

*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.*

### **Bangladesh Bank (BB) extends tenure until June 30**

- The central bank has extended the tenure of its different policy supports to export trade by three more months amid the Covid-19 pandemic, officials said. The exporters will now enjoy the facilities until June 30 this year, according to a notification issued by Bangladesh Bank (BB) on Sunday. The existing supports were scheduled to expire on March 31. Under the policy supports, the time for repatriation of export proceeds is extendable up to 210 days from the date of shipment instead of 120 days earlier. The back to back letters of credit (LCs) opened under supplier's/ buyer's credit are extendable to 180 days more within the permissible rate of interest.
- Loan from the Export Development Fund (EDF) is extendable to an additional 180 days instead of 90 days. Refinancing from the EDF up to 180 days is allowable in case of justifiable grounds required for settlement of import payments against back to back LCs opened under supplier's/buyer's credit. The BB's latest move came against the backdrop of falling export earnings in the recent months, following the second wave of coronavirus in America and Europe. The earnings from exports dropped by nearly 4.0% year-on-year to USD 3.19 billion in February from USD 3.32 billion a year ago, according to the latest statistics of state-run Export Promotion Bureau (EPB).
- Besides, export earnings during the July-February period of the current fiscal year (FY) declined by 1.45% to USD 25.86 billion from USD 26.24 billion in the same period of the previous financial year. The big exporters will get relief slightly from the extension of the policy supports, a former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-tenure-until-june-30-1615745666>

<https://www.thedailystar.net/business/news/bb-policy-support-exporters-extended-2060785>

<https://www.tbsnews.net/economy/trade/export-policy-support-extended-till-30-jun-216418>

<https://www.newagebd.net/article/132747/policy-relaxation-time-extended-for-export-business>

### **Another BDT 18.63 billion bank fund for stock market**

- Bank funds amounting to BDT 18.63 billion are headed for the stock market as the investors are deeming it a better mode for gaining higher, cost-effective yields compared to other forms. Some 26 banks have formed funds of around BDT 29.00 billion utilising a Bangladesh Bank incentive. Of the funds, around BDT 10.37 billion has already been invested. On February 10, the banking regulator rolled out the package that allows banks to set up a BDT 2.00 billion fund by taking it from Bangladesh Bank through a repurchase agreement against treasury bills and bonds they own. The banks will have to pay 5% interest for the fund and the credit tenure will be up to February 2025.
- Such investments by banks may give a boost to the stock market, which is already showcasing an upward trend, opined a former caretaker government finance and planning adviser, yesterday. However, investing in stock markets is not the primary function of banks, so they should focus on lending money to the real economic sector, he reminded. As banks' credit growth is falling, they are searching for other sources of income, he said, also a former chairman of the Bangladesh Securities and Exchange Commission (BSEC).

<https://www.thedailystar.net/business/news/another-BDT-1863cr-bank-fund-stock-market-2060745>

### **Return of the great consumers**

- Indications are there that consumers have returned to their spending habits that dropped to bare necessities. Credit card transactions have increased. Deposit patterns have also changed, showing a definitive consumption pattern. The transaction volume of credit cards crossed the pre-pandemic level, reaching a monthly value of over BDT 15.00 billion in December last year. The head of the Card Division at the City Bank, said it is a good sign that people are moving out as restrictions on movement have been eased. Consumers are spending money through credit cards for visiting restaurants and travelling to local tourist destinations, he mentioned.
- However, the new wave of the coronavirus is worrisome and they cannot say how long this behaviour will sustain, he further said. The transaction trend in e-commerce also reflects the rise of consumer spending as the pandemic pushed customers to online shopping. The transaction value in e-commerce platforms also more than doubled from the pre-pandemic level, recording BDT 6.00 billion in December last year, according to the Bangladesh Bank. The return of consumers' spending habit to the normal level put the brakes on pandemic savings in January this year. Savings have been swelling since the virus hit the country in March last year as people shied away from consumption.
- Demand deposits with banks, which show disposable income, declined by BDT 60.00 billion in January after reaching a record high of BDT 1.48 trillion in December last year. However, the year-on-year growth of demand deposits – money deposited in bank accounts with funds that depositors may withdraw on-demand at any time – climbed a record

high of 25.47% in January, according to Bangladesh Bank data. Even though demand deposits fell by 4% in January from the previous month, time deposits showed the opposite trend reflecting that earnings of low-income people, who were spending their savings amid job cuts and income losses during pandemic, have returned to normal.

<https://www.tbsnews.net/economy/return-great-consumers-216484>

### Index Agro IPO lottery draw Mar 22

• Index Agro Industries, the poultry and fish feed producer, is set to hold its initial public offering (IPO) lottery draw on March 22 to allocate IPO shares. Index Agro Industries, which received IPO approval from the Bangladesh Securities and Exchange Commission (BSEC) on December 23, 2020, raised BDT 500 million under the book-building method to expand its business. The IPO subscription of the company was held between February 22 and February 28, this year. Index Agro Industries' cut-off price was fixed at BDT 62 each through electronic bidding by eligible investors.

<https://today.thefinancialexpress.com.bd/stock-corporate/index-agro-ipo-lottery-draw-mar-22-1615740161>

### World Stock and Commodities\*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$66.31	\$17.79	36.67%
Crude Oil (Brent)*	\$69.91	\$18.11	34.96%
Gold Spot*	\$1,728.64	(\$166.46)	-8.78%
DSEX	5,519.16	117.09	2.17%
S&P 500	3,943.34	187.27	4.99%
FTSE 100	6,761.47	300.95	4.66%
BSE SENSEX	50,792.08	3,040.75	6.37%
KSE-100	43,788.08	32.70	0.07%
CSEALL	7,247.48	473.26	6.99%

### Exchange Rates

USD 1 = BDT 84.76\*  
 GBP 1 = BDT 118.05\*  
 EUR 1 = BDT 101.31\*  
 INR 1 = BDT 1.17\*

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

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