent, to 6,683 at the end of the day. In the last four days, the index rose 200 points.

Turnover of the DSE also surged 18 per cent to Tk 895 crore from the previous day's Tk 754 crore.

The investors showed their interest and put fresh bets on sector-specific issues, said International Leasing Securities in its daily market review.

The institutional fund flows to the market created a bullish vibe among investors that significantly increased their participation.

At the day's end, DS30, the blue-chip index, gained 8.05 points and the DSES, the Shariah-based index, lost 3.08 points.

Source: https://www.thedailystar.net/business/economy/stock/news/stocks-rise-fourth-day-3011786

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Global: Business

Slowdown Warnings Flash for UK Economy

Britain's economy is heading for a slowdown, or possibly even a recession, as consumers and businesses are hit by the leap in inflation, higher taxes, rising interest rates and uncertainty caused by the war in Ukraine.



Bank of England Governor Andrew Bailey said on Thursday the BoE was walking a tight line between tackling inflation and avoiding a recession.

IMF Britain's economy will slow in 2022 and faces weaker economic growth and more persistent inflation than any other major rich nation in 2023, the International Monetary Fund forecast this week.

The IMF said its downgrades for 2022 and 2023 reflected "elevated inflation pressures" and tighter monetary policy.

The consumer price index jumped to 7 per cent in the 12 months to March, a 30-year high, and is set to go higher in April when big hikes in power tariffs kicked in. The government's budget forecasters said in March that inflation could touch almost 9 per cent later this year, depending on energy prices.

Source: https://www.thedailystar.net/business/global-economy/news/slowdown-warnings-flash-uk-economy-3011741

Stocks Slide, Dollar Climbs as Rate Hike Concern in Focus

Asian stocks fell the most in two weeks on Monday as concern about rapid US rate rises and slowing growth rattled investors, while the euro found support after Emmanuel Macron won a second term as French president.



MSCI's broadest index of Asia-Pacific shares outside Japan slid 1.6% to a six-week low, and a nudge from authorities extended steep losses for the Chinese yuan.

Japan's Nikkei fell 1.9%. Hong Kong's Hang Seng fell 3%. S&P 500 futures dropped 0.8% while FTSE futures and European futures were off by more than 1%. Oil fell 2.7%.

The euro was broadly steady at $1.0802, compared with broad dollar gains elsewhere, and it touched an almost two-month high against a struggling sterling .

Macron comfortably saw off a far-right challenge, reassuring markets about France's commitment to an integrated Europe, even if his economic platform now depends on parliamentary elections in June.

Source: https://www.tbsnews.net/world/global-economy/stocks-slide-dollar-climbs-rate-hike-concern-focus-409062

Twitter, under Shareholder Pressure, Begins Deal Talks with Musk

Twitter Inc kicked off deal negotiations with Elon Musk on Sunday after he wooed many of the social media company's shareholders with financing details on his $43 billion acquisition offer, people familiar with the matter said.



The company's decision to engage with Musk, taken earlier on Sunday, does not mean that it will accept his $54.20 per share bid, the sources said. It signifies, however, that Twitter is now exploring whether a sale of the company to Musk is possible on attractive terms, the sources added.

Musk, chief executive of electric car giant Tesla Inc, has been meeting with Twitter shareholders in the last few days, seeking support for his bid. He has said Twitter needs to be taken private to grow and become a genuine platform for free speech.

Many Twitter shareholders reached out to the company after Musk outlined a detailed financing plan for his bid on Thursday and urged it not to let the opportunity for a deal slip away, Reuters reported earlier on Sunday.

Source: https://www.tbsnews.net/world/global-economy/twitter-under-shareholder-pressure-begins-deal-talks-musk-408978

S&P Upgrades Greece Debt Rating



S&P Global Ratings on Friday upgraded Greece's debt rating to BB+, citing its improving economy even as the country deals with the shocks from the war in Ukraine.

"The upgrade reflects our expectation of a continuous improvement in Greece's policy effectiveness, while the fallout from the war in Ukraine appears manageable in light of considerable buffers in both the private and public sectors," the agency said in a statement.

The upgrade raised Greece's rating from BB, while S&P put its outlook for the country at stable, citing "our expectation that Greece's fiscal buffers and proven policy effectiveness will allow the country to absorb the indirect impact of the war in Ukraine on its economy and public finances."

Source: https://www.thedailystar.net/business/global-economy/news/sp-upgrades-greece-debt-rating-3011726

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