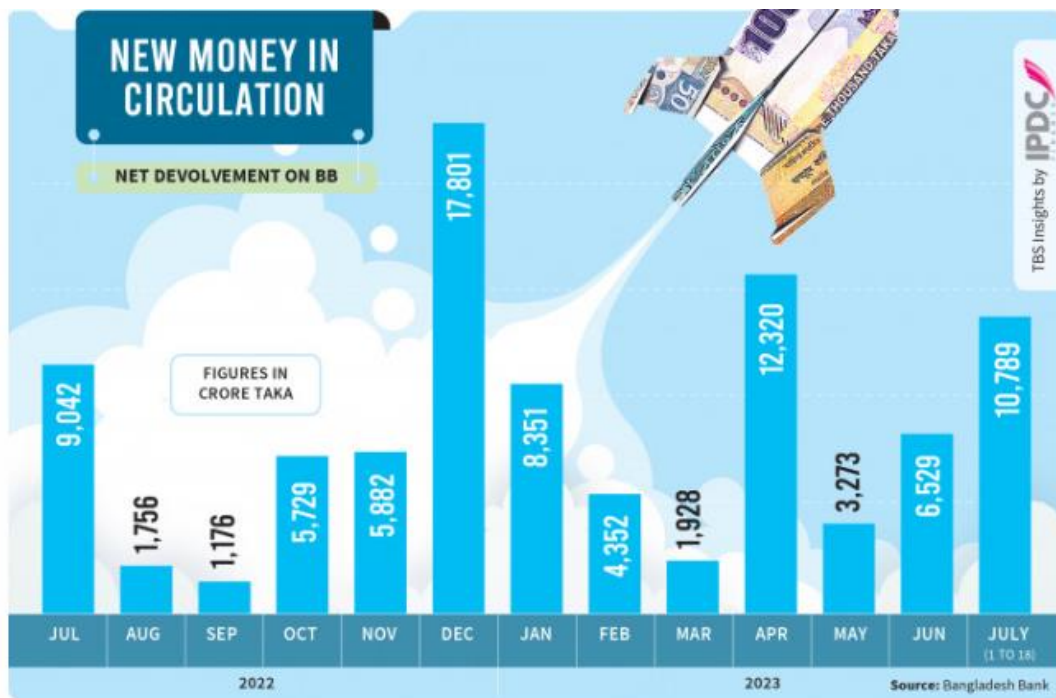


National Economy

Cenbank keeps printing money amid inflation worries

The central bank continues to utilise a potentially inflation-fuelling tool – lending money to the government by printing it – as Bangladesh continues to grapple with high inflationary pressure, the extent of which has been declining in many countries.

The latest data from the Bangladesh Bank reveals that in the first 18 days of July, the central bank injected Tk10,800 crore into circulation to meet the government's expenditure needs. This surge in high-powered money comes in response to a revenue shortfall – around Tk45,000 crore – from the target and lower-than-expected foreign funds.



<https://www.tbsnews.net/economy/cenbank-keeps-printing-money-amid-inflation-worries-668310>

ADB retains 6.5% GDP growth for Bangladesh for FY24

The Asian Development Bank (ADB) has retained its growth projection for Bangladesh's gross domestic product at 6.5% for the current fiscal 2023-24, citing strong domestic demand and favorable trends in fuel and food prices. This came out in the ADB's latest report titled Asian Development Outlook July 2023, released Wednesday. The ADB's GDP forecast for Bangladesh remains higher than the World Bank's projection of 6.2% and aligns with the International Monetary Fund's (IMF) estimate of 6.5%. However, it falls short of the government's ambitious target of 7.5% growth.

<https://www.tbsnews.net/economy/adb-maintains-bangladeshs-gdp-growth-forecast-65-667830>

Global warming impact: Bangladesh may lose 1.7pc GDP yearly by 2037: Report

Bangladesh may lose 1.7 per cent of Gross Domestic Product (GDP) annually by 2037 if it fails to adapt to the effects of a 3°C global warming, said a new report on Wednesday. In addition, in the long run, GDP may decline by 7.6 per cent every year as a result of not being able to adapt to this climate-change impact. Labour supply and productivity are estimated to decline by 46 per cent by 2080 in the country unless workers and employers are able to fully adapt to the changing climate.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-may-lose-17pc-gdp-yearly-by-2037-report>

Bangladesh to get USD 0.176 Mn from FAO for three projects

The Food and Agriculture Organization of the United Nations (FAO) will provide Bangladesh with USD 0.176 Mn for three technical assistant projects aimed to strengthen the country's agricultural and environmental sectors. The Economic Relations Division (ERD) under the Ministry of Finance signed three technical assistance project agreements with the UN organization to this end on Wednesday (19 July), according to an ERD press statement.

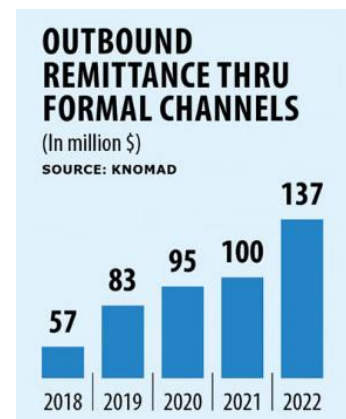
Among the projects, Bangladesh will get USD 82,000 under a regional project aiming to enable inclusive and effective blended investment in agri-food systems in the context of the Hand in Hand Initiative (regional project); The country will also get USD 65,000 under a global project that aims to introduce innovative approaches for better plant production.

<https://www.tbsnews.net/economy/bangladesh-get-0176-million-fao-three-projects-668186>

Formal remittance outflow stood at USD 137 Mn in 2022

Foreigners working in Bangladesh sent home USD 137 Mn in 2022, World Bank data showed although analysts believe the exact figure would be much higher since many people from other nations are employed in the country without valid permits. The outflow was up 37% from a year ago when it stood at USD 100 Mn, according to the new estimate of the Global Knowledge Partnership on Migration and Development (KNOMAD), an initiative of the Washington-based lender.

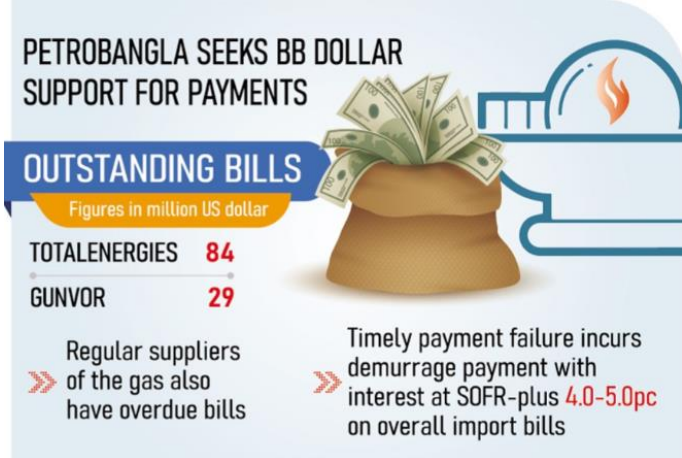
<https://www.thedailystar.net/business/economy/news/formal-remittance-outflow-stood-137m-2022-3373736>



Spot suppliers forewarn of stopping LNG supply

At least two spot liquefied natural gas (LNG) suppliers have given Petrobangla three working days to clear their unpaid bills totalling around USD 113 Mn or face supply halt, said sources. The spot suppliers who gave the cut-off time over the payment backlog--purportedly for dollar dearth with the state-run importer of the fuel--are French Total Energies and Singapore-based Gunvor.

Of the two, Gunvor in a recent letter to Petrobangla threatened to cease spot LNG-cargo supply for the months of July and August unless the overdue payments are cleared within three working days. Gunvor Singapore Pte has already been awarded two spot LNG cargo- delivery contracts for late July and mid-August at USD 12.98 per Mn British thermal unit (MMBTu) and USD 13.85 per MMBTu respectively for delivery to the Moheshkhali floating storage and re-gasification unit (FSRU).



<https://thefinancialexpress.com.bd/trade/spot-suppliers-forewarn-of-stopping-lng-supply>

Global Economy

ADB cuts inflation forecast for developing Asia

The Asian Development Bank cut its inflation forecast for developing Asia on Wednesday, as food and fuel prices eased, supply chain disruptions waned and interest rate hikes started to bite. Inflation, which has squeezed household budgets and left millions of poor households struggling to put food on the table, is heading back towards pre-Covid levels, the Philippines-based lender said.

It expects inflation of 3.6 percent this year, compared with its forecast in April of 4.2 percent as prices in China ease sharply, the bank said in its flagship outlook report. Developing Asia refers to the multilateral lender's 46 emerging member economies, stretching from Kazakhstan in Central Asia to the Cook Islands in the Pacific. The ADB kept its economic growth forecast of 4.8 percent for 2023, citing robust consumption, travel and investment, even as global demand for the regions' exports weakened.

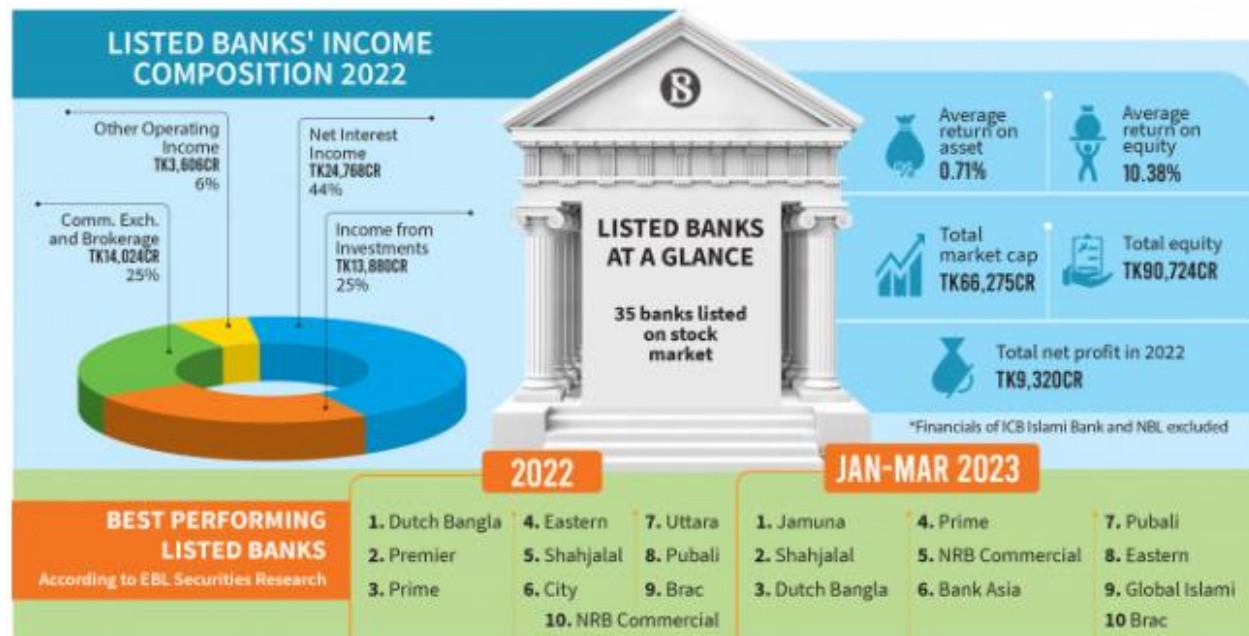
<https://www.thedailystar.net/business/global-economy/news/adb-cuts-inflation-forecast-developing-asia-3373696>

Bank, Insurance, and NBFi

Which banks top equity analysts' ranking

(Dutch-Bangla secured the top position, followed by Premier Bank, Prime Bank, Eastern Bank, Shahjalal Bank, and The City Bank)

Due to higher non-performing loans despite relaxed rules and challenges in retaining deposits amid the capped lending rate, the banking business in 2022 was not worry-free at all. However, with smart management of the crisis, most of the banks experienced growth in their net profits for the year, and this trend continued till the first quarter of 2023, according to an EBL Securities review.



Analysts at the brokerage have conducted research based on a set of popular indicators to sort out the best-performing listed banks for investors. Dutch-Bangla Bank secured the top position on the performance list for 2022, followed by Premier Bank, Prime Bank, Eastern Bank, Shahjalal Bank, The City Bank, Uttara Bank, Pubali Bank, Brac Bank, and NRB Commercial Bank.

<https://www.tbsnews.net/economy/banking/which-banks-top-equity-analysts-ranking-668290>

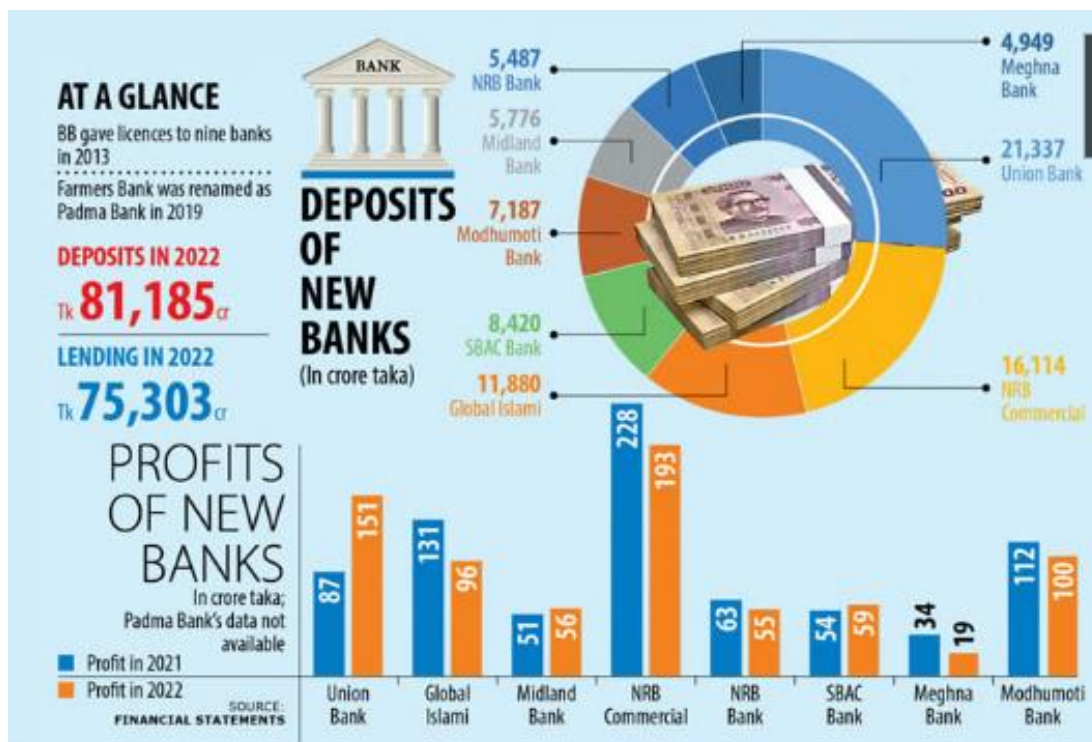
Banks on green loans to fight climate change in Bangladesh

Green finance is growing fast in Bangladesh, official data shows, with the central bank and private banks boosting efforts to encourage companies from brick-makers to textile mills to invest in technology and solutions that tackle climate change, reports Reuters. Considered one of the most climate-vulnerable countries - due to impacts like worsening flooding, river and coastal erosion and storms - Bangladesh has been exploring a range of financial innovations, from green loans to climate-related insurance and microfinance. Former central bank governor Atiur Rahman, who helped to develop the nation's sustainable and green finance policies more than a decade ago, said the ripple effect of "pioneering green banking in Bangladesh has been phenomenal" - at home and abroad.

<https://thefinancialexpress.com.bd/economy/bangladesh/banks-on-green-loans-to-fight-climate-change>

How new banks are faring after a decade

The government awarded licences to set up new nine banks in 2013 despite criticism from analysts and economists and initial reservations from the central bank since the number of lenders was already high in Bangladesh and approvals were largely given on political consideration. Today, some of the nine banks -- Union Bank, Global Islami Bank, Midland Bank, NRB Commercial Bank, NRB Bank, SBAC Bank, Meghna Bank, Modhumoti Bank, and Padma Bank -- are in a good position while some are struggling.



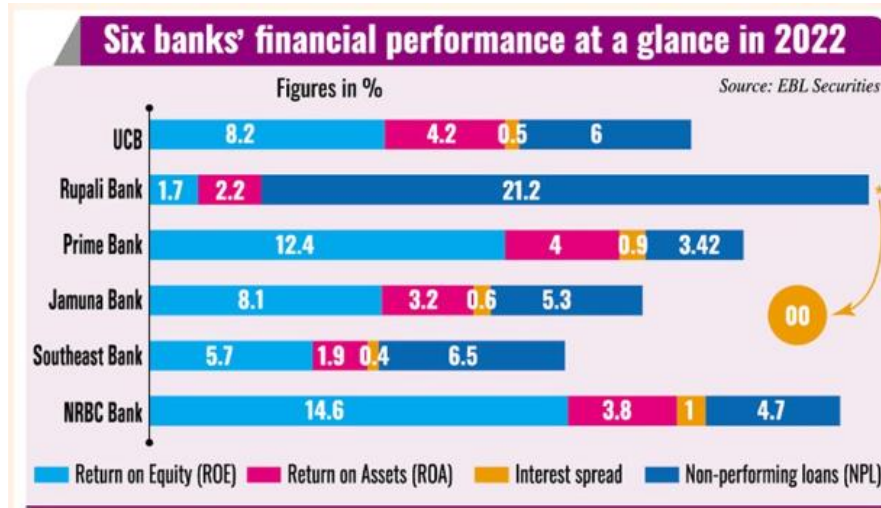
Three banks – NRB Commercial, Union Bank, and Modhumoti – raised their profits above BDT 1 Bn in 2022. On the other hand, Padma Bank sank into an accumulated loss of BDT 8.05 Bn. Most of the new banks are bearing a huge amount of non-performing loans though they are newer compared to second-generation lenders – those receiving licences in 1992-1996 – and third-generation lenders – those that were permitted between 1998 and before 2012.

<https://www.thedailystar.net/business/economy/banks/news/how-new-banks-are-faring-after-decade-3373741>

New subordinated debt pleas give rise to debate over banks' capital raising trend

Six banks have recently sought permission of the securities regulator to raise Tk 35 billion in total through subordinated debts to strengthen their capital base, calling into question again the outcome of such instruments. For the last few years, banks have preferred issuing subordinated debts to increasing paid-up capital or retaining profits to bolster their financial position, but experts say such debt instruments intensify the cost burden of the issuers instead.

The capital raised to ensure a supplementary layer of a bank's reserves is actually a liability, against which the bank concerned has to pay interest at the rate of 6-10 per cent. That interest burden slims down the profit margin of the bank as it is allowed to lend money at maximum 10.10 per cent under the recently introduced interest rate regime based on SMART (six-month moving average rate of T-bills) rate of 7.10 per cent.



<https://thefinancialexpress.com.bd/stock/bangladesh/new-subordinated-debt-pleas-give-rise-to-debate-over-banks-capital-raising-trend>

Stock-Specific News

Fuel, power price hikes bite RAK Ceramics' profit

The country's leading tile manufacturer RAK Ceramics reported a 33.73% year-on-year drop in net profit to Tk28.52 crore in the first half of 2023. This decline was attributed to inadequate gas supply, hikes in gas and electricity prices, and volatility in the foreign exchange market.

However, earnings per share (EPS) declined to Tk0.67 from Tk1.01 between January and June a year ago.

In a half-yearly unaudited statement, the UAE-based multinational company mentioned that its net sales increased by 0.29% to Tk381.39 crore on the back of a revised and responsive business strategy taken by the management.



<https://www.tbsnews.net/economy/stocks/fuel-power-price-hikes-bite-rak-ceramics-profit-668298>

Pran-RFL first company to make helmets locally

Durable Plastic Limited, a concern of Pran-RFL Group, is scheduled to launch its "Safemet" motorcycle helmet brand at a hotel in the capital today. The company started producing motorcycle helmets, a first in the country, at its factory in Narsingdi's Palash upazila at the start of June. According to the company, 1.5 Mn to 1.6 Mn helmets worth around BDT 5 Bn are annually sold in the country and the sales are growing at some 20%. About 60% of the helmets are imported from India and the rest from other countries, including China, it said.

About 0.6 Mn motorcycles were sold in 2022 and currently there are 4 Mn motorcycle users in the country, it added. This has led to increasing demand for helmets for which the company invested around BDT 200 Mn to set up the factory and employed 500 people to bring high quality helmets within the purchasing power of people, said Toukirul Islam, executive director of Durable Plastic Limited.

<https://www.thedailystar.net/business/organisation-news/new-product/news/pran-rfl-first-company-make-helmets-locally-3373731>