

Economy

Export Development Fund further trimmed by USD 200 Mn

The central bank has further reduced the size of the Export Development Fund (EDF), this time by USD 200 Mn from USD 5.2 Bn, in an effort to strengthen the country's foreign reserves. With this, the fund size has come down to USD 5 Bn from USD 7 Bn in a span of just five months.

Several senior officials of the central bank said the country's net foreign currency reserve must stand at USD 24 Bn by June this year to secure the second tranche of the USD 4.7 Bn IMF loan. The central bank has very few options other than to downsize the EDF as import costs have already been brought down and there is little growth in exports, they said.

<https://www.tbsnews.net/economy/banking/export-development-fund-further-trimmed-200m-622538>

Country's salt production hits 62-year high

The country's crude salt production reached 1.84 Mn tonnes this year, which is the highest since its production started 62 years ago. With harvesting 10,930 tonnes of salt on 25 April, the production of the essential cooking ingredient has reached 1.84 Mn tonnes which is a 62-year high. According to Bscic data, total salt cultivation has increased by 3,133 acres in the ongoing season from 63,291 acres last year while the number of salt farmers has reached 39,467, an increase of 2,236. Farmers are now producing a record amount of salt, utilising the extreme heat of the sun.

<https://www.tbsnews.net/economy/countrys-salt-production-hits-62-year-high-622494>

NBFIs cannot have more than one director from an entity: Cenbank

Non-bank financial institutions (NBFIs) can no longer appoint more than one director from an entity on the board of directors, according to the latest Bangladesh Bank circular. "No more than one representative from any institution or company can be appointed as a director of a financial institution. Even no other person nominated by entities of his vested interest can be a representative director on the board of directors."

"If an NBFI director holds 20% ownership or voting rights in a company, that entity will be considered his vested interest. In that case, no people from the entity can be the representative director on the NBFI board," explained a Bangladesh Bank official.

<https://www.tbsnews.net/economy/banking/nbfis-cannot-have-more-one-director-entity-cenbank-622546>

Power rate hike again in June to meet IMF conditions

The government is going to increase electricity prices for the fourth time this year by June to secure the second tranche of the International Monetary Fund's USD 4.7 Bn loan package. Despite the adverse impact on low-income groups who are already struggling to manage their livelihoods due to rising inflation, the government is compelled to make this unpopular decision to reduce the subsidy burden as it pledged for the IMF's loan package.

The finance ministry officials also assured the visiting IMF review team that the price of fuel oil will be adjusted in line with the global market rate from September. There were some disagreements on the mode of reserve calculation, officials said, which they hoped would be resolved in the next course of discussions.

<https://www.tbsnews.net/economy/power-rate-hike-again-june-meet-imf-conditions-621982>

Eid remittance falls due to low dollar rate

Remittance inflow usually increases in Ramadan ahead of Eid but the amount of money sent home by Bangladeshis working abroad dropped by about USD 151 Mn in April compared to March due to a lower rate of the US dollar offered by banks. An analysis of central bank data reveals that the country received USD 1,423 Mn in remittances between 4 and 24 March, which fell to USD 1,272 Mn in the corresponding period of April.

Of the received amount in April, USD 313 Mn came in the third week of the month, but the first two weeks each saw an inflow of over USD 475 Mn. Asked why remittance flow dropped slightly this Ramadan, senior officials of several banks told that remittance inflow crossed USD 2 Bn in March as more than 20 banks offered remittance rates of up to BDT 114 per dollar.

<https://www.tbsnews.net/economy/eid-remittance-falls-due-low-dollar-rate-621714>

Banks' profits increased but didn't benefit shareholders

Most banks posted higher profits for 2022 compared to the previous year, mainly due to good revenue from dollar trades amid a volatile currency market, despite



the challenges of non-performing loans, high inflation, and a liquidity crunch. However, shareholders did not benefit from the increased profits, as almost all banks have kept their dividends unchanged in 2022, and some have even decreased them compared to the year before. Analysts have attributed it to the ceiling imposed by the Bangladesh Bank and the unstable financial conditions of banks.

<https://www.tbsnews.net/economy/stocks/banks-profits-increased-didnt-benefit-shareholders-622530>

Stock-Specific News

United Commercial Bank proposes 5% cash and 5% stock dividends

The United Commercial bank (UCB) has proposed to give 5% cash and 5% stock dividend to its shareholders for the calendar year 2022. It also set the record date for the annual general meeting on 18 May, where the meeting will be held on 26 June this year. During the last year, its consolidated EPS) was BDT 2.35, which was 32% higher than the previous year. The bank also suffered a net operating cash crisis as its net operating cash flow per share was BDT 13.25 negative.

<https://www.tbsnews.net/economy/stocks/united-commercial-bank-proposes-5-cash-and-5-stock-dividends-622170>

First Security Islami Bank declares 10% stock dividend

First Security Islami Bank Limited declared a 10% stock dividend to its shareholders for 2022 that ended on 31 December. It also scheduled the annual general meeting on 20 June with a record date fixed on 21 May. Last year, its consolidated earnings per share (EPS) was BDT 2.81, which was 12% lower than the previous year.

Besides, the bank also declared its first quarter financial statement. As per the statement, its EPS dropped year-on year by 30% to BDT 0.37 in the January-March quarter. The bank also suffered a severe net operating cash crisis as its net operating cash flow per share was BDT 30.94 negative.

<https://www.tbsnews.net/economy/stocks/first-security-islami-bank-declares-10-stock-dividend-622162>

Global Economy

Asian stocks slide as recession fears curb risk appetite

Most Asian equities fell on Wednesday (26 April), while currencies largely lacked direction after softening US data and renewed banking sector concerns fanned fears of a recession and dampened risk appetite.

Stocks in Kuala Lumpur <.KLSE> and Seoul <.KS11> slipped 0.7% and 0.2%, respectively.

Malaysia's ringgit <MYR=> weakened 0.4%, while Indonesia's rupiah <IDR=> reversed course and was last up 0.1%.

The greenback held onto overnight gains as investors turned to safe-haven assets after US consumer confidence dropped to a nine-month low in April, further heightening the risk that the economy could fall into recession this year.

<https://www.tbsnews.net/economy/stocks/asian-stocks-slide-recession-fears- curb-risk-appetite-622210>