

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.

Non-banks' dividend capped at 30%

- The central bank yesterday imposed a dividend cap of 30% on non-bank financial institutions (NBFIs). Of the amount, the NBFIs will have to pay 15% in the stock dividend, and the rest will be paid in the form of cash. On February 24, the Bangladesh Bank had barred the NBFIs from paying more than 15% in cash dividend. It said nothing about the stock dividend. But some of the NBFIs, along with the Bangladesh Merchant Bankers Association, repeatedly requested that the central bank reconsider the decision to allow the payment of more than 15% dividend.
- They misinterpreted the issue, alleging that the instructions of giving 15% cash dividend have already put an adverse impact on the capital market, said a central bank official. The BB asked some of the NBFIs in the first week of February not to declare dividends in excess, given the ongoing slowdown in business. Still, some of the NBFIs announced excessive cash dividend, ignoring the regulatory instruction. The central bank has issued the notice with the revision to bring an end to all misinterpretations. This is the first time in recent years that the BB gave a directive to the NBFIs to be cautious in providing dividends, given the vulnerable financial health of some lenders.

<https://www.thedailystar.net/business/news/non-banks-dividend-capped-30pc-2065261>
<https://www.tbsnews.net/economy/stock/dividend-limit-set-30-non-bank-financial-institutions-220528>
<https://www.newagebd.net/article/133455/nbfis-dividend-ceiling-set-at-30-per-cent>
<https://www.dhakatribune.com/business/banks/2021/03/23/nbfis-can-now-give-out-30-dividend-to-shareholders>

Joint ventures in EPZs now eligible for export loans

- The central bank yesterday allowed "Type-B" companies in export processing zones (EPZs) to enjoy foreign currency loans from an export development fund (EDF). A good number of companies in the EPZs have been facing a slowdown in business over the past couple of months due to the coronavirus pandemic, which has played a role in the "Type-B" companies being made eligible for the EDF loans, said a central bank official. Joint venture companies with foreign and Bangladeshi ownerships are treated "Type-B". The eligible companies can use the fund to settle back-to-back letters of credit, which helps them smoothly procure industrial raw materials.
- This will ultimately help them produce items for export on time. A company, which is a member of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), will be permitted to avail a maximum of USD 25 million from the EDF.

<https://www.thedailystar.net/business/news/joint-ventures-epzs-now-eligible-export-loans-2065257>
<https://www.tbsnews.net/economy/rmg/joint-venture-apparel-factories-get-export-development-loans-220516>
<https://www.newagebd.net/article/133453/jv-apparel-exporters-in-epz-to-get-edf-loans>

Payment pause for borrowers likely to be extended further

- The Bangladesh Bank is likely to further extend the moratorium on the payment of loan instalments in the face of mounting pressure from the business community amid a slowdown in economic activities due to a second wave of infections. Quarterly instalment payment against term loans is supposed to start from March after the payment deferral facility was lifted in January this year. Now, business people are pursuing the central bank to extend the payment pause till June. A senior executive of the Bangladesh Bank said they will reconsider extending the facility after analyzing the payment situation of banks.
- Not all borrowers will be given the payment deferral facility, the official said, adding that the central bank is working on how to provide the facility. Bankers are not willing to extend this facility, while the business community wants it. So, the central bank will find a way to balance the two scenarios, he added. In March last year, the central bank suspended loan classification aiming to support businesses affected by the pandemic. Borrowers enjoyed the payment pause facility throughout 2020.

<https://www.tbsnews.net/economy/banking/payment-pause-borrowers-likely-be-extended-further-220612>

Nagad says client base surging at record pace

- Bangladesh Postal Department's digital financial service Nagad has seen around 180,000 new clients joining its network every day recently, said a press release. On an average, 150,000 people have registered with Nagad every day in the last two weeks, the company said in the release. Around 185,000 people joined Nagad's platform on February 17 and a similar pace of client registration was observed on the day before and after. The number of Nagad clients has surpassed 30 million. The company said that the Nagad app download had gone up to such a level that it was on the top chart of Google Play Store among apps from Bangladesh.

<http://www.newagebd.net/article/130975/nagad-says-client-base-surging-at-record-pace>

Trading to continue as usual during pandemic: BSEC

- The market bounced back on Monday, after suffering a big fall in the past three days, as bargain hunters showed their buying spree on sector-wise lucrative stocks. Market analysts said the market recovered some losses after investors were convinced that the government will not impose any lockdowns even after fresh rising trends of coronavirus cases in the country. Bangladesh Securities and Exchange Commission (BSEC) issued a statement on Monday saying the share trading will continue as usual amid Covid-19 pandemic and urged the investors not to pay heed to any market closure rumour. Share trading will continue as usual at any situation, including the Covid-19 pandemic, as long as banking activities remain operational, said the BSEC statement.

<https://today.thefinancialexpress.com.bd/stock-corporate/trading-to-continue-as-usual-during-pandemic-bsec-1616428503>

<https://www.tbsnews.net/economy/stock/if-banking-activities-continue-stock-market-will-remain-open-bsec-220531>

IDLC Investments to act as issue manager for NDE IPO

- National Development Engineers Ltd (NDE) has recently signed an agreement with IDLC Investments Limited to raise capital through Initial Public Offering (IPO). IDLC Investments will act as Issue Manager for the IPO, said a statement. NDE is a prominent name in the construction industry of Bangladesh having over four decades of experience with a proven track record. The company is mainly engaged in the construction of power plants, buildings, industrial structures, airports, roads & bridges and so forth. NDE has so far successfully completed more than 500 various multidiscipline projects since its inception.

<https://today.thefinancialexpress.com.bd/stock-corporate/idlc-investments-to-act-as-issue-manager-for-nde-ipo-1616428610>

<http://www.newagebd.net/article/133431/national-development-engineers-to-raise-BDT-150cr-thru-ipo>

Beacon may ship USD 5 million pharma products to Syria

- Beacon Pharmaceuticals, the local pioneer of oncology product manufacturing, may export USD 5 million worth of pharmaceuticals to Syria by December this year -- a huge development for the local pharma industry. The shipment will make Syria the single largest export destination for Bangladeshi pharmaceuticals. We will get registration from the government of Syria to export drugs by June, said the managing director of Beacon Pharmaceuticals. They are also in the process of availing a certificate of Good Manufacturing Practice (GMP) from the Ministry of Health (MoH) of Syria, he added.

- The company will export oncology, general and cephalosporin drugs to Syria, according to the managing director. Sri Lanka is currently the top destination of drug shipments for Bangladesh with USD 4.7 million in FY 2019-20 followed by Kenya with USD 4.2 million. The local pharmaceuticals sector earned USD 135.79 million from exports during the last fiscal year, when shipments witnessed a 4.49% year-on-year growth.

<https://www.thedailystar.net/business/news/beacon-may-ship-5m-pharma-products-syria-2065253>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$61.55	\$13.03	26.85%
Crude Oil (Brent)*	\$63.86	\$12.06	23.28%
Gold Spot*	\$1,732.87	(\$162.23)	-8.56%
DSEX	5,412.20	10.13	0.19%
S&P 500	3,940.59	184.52	4.91%
FTSE 100	6,726.10	265.58	4.11%
BSE SENSEX	49,771.29	2,019.96	4.23%
KSE-100	45,407.33	1,651.95	3.78%
CSEALL	6,966.71	192.49	2.84%

Exchange Rates

USD 1 = BDT 84.70*

GBP 1 = BDT 117.24*

EUR 1 = BDT 101.03*

INR 1 = BDT 1.17*

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

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