

*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.*

### **CPD, economists against fuel price hike in FY22**

- The government should not raise fuel prices in the current fiscal year despite their record spike in global markets to give some respite to the people buckling under pressures for rising costs for essentials, said the Centre for Policy Dialogue (CPD) and economists. They argued that since there is fiscal space for the government to absorb the international price shock, it would not be tough for Bangladesh if it decides not to adjust the fuel price in line with the global markets.
- Zahid Hussain, a former lead economist of the World Bank's Dhaka office, told that if the government doesn't increase the prices, it would need to take an additional subsidy burden of BDT 359.45 Bn. According to him, considering the budget implementation and the experience of the previous fiscal year, the fiscal space might be a maximum of BDT 949.0 Bn and a minimum of BDT 285.0 Bn.

<https://www.thedailystar.net/business/economy/news/cpd-economists-against-fuel-price-hike-fy22-2987101>

### **Fund transfer to be instant for NBFIs, forex transactions**

- Lenders and clients in Bangladesh are set to get the opportunity to settle transactions instantly as the central bank has moved to expand the facility of real-time gross settlement (RTGS) to non-bank financial institutions and the foreign exchange operations of banks. The move will also help widen money circulation as funds will move immediately in the financial sector instead of remaining stuck in the banking system for two to three days.
- The latest central bank move would allow banks to settle foreign currency transactions domestically as well. The central bank is set to roll out the foreign currency transaction from June 1, a BB official said.

<https://www.thedailystar.net/business/economy/news/fund-transfer-be-instant-nbfis-forex-transactions-2987091>

### **Banks' Jan-Feb call money market borrowing up 65pc**

- Banks' overnight borrowing through interbank call money market grew by 65% YoY in 2MCY22 as banks observed higher credit demand following a gradual economic activities restoration. Banks' borrowing through interbank call money market increased to BDT 3.04 trillion. The demand for cash on the money market increased as the credit demand of the private sector has just started crawling up amid restoration of business and economic activities.
- The latest BB data showed that the private sector credit growth increased to 11.07 per cent at the end of January. The growth rate was only 8.35% at the end of Jun'21. BB officials said that less than projected recovery from the borrowers against the disbursed loans was a major reason for the demand for liquidity on the interbank money market.

<https://www.newagebd.net/article/165925/banks-jan-feb-call-money-market-borrowing-up-65pc>

### **Mobile banking transactions see 28% rise in January YoY**

- With the addition of fresh services, the Mobile Financial Service (MFS) sector has witnessed a major transformation recently in the form of a 28% increase in transactions over a year. Clients made about BDT 572.89 Bn transactions through mobile banking services in Jan'21 which jumped to BDT 733.93 Bn in Jan'22. The number of registered customers stood at 114.0 Mn at the end of Jan'22.
- In Jan'22, BDT 224.08 Bn was deposited (Cash In) in various mobile banking accounts, while BDT 197.30 Bn was withdrawn (Cash Out) from accounts. In Jan'22, BDT 208.15 Bn was transferred from individual to individual accounts

in MFS. In addition, BDT 26.63 Bn of salaries and allowances from various organizations have been disbursed and BDT 11.57 Bn has been paid as bills of various services.

<https://www.tbsnews.net/economy/banking/mobile-banking-transactions-see-28-rise-january-yoy-388302>

### **Govt securities' yields on rise**

- The cut-off yield on 91-day T-bills rose to 2.99% on the day from 2.25% earlier, while the yield on 364-day T-bills reached 4.25% from 3.64%. The government borrowed BDT 16.60 Bn instead of the pre-auction target of BDT 20 billion. The yield on 5-year bond rose to 6.25% on March 15 from 5.81%, while the yield on 2-year bond rose to 4.75% on March 08 from 4.25% earlier.
- Most of the banks are maintaining a 'go-slow' policy to invest their excess liquidity in the government securities, as the lenders believe that the yields on the securities would go up further in near future, according to market insiders. The pressure on liquidity in the market is expected to expedite in the coming months, as the demand for loans - particularly for trade financing - is growing for settling import payment obligations.
- The banks are also convinced that the government's borrowing from the banking sector would increase in the final quarter, from April to June of the current fiscal year. Meanwhile, the balance of the government's account came down to BDT 74 billion on March 14 from BDT 170 billion on February 27.

<https://today.thefinancialexpress.com.bd/last-page/govt-securities-yields-on-rise-1647801177>

### **Even with relaxed repayment, banks waive BDT 18.55 Bn interest in 2021**

- Banks waived BDT 18.55 Bn interest in 2021 up from BDT 15.78 Bn in 2020. Former central bank governor Salehuddin Ahmed said some big borrowers, who are also in bank boards, basically got benefited from the interest waiver. He added that the policy relaxations met with unbridled default loans totalling to more than BDT 1.03 trillion at the end of 2021.
- One banker told that the debt is defaulting just after a couple of months even though banks have waived the interest to recover the loans. Banks wrote off more than BDT 24.40 Bn till December 2021, while the amount in previous year was BDT 9.7 Bn.

<https://www.tbsnews.net/economy/banking/even-relaxed-repayment-banks-waive-tk1855cr-interest-2021-388310>

### **Air passengers likely to grow threefold by 2040**

- Bangladesh's domestic and international airline passengers as well as cargo traffic are expected to increase around three times between 2019 and 2040, according to aircraft maker Airbus. The number of domestic and international air passengers in the country is also likely to grow at 5.9% annually which is twice the world average over the period, it added. According to Airbus, Bangladesh's aviation market is now growing at 9.0 per cent annually which is 50% higher than the global average of 6%.

<https://today.thefinancialexpress.com.bd/stock-corporate/air-passengers-likely-to-grow-threefold-by-2040-1647798607>

### **BD Thai Food to change its IPO fund utilisation plan**

- BD Thai Food and Beverage Limited — a newly listed firm on the stock exchanges — decided to change the utilisation plan of its initial public offering (IPO) fund. According to the company's prospectus, it initially allotted BDT 28.5 Mn for a tunnel oven.
- According to their revised plan, the company had allotted BDT 8.5 Mn for importing a rotary oven and packing machine from China, BDT 1.9 Mn for importing another rotary oven from India, BDT 6.0 Mn for importing three sets of mould

parts from China. The remaining BDT 12.1 Mn will be used to acquire different types of machinery like 250 KVA diesel generator, 500 kg boiler, and for construction works.

<https://www.tbsnews.net/economy/stocks/bd-thai-food-change-its-ipo-fund-utilisation-plan-388210>

### **51 shares allotted in JMI IPO**

- General investors have received 51 shares each of the Initial Public Offering (IPO) of JMI Hospital Requisite Manufacturing Limited, one of the leading medical equipment manufacturers in the country. The allotment was given against a subscription fee worth BDT 10,000.

<https://www.tbsnews.net/economy/stocks/51-shares-allotted-jmi-ipo-388206>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change YTD</b>	<b>% Change YTD</b>
Crude Oil (WTI)*	USD 107.55	USD 32.34	43.00%
Crude Oil (Brent)*	USD 110.78	USD 33.00	42.43%
Gold Spot*	USD 1,927.77	USD 98.57	5.39%
DSEX	6,698.04	-58.61	-0.87%
S&P 500	4,463.12	-303.06	-6.36%
FTSE 100	7,404.73	20.19	0.27%
BSE SENSEX	57,863.93	-389.89	-0.67%
KSE-100	43,029.97	-1,566.10	-3.51%
CSEALL	10,353.83	-1,872.18	-15.31%

**Exchange Rates****1 US Dollar = 86.27 BDT****1 GBP = 113.17 BDT****1 Euro = 94.96 BDT****1 INR = 1.13 BDT**

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