Ukraine's financial results better in 2023

REUTERS, *Kyiv*

Ukraine's financial results have improved this year, with budget revenues increasing by 45 per cent in May compared to the same period a year ago, Finance Minister Serhiy Marchenko said on Friday.

Now almost 16 months into its war with Russia, Ukraine has been balancing its budget this year mostly through support from the European Union, the United States, the International Monetary Fund and other partners.

"In 2023, we have much better financial results than a year ago. Thanks to strong financial support and comprehensive measures implemented by the government, we ensure a balanced budget and financing of critical expenditures, primarily in the social sphere," Marchenko said in a statement.

"Monetary and fiscal policies are under control," he said, adding that state budget revenues increased by 45 per cent in May this year compared to May 2022.

The government has already received nearly $22 billion in foreign financial aid so far this year. Marchenko also said that Ukraine's international partners had reiterated their commitment to provide $42.5 billion in budget support this year.

Marchenko told Reuters in an interview this week that Ukraine plans to reinstate government tax collection to pre-war levels next month in a push to comply with its IMF programme, scrapping exemptions and relief introduced since Russia's invasion.

Salman F Rahman, chairman of the board of directors of IFIC Bank PLC, presided over its 46th annual general meeting, which was held virtually last Thursday. The meeting approved 2.5 per cent stock dividend and 2.5 per cent cash dividend for shareholders.

PHOTO: IFIC

Dollar higher on safety bid

REUTERS, *New York*

The dollar rose against the euro on Friday after dismal business activity data from around the globe soured risk sentiment and as hawkish comments from central banks added to pressure on riskier currencies.

US business activity fell to a three-month low in June as services growth eased for the first time this year and the contraction in the manufacturing sector deepened, closely watched survey data out Friday showed.

The overall picture, though, indicated U.S. economic growth ticked up a notch in the second quarter even as worries persist that the Federal Reserve's aggressive interest rate increases over the past year will trigger a recession.

Earlier in the session data showed euro zone business growth virtually stalled in June. A downturn in manufacturing deepened, while activity in the bloc's dominant services sector barely expanded, as overall demand fell for the first time since January.

"We're starting to see signals from businesses that the demand is starting to ease up at the margin and that's leading to recalibration of expectations of what future output looks like," said Bipan Rai, North America head of FX strategy at CIBC Capital Markets.

"I do think that the concern with the future outlook is weighing on risk appetite right now and the dollar is catching somewhat bid off of that," Rai said.

The euro fell 0.57 per cent to $1.08925, a three-day low against the US dollar. The dollar index, which measures the currency against six rivals, rose 0.49 per cent to 102.89.

Traders squaring books as the end of the month and the quarter nears was also likely supporting the US currency, Rai said.

Friday's data arrived after rate hike surprises and hawkish comments from central banks globally which have renewed market fears that policymakers have further to go in tightening policy to tame inflation, even at the risk of tipping their economies into a recession.

"After bigger than expected rate hikes in the UK and Norway yesterday, the markets are nervous about upside rate surprises, and that was helping the dollar overnight, even before we saw the European PMI data," Kit Juckes, chief FX strategist at Societe Generale, said in a note.

Fed Chair Jerome Powell said on Thursday the central bank would move interest rates at a "careful pace" from here, but ruled out interest rate cuts "happening any time soon." Against the yen, the dollar was up 0.44 per cent at 143.76 yen, its strongest level in more than seven months. The Japanese currency has come under renewed pressure as the Bank of Japan (BOJ) maintains an ultra-dovish stance.

Data out on Friday showed that Japan's core consumer inflation exceeded forecasts in May and an index excluding fuel costs rose at the fastest annual pace in 42 years, putting pressure on the BOJ to phase out its massive stimulus.

PHOTO: BANGLADESH NATIONAL INSURANCE COMPANY LIMITED

Mostafa Kamal, chairman of Bangladesh National Insurance Company Limited, presided over its 27th annual general meeting, which was held virtually last Wednesday. The meeting approved 20 per cent cash dividend for shareholders for 2022.

Shimanto Bank approves stock dividend

STAR BUSINESS DESK

Shimanto Bank shareholders approved stock dividend at its 7th annual general meeting at Pilkhana in Dhaka last Thursday.

The meeting also approved director's and auditor's reports and a proposal for changing the registered name of the bank to "Shimanto Bank PLC". It also elected directors and appointed an auditor, says a press release.

Maj Gen AKM Nazmul Hasan, the bank's chairman and director general of Border Guard Bangladesh, presided over the meeting which was moderated by Company Secretary Hossain Suman and where Rafiqul Islam, the bank's managing director and CEO, was present.

Dhaka Bank reelects chairman

STAR BUSINESS DESK

Dhaka Bank Limited has recently reelected the chairman of its Board of Directors.

Abdul Hai Sarker is the founder chairman of Dhaka Bank Limited, chairman and CEO of Purbani Group and chairman of the Board of Trustees of Independent University Bangladesh, says a press release.

He is also a former vice chairman of the Bangladesh Association of Banks and a former director of the Federation of Bangladesh Chambers of Commerce and Industry.

EBL gets highest AAA credit rating

STAR BUSINESS DESK

The Credit Rating Agency of Bangladesh has assigned its highest credit rating, "AAA", for Eastern Bank Limited (EBL), which denotes an extremely strong capacity to meet financial commitments.

The rating has been issued on the basis of audited financials of 2022 and other relevant quantitative as well as qualitative information, says a press release.

For the first time, the EBL has been assigned AAA credit rating in the long term and ST-1 in the short term with stable outlook.

"This is a recognition of our consistent efforts to improve on our credit worthiness," said Ali Reza Iftekhar, managing director and CEO of EBL.

IBM nears $5b deal for software provider Apptio

REUTERS

IBM is nearing a deal to acquire software company Apptio for about $5 billion, the Wall Street Journal reported on Friday, citing people familiar with the matter.

A deal between the companies could be completed over the weekend, the Journal reported, adding that it was unclear whether the purchase price includes debt.

IBM declined to comment on the report. Apptio did not immediately respond to Reuters request for comment.

Apptio, taken private by Vista Equity Partners in 2018 for $1.94 billion, provides products including cloud-based and hybrid business management software, a possible asset for technology giant IBM.

The deal follows IBM's 2021 purchase of software provider Turbonomic for over $1.5 billion and its 2019 acquisition of software company Red Hat for $34 billion.

Modi eyes stronger tech ties with US as he meets top CEOs

REUTERS, *Washington*

Indian Prime Minister Narendra Modi met with U.S. and Indian technology executives in Washington on Friday, the final day of a state visit where he agreed new defense and technology cooperation and addressed challenges posed by China.

U.S. President Joe Biden rolled out the red carpet for Modi on Thursday, declaring after about 2-1/2 hours of talks that their countries' economic relationship was "booming." Trade has more than doubled over the past decade.

Biden and Modi gathered with CEOs including Apple's Tim Cook, Google's Sundar Pichai and Microsoft's Satya Nadella.

Also present were Sam Altman of OpenAI, NASA astronaut Sunita Williams, and Indian tech leaders including Anand Mahindra, chairman of Mahindra Group, and Mukesh Ambani, chairman of Reliance Industries, the White House said.

"Our partnership between India and the United States will go a long way, in my view, to define what the 21st century looks like," Biden told the group, adding that technological cooperation would be a big part of that partnership.

Observing that there were a variety of tech companies represented at the meeting from startups to well established firms, Modi said: "Both of them are working together to create a new world." Modi, who has appealed to global companies to "Make in India," will also address business leaders at the Kennedy Center for Performing Arts.

The CEOs of top American companies, including FedEx, MasterCard and Adobe, are expected to be among the 1,200 participants.

The backdrop to Modi's visit is the Biden administration's attempts to draw India, the world's most populous country at 1.4 billion and its fifth-largest economy, closer amid its growing geopolitical rivalry with Beijing.

Modi did not address China directly during the visit, and Biden only mentioned China in response to a reporter's question, but a joint statement included a pointed reference to the East and South China Seas, where China has territorial disputes with its neighbors.

Farwa Aamer, director for South Asia at the Asia Society Policy Institute, in an analysis note described that as "a clear signal of unity and determination to preserve stability and peace in the region." Alongside agreements to sell weapons to India and share with it sensitive military technology, announcements this week included several investments from U.S. firms aimed at spurring semiconductor manufacturing in India and lowering its dependence on China for electronics.

White House national security spokesperson John Kirby said the challenges presented by China to both Washington and New Delhi were on the agenda, but insisted the visit "wasn't about China." "This wasn't about leveraging India to be some sort of counterweight. India is a sovereign, independent state," Kirby said at a news briefing, adding that Washington welcomes India becoming "an increasing exporter of security" in the Indo-Pacific.

"There's a lot we can do in the security front together. And that's really what we're focused on," Kirby said.

Some political analysts question India's willingness to stand up to Beijing over Taiwan and other issues, however. Washington has also been frustrated by India's close ties with Russia while Moscow wages war in Ukraine.

Modi attended a lunch on Friday at the State Department with Vice President Kamala Harris, the first Asian American to hold the No. 2 position in the White House, and Secretary of State Antony Blinken.

US President Joe Biden and India's Prime Minister Narendra Modi meet with senior officials and CEOs of American and Indian companies in the East Room of the White House in Washington on June 23.

PHOTO: REUTERS

UK economy falters on cost-of-living crisis

AFP, *London*

UK private-sector growth has slowed to a three-month low as soaring interest rates and stubbornly high inflation fuelled by rising food prices worsens a cost-of-living crisis, data showed Friday.

It comes as the UK government announced help for homeowners after seeing mortgage costs surge in the wake of rising interest rates.

Figures on Friday highlighted Britain's economic struggles, heaping more pressure on Prime Minister Rishi Sunak.

The closely-followed S&P Global/CIPS flash UK purchasing managers' index declined to 52.8 in June from 54 in May. A reading above 50 indicates growth.

"June's flash PMI survey indicates that the UK economy has lost momentum again after a brief growth spurt in the spring and looks set to weaken further in the months ahead," Chris Williamson, chief business economist at S&P Global Market Intelligence, said in a statement.

"Most notably, consumer spending on services, which was a core growth driver in the spring, is now showing signs of faltering." Williamson said this was "as the reality of higher interest rates, the increased cost-of-living and gloom about the outlook sets in and overrides the brief boost to spending".

Official data this week showed UK annual inflation at 8.7 per cent in May, unchanged from April, causing the Bank of England (BoE) on Thursday to hike its key interest rate by a larger-than-expected amount.

The half-point lift to a 15-year peak of five percent was the 13th increase in a row. Economists are predicting rates could hit six percent this year, which could see the UK follow the eurozone into recession.

Separate data Friday showed UK retail sales growth slowed in May as soaring food prices hit shoppers hard. Total retail sales by volume rose 0.3 per cent after climbing 0.5 per cent in April, the Office for National Statistics said in a statement.

Food stores sales dropped 0.5 per cent in May, with retailers indicating "that increased cost-of-living and food prices continued to affect sales volumes", the ONS added.

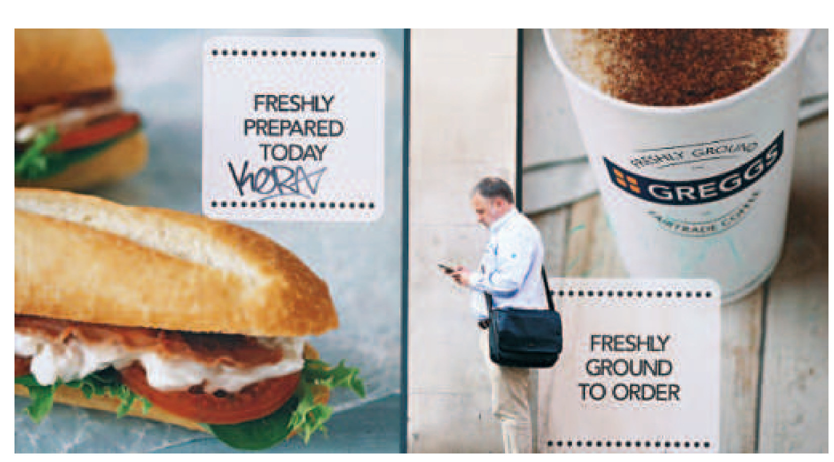

PHOTO: REUTERS

A man checks his phone outside a coffee shop in Manchester on June 22.