

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Economy faces a fresh blow

- Bangladesh's economy is facing yet another blow due to the resurgence of Covid-19, the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) has said. The economy showed signs of recovery in the third quarter (Q3) of fiscal year 2020-21, it added. Bangladesh was unexpectedly hit by the second wave of coronavirus with a gradual increase in daily positivity rates just when it was hoping to move at full speed towards recovery from the fallout, the MCCI cited. In its quarterly review for January-March 2021, the chamber said coronavirus lockdown once again brought back disruptions to the lives and livelihoods of people with the resultant uncertainty for economy.
- Global lockdowns and economic stagnation as well as a 66-day public holiday initially in Bangladesh due to the outbreak of Covid-19 led to a disruption to the country's economic activity. But the country's economy had been showing signs of recovery in Q3 of FY21, according to the country's one of the oldest trade bodies. Financially and socially vulnerable people were mostly impacted during the outbreak of the plague, it stated. However, the government's stimulus packages provided much-needed support to businesses at various levels.

<https://today.thefinancialexpress.com.bd/first-page/economy-faces-a-fresh-blow-1623866668>
<https://www.thedailystar.net/business/news/mcci-sees-recovery-q4-2112545>

SoCBs widen sector's Q1 provisioning shortfall

- The provisioning shortfall against their loans in the country's banking system swelled in the first quarter (Q1) of current calendar year despite the fact loan classification has been on a relaxed mode because of the pandemic. The shortfall increased to more than BDT 51 billion in the Q1 when the classified loans recorded a marginal rise, officials said. As usual, the state-owned banks with their huge load of soured loans were the culprits. The aggregate amount of provisioning shortfall rose to BDT 52.58 billion during the January-March period of 2021 from only BDT 1.23 billion three months before. "The amount of provision shortfall increased significantly mainly due to the rising trend of non-performing loans (NPLs), a BB senior official said.
- The volume of classified loans increased by more than 7.0% or BDT 63.51 billion to BDT 950.85 billion in Q1 of 2021 from BDT 887.34 billion in the preceding quarter, according to the consolidated statement of classified loans covering both domestic and offshore banking units. The provisioning shortfall of two SoCBs pushed up the overall shortfall in the banking sector, the BB official said, explaining the latest provisioning shortfall situation in the SoCBs. However, 10 banks out of 59 failed to keep requisite provisions against Q1 loans, particularly the classified ones, the BB data showed.

<https://today.thefinancialexpress.com.bd/first-page/socbs-widen-sectors-q1-provisioning-shortfall-1623866821>
<https://www.thedailystar.net/business/news/banks-provision-shortfall-widens-2112541>
<http://www.newagebd.net/article/140965/provision-shortfalls-of-11-banks-up-77pc>
<https://www.tbsnews.net/economy/banking/provision-shortfall-janata-rose-BDT-5000-crore-261928>

Deposits of extreme poor in BDT 10 accounts fall

- The deposits to BDT 10 bank accounts, also called no-frill accounts, of the extreme poor fell by BDT 1.04 billion in just a year as the account holders had to withdraw the money to survive the pandemic blues. The central bank's Jan-Mar quarterly data show that the total number of no-frill accounts belonging to the extreme poor increased by 500,000, and reached 3.2 million at the end of March this year. Compared to the Jan-Mar quarter last year, the deposits to the accounts dropped by 34% and reached BDT 2.18 billion at the end of March this year.
- A senior research fellow at the Bangladesh Institute of Development Studies (BIDS) said that since the total number of accounts increased but deposits fell, it is clearly understood that people had to take recourse to the tiny savings they had to survive the pandemic. She said that the pandemic-led income fall is the prime reason for people resorting to savings. On the BDT 10 account rise, the researcher said since the poor need to have an official transaction channel to get government aid, the number of no-frill accounts could have spiked.

<https://www.tbsnews.net/economy/deposits-extreme-poor-BDT-10-accounts-fall-261916>

Shifts in real-estate demand amidst pandemic

- Since March 2020, most industries have seen massive changes in how the markets operate, thus adopting new strategies to cater to the public and keep businesses afloat. The real-estate industry in Bangladesh has also encountered and adapted to drastic shifts in demand since the pandemic. Bproperty, the country's sole property solution provider, gives us an insight on how the market has changed, and what trends have been observed recently.

- In terms of demand, in the first five months of 2021, Bproperty saw around 18.2% more housing demand Year-Over-Year. However, the demand is less so than it was during the third quarter of 2020 -- just after the lockdown was lifted last year. The record increase in real-estate activity can be attributed to a number of favourable regulations introduced last year.

- After things settled considerably during the fourth quarter of last year, housing demand experienced some slowdown, but was seen to be gaining momentum again during the first quarter of this year. The enforcement of another lockdown in April has derailed some of that momentum as, compared to the first two months of 2021, there was about 34% less housing demand in April and May.

<https://www.dhakatribune.com/business/2021/06/16/shifts-in-real-estate-demand-amidst-pandemic>

Two banks, one NBFi to issue BDT 14 billion bonds

- The boards of directors of three listed firms, including two banks, have decided to issue different types of bonds worth BDT 14 billion to strengthen their capital base. The companies are National Credit and Commerce Bank, Dhaka Bank and Delta Brac Housing Finance Corporation. NCC Bank will issue non-convertible subordinated bond worth BDT 7.0 billion, Dhaka Bank to issue BDT 4.0 billion perpetual bond while Delta Brac Housing Finance will issue BDT 3.0 billion zero coupon bond.

- NCC Bank: NCC Bank has decided to issue 'NCC Bank non-convertible subordinated bond-2' worth BDT 7.0 billion. The bank will issue bond to have capital support of the company under Tier 2 category of BASEL III, according to the filing. Dhaka Bank: Dhaka Bank has decided to raise BDT 4.0 billion through issuance of contingent-convertible perpetual bond as additional Tier-1 (AT-1) capital to support the bank's Basel- III compliance in line with Bangladesh Bank guidelines on risk based capital adequacy in December, 2014. DBH: The board of directors of Delta Brac Housing Finance Corporation has decided to raise BDT 3.0 billion through issuance of non-convertible zero coupon bonds.

<https://today.thefinancialexpress.com.bd/first-page/two-banks-one-nbfi-to-issue-BDT-14b-bonds-1623866766>

BSEC urges IDRA to take steps to enlist 21 insurance companies on bourses

- The Bangladesh Securities and Exchange Commission has urged the Insurance Development and Regulatory Authority to take necessary steps for listing 21 insurance companies on the country's stock exchanges. BSEC executive director and spokesperson said that the commission issued a letter to request the insurance regulator for taking necessary steps for listing the insurance companies on the bourse. He said that the regulator removed barriers to listing of insurance companies by providing them necessary exemptions of securities rules as per a request made by IDRA. However, 21 insurance companies are yet to apply for public offer, he said.

<http://www.newagebd.net/article/140966/bsec-urges-idra-to-take-steps-to-enlist-21-insurance-cos-on-bourses>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$71.44	\$22.92	47.24%
Crude Oil (Brent)*	\$73.59	\$21.79	42.07%
Gold Spot*	\$1,823.74	(\$71.36)	-3.77%
DSEX	6,051.74	649.67	12.03%
S&P 500	4,223.70	467.63	12.45%
FTSE 100	7,184.95	724.43	11.21%
BSE SENSEX	52,501.98	4,750.65	9.95%
KSE-100	48,480.90	4,725.52	10.80%
CSEALL	7,641.19	866.97	12.80%

Exchange Rates

USD 1 = BDT 84.81*
GBP 1 = BDT 118.70*
EUR 1 = BDT 101.77*
INR 1 = BDT 1.15*

*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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