

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.

Handset sales down 40% since January

- Sales of mobile handsets have dropped more than 40% in April compared to the January level after consumers tightened their belt as they see no immediate end to the coronavirus pandemic. And amidst the second wave of Covid-19 infections, sales have fallen further as the government introduced movement restrictions and lockdowns. The sales were great during the first six months of the current fiscal as the pandemic led to soaring digitalisation. Many people had to purchase digital devices to cope with the new normal, including remote offices and virtual meetings. The country's top mobile phone manufacturers and assemblers said that they had started trying to sell the devices online after the new surge of the virus. However, it was not enough as people were more inclined towards purchasing gadget items from the physical stores.
- According to Bangladesh Telecommunication Regulatory Commission (BTRC) data, local manufacturers and assemblers got permission to market around 18.6 million handsets in the first six months of the current fiscal. The total market size of handsets stands at around BDT 110 billion, and the annual demand for mobile phone stands at 32 million. Of it, smartphones account for only 28%, or 9 million, industry people said.
- According to the BTRC, the number of locally manufactured and imported mobile phones in Bangladesh stood at 29.4 million units in the fiscal year of 2019-20. There were 14.9 million units locally manufactured, overtaking the number of imported ones. In that fiscal, the number of manufactured 2G phone (bar phone) was 9.4 million, 3G smartphone 0.98 million and 4G smartphone 4.6 million. Bangladesh imported 13.2 million bar phones, 47.4 million 3G smartphones, and 76.5 million 4G smartphones. It means Bangladesh-made devices can meet more than 80% of the local smartphone demand. Among the handset users in the last fiscal year, 77% uses 2G phone (bar phone), 18% 4G phones, and 5% 3G phones, according to the BTRC.

<https://www.thedailystar.net/business/news/handset-sales-down-40pc-january-2084433>

Banks can form start-up fund with 1.0% of their net profits

- The central bank has amended its policy allowing all banks to form their own start-up fund with 1.0% of net profits instead of operating ones earlier, officials said. To provide start-up entrepreneurs with loans, all the scheduled banks have been asked to keep 1.0% of their net profits for the next five years from 2021, according to a clarification issued by the Bangladesh Bank (BB) on Monday. Formation of the start-up fund will start with 1.0% of net profits on the basis of the December's financial statement for 2020, it added. The size of the fund will reach around BDT 28 billion if the banks establish their own start-up funds with 1.0% of their operating profits, the official explained. Besides, the banks will be allowed to use the central bank-formed BDT 5.0 billion refinancing fund after completing disbursement of their own start-up funds, according to the central banker.

<https://today.thefinancialexpress.com.bd/first-page/banks-can-form-start-up-fund-with-10pc-of-their-net-profits-1619460758>

<https://www.tbsnews.net/economy/banking/banks-lend-start-funds-net-profits-instead-operating-profits-237640>

Interest rate on loan under pre-shipment credit scheme reduced by 1%

- The Bangladesh Bank has cut interest rate by 1% to 5% for borrowers who take out loans under the BDT 50 billion pre-shipment refinance scheme launched, aiming at assisting pandemic-affected export-oriented industries. Pre-shipment finance helps exporters meet the packaging and overhead costs before shipping products. On 13 April 2020, the central bank launched the BDT 50 billion pre-shipment refinance scheme at a 6% interest rate for export-oriented industries amid a slowdown in external trade after the pandemic hit. The duration of the fund will be three years and it will revolve. As per the latest instruction, the interest rate under the scheme will be 5% for borrowers, while banks will keep 3% with them as a profit and pay the remaining 2% to the central bank. Banks will be barred from imposing any charge or fee on customers out of the Bangladesh Bank's existing policy regarding the schedule of charges.

<https://www.tbsnews.net/economy/banking/interest-rate-loan-under-pre-shipment-credit-scheme-reduced-1-237745>

<https://www.thedailystar.net/business/news/bb-cuts-interest-rate-refinance-funds-2084385>

Lockdown to continue until May 5

- The government has decided to extend the ongoing countrywide lockdown for another week as the fatalities and infections from Covid-19 continue to be high. So, restrictions on people's movement to stem the spread of the disease will continue until May 05, according to government officials. The decision came a day after the government closed borders with India where the pandemic is wreaking havoc. But, according to the state minister, shops, markets and malls will remain open from 10am to 8 pm. All other restrictions, now in place, will remain. Healthcare professionals

hailed the decision as the second wave of Covid-19 is ripping through neighbouring India with infecting a record number of people every day.

<https://today.thefinancialexpress.com.bd/first-page/lockdown-to-continue-until-may-5-1619460644>

Runner to buy land for its three-wheeler plant

- Runner Automobiles is going to buy land to set up its CNG and LPG-run three-wheeler manufacturing plant near its existing factory in Bhaluka, according to a posting on the Dhaka Stock Exchange (DSE) website. The leading local bike maker will buy a 359.72 decimal plot in the area for BDT 43.2 million, including registration costs. The investment will be carried out with Runner's own funds, the company's disclosure said.

- Runner Automobiles joined hands with Bajaj Auto, a global market leader based in India, to set up a BDT 3 billion manufacturing plant last year. This will be the first-ever international three-wheeler manufacturing plant to be set up in Bangladesh.

<https://www.thedailystar.net/business/news/runner-buy-land-its-three-wheeler-plant-2084389>

Regulator reshapes board of Agni Systems for business development

- The Bangladesh Securities and Exchange Commission (BSEC) has restructured the board of directors of Agni Systems Ltd in a move to protect the interest of investors and bring the company back to a sound business position. The BSEC has also instructed the company, which got listed on the stock exchanges in 2003, to nominate at least two or more shareholder directors, each holding a minimum of 2% shares in the company. Besides, it has directed the Investment Corporation of Bangladesh (ICB) to include a nominee in the board of directors of Agni Systems, since ICB is a shareholder of the company. Agni Systems was supposed to reshape its board within 45 working days as per the 30% shareholding rules, but the company failed to comply with the provision.

<https://www.tbsnews.net/economy/stock/regulator-reshapes-board-agni-systems-business-development-237688>
<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-appoints-two-independent-directors-to-agni-systems-1619456024>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$61.98	\$13.46	27.74%
Crude Oil (Brent)*	\$65.65	\$13.85	26.74%
Gold Spot*	\$1,780.96	(\$114.14)	-6.02%
DSEX	5,485.87	83.80	1.55%
S&P 500	4,187.62	431.55	11.49%
FTSE 100	6,963.12	502.60	7.78%
BSE SENSEX	48,386.51	635.18	1.33%
KSE-100	45,682.77	1,927.39	4.40%
CSEALL	7,232.65	458.43	6.77%

Exchange Rates

USD 1 = BDT 84.71*
 GBP 1 = BDT 117.72*
 EUR 1 = BDT 102.37*
 INR 1 = BDT 1.13*

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

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