

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.

Excess liquidity risks fuelling inflation

- Excess liquidity in the country's banking system, stemming from the stimulus packages, is likely to fuel inflationary pressure on the economy, the central bank cautions over money-supply upturn.
- The overall excess liquidity with the scheduled banks dropped slightly in January 2022 as trade financing increased significantly following higher prices of commodities and raw materials. Surplus liquidity came down to BDT 2.1 trillion in Jan'22 from BDT 2167.29 billion a month ago. It was BDT 2.3 trillion in Jun'21.
- Expansionary monetary policy coupled with the implementation of the government stimulus packages pushed up liquidity in the banking system, experts say.

<https://today.thefinancialexpress.com.bd/first-page/excess-liquidity-risks-fuelling-inflation-1648490598>

Dhaka requests Delhi to amend conditions

- Bangladesh seeks to make 50% procurement from outside India under the ongoing Line of Credit (LoC) financing programme for what insiders say ensuring quality development works with the borrowed money. Since Bangladesh's project-implementing agencies are facing problems in complying with exiting 75% procurement condition under the LoCs, Dhaka in a review meeting Sunday requested New Delhi for relaxing the terms.
- The government also called upon the Indian side to expedite disbursement of the USD 7.9 Bn worth of LoCs India already committed. India disbursed only USD 120 million in loan during 8MFY22.

<https://today.thefinancialexpress.com.bd/first-page/dhaka-requests-delhi-to-amend-conditions-1648490744>

BEZA to ink 'Term Sheet' on April 1 to establish Indian EZ

- Bangladesh Economic Zones Authority is going to ink a 'Term Sheet' with Adani Ports and SEZ Limited of India to establish the Government to Government based Indian Economic Zone. Through this Term Sheet, full-fledged activities for the development of the Indian EZ will begin. Other processes, including the formation of company, to operate the EZ will be started in phases.
- Indian EZ is being established at Mirsarai in Chattogram district under the Bangabandhu Sheikh Mujib Shilpa Nagar on about 857 acres of land with a cost of about USD 115 million (Indian Flexible Loan LOC).

<https://www.newagebd.net/article/166615/beza-to-ink-term-sheet-on-april-1-to-establish-indian-ez>

BB decides to set ceiling on NBFIs lending rate

- The Bangladesh Bank has decided to impose a ceiling on the non-bank financial institutions' lending rate as the central bank found NBFIs' lending rate was much higher than the rate offered by the banks. On April 1 2020, the central bank-imposed 9 per cent lending rate ceiling on banks came into force.
- The BB official said that the difference in lending rate between banks and NBFIs had widened as many of the NBFIs were charging up to 15% interest on the borrowers. He hoped that the imposition of a lending rate ceiling on the NBFIs would help lower the difference between the banks and NBFIs.

<https://today.thefinancialexpress.com.bd/last-page/fresh-recovery-scheme-for-cmsmes-launched-1648405997>

Pent-up demand drives up industrial credit growth to 19%

- Credit flow to the industrial sector experienced a 19% year-on-year growth in 2021, with businesses running in full swing by shaking off pandemic fallouts to cater to pent-up consumer demand. Last year, banks and non-bank financial institutions disbursed BDT 4.29 trillion in loans to the industrial sector, while the disbursal was BDT 3.61 trillion in 2020.
- Industry insiders say businesses felt encouraged to go for expansion after the pandemic situation had started to turn the corner since the beginning of last year, as reflected in rising import payments. The Managing Director of Dhaka Bank told TBS that industrial credit growth will continue to go up in the coming days as demand is on the rise as reflected in rising imports of capital machinery and other industrial raw materials.
- The industrial loan recovery rose by over 10% year-on-year in 2021, while the amount of classified loans also marked an uptick of 8.47% last year. At the end of Dec'21, default loans stood at BDT 492.62 Bn from BDT 454.15 Bn.

<https://www.tbsnews.net/economy/banking/pent-demand-drives-industrial-credit-growth-19-392986>

No registration for QIs to take part in SME platform trading

- Qualified Investors (QIs) from now on will require no registration to take part in trading in SME platform of the bourses. Investors have been offered with the facility as part of the regulatory move to enhance QIs' participation in trading of SME platform. The data of QIs having a minimum investment of BDT 2.0 million or above in listed securities will be provided by Central Depository Bangladesh Limited (CDBL) or Depository Participants (DPs).

<https://today.thefinancialexpress.com.bd/stock-corporate/no-registration-for-qis-to-take-part-in-sme-platform-trading-1648486535>

LafargeHolcim resumes aggregate business

- Shares of LafargeHolcim Bangladesh surged 7.12% on Monday following the news that the government allowed it to re-start aggregates business. The cement producer resumed its aggregates business after the Ministry of Industries gave permission to produce and sell aggregates in the open market.

<https://today.thefinancialexpress.com.bd/stock-corporate/lafargeholcim-resumes-aggregate-business-1648486507>

Prime Bank profits soar 78% in 2021

- Prime Bank Limited has reported a 78% year-on-year growth in profit for 2021. Buoyed by the high net profit, the private sector lender has recommended a 17.50% cash dividend for its shareholders. But the funded income of the lenders declined significantly compared to the normal time, they added.
- According to a stock exchange filing on Monday, Prime Bank's consolidated net profit increased to BDT 3.25 Bn, and EPS to BDT 2.87 for 2021.

<https://www.tbsnews.net/economy/stocks/prime-bank-profits-soar-78-2021-392874>

C&A Textiles gears up to resume manufacturing after four years

- After more than a four-year hiatus, the troubled C&A Textiles has geared up to resume manufacturing as it got all utility connections – gas, electricity and water – restored. The company had earlier cleared its longstanding dues thanks to Alif Group, which came forward to save the textile mill by investing BDT 500 Mn as a share money deposit.
- Sources in the Bangladesh Securities and Exchange Commission (BSEC) said Alif Group wants C&A Textiles shares at a discount on the face value of BDT 10. The group has offered to buy each share at a price of BDT 5.0. A BSEC official said the commission in principle has agreed to approve the proposal, since Alif Group are taking a risk to restart the closed company.

<https://www.tbsnews.net/economy/banking/padma-banks-slr-exemption-extended-till-2025-392446>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------------|-------------------------|---------------------|
| Crude Oil (WTI)* | USD 104.63 | USD 29.42 | 39.12% |
| Crude Oil (Brent)* | USD 110.70 | USD 32.92 | 42.32% |
| Gold Spot* | USD 1,927.46 | USD 98.26 | 5.37% |
| DSEX | 6,758.17 | 1.51 | 0.02% |
| S&P 500 | 4,575.52 | -190.66 | -4.00% |
| FTSE 100 | 7,473.14 | 88.60 | 1.20% |
| BSE SENSEX | 57,593.49 | -660.33 | -1.13% |
| KSE-100 | 43,933.56 | -662.51 | -1.49% |
| CSEALL | 10,142.29 | -2,083.72 | -17.04% |

Exchange Rates**1 US Dollar = 86.28 BDT****1 GBP = 113.02 BDT****1 Euro = 94.83 BDT****1 INR = 1.13 BDT**

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