

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.

Forex reserve nears USD 45 billion on higher remittance

- The country's foreign exchange reserve has reached near USD 45 billion mainly due to a slowdown in import payments following the fresh spike in Covid-19 infections and surge in remittance ahead of Eid-ul-Fitr, the biggest festivals of the Muslims. With a remittance inflow of USD 1.59 billion in the first 22 days of April, the country has fetched a record USD 20.19 billion in remittance till April 22 of 2020-2021, with more than two months in hand till the end of the fiscal year.
- The central bank had slowed down the purchase of the greenback from local banks in the last couple of months as demand for the currency was on the rise along with the growing volume of imports during the period. The BB data showed that the country's import payments increased by 1.91% to USD 37.07 billion during the period under consideration against USD 36.37 billion payments in the same period of FY20. BB officials, however, said that import had dropped significantly following the fresh spike in Covid-19 infections and imposition of restrictions on movement from April 14.

<https://www.newagebd.net/article/136551/forex-reserve-nears-45b-on-higher-remittance>

March tax revenue soars 22.65%

- Tax revenue collection in the month of March registered a hefty 22.65% growth despite Covid-19 pandemic thanks to surge in import of goods. According to data of the National Board of Revenue (NBR), import stage revenue grew by 46.97% in that month. Officials said China, the major source country for import, almost recovered from the blow of coronavirus pandemic, causing an impressive import growth. Collection of Value Added Tax (VAT) also grew by 20.56%, banking on large taxpayers. However, income tax collection posted an 8.85% growth last month. The NBR data showed that internal tax revenue collection grew by 7.31% in the first three quarters of the current fiscal year (FY), 2020-21.
- The Executive Director of the Policy Research Institute (PRI) said its natural that revenue collection growth in the month of March and April would be impressive compared to that of the previous FY. The country was almost shut in that period last year when Covid-19 hit first.

<https://today.thefinancialexpress.com.bd/first-page/mar-tax-revenue-soars-2265pc-1619546531>
<https://www.thedailystar.net/business/news/import-duty-vat-raise-tax-receipts-march-2085005>

Yields on Bangladesh Government Treasury Bonds (BGTBs) drop notably

- The yield on Bangladesh Government Treasury Bonds (BGTBs) dropped significantly on Tuesday, as the commercial banks preferred to invest their excess funds in the securities due to the ongoing lockdown, bankers said. The cut-off yield, generally known as interest rate, on the 15-year BGTBs came down to 5.87% on the day from 6.66% earlier. The yield on 20-year BGTBs fell to 6.64% from 6.95%, according to the auction results.
- Except a few, most of the banks would further cut their interest rate on deposits to minimize cost of funds, bankers hinted. They also said the banks had already slashed their interest rates on all types of deposits because of a high inflow of liquidity in the market. Lower import payment obligations as well as higher inflow of remittance pushed up inflow of liquidity in the market recently. Besides, the ongoing expansionary monetary policy of the Bangladesh Bank (BB) coupled with implementation of the government's stimulus packages have driven up liquidity in the banking system, they added.

<https://today.thefinancialexpress.com.bd/last-page/yields-on-bgtbs-drop-notably-1619547026>

'Sputnik V' vaccine gets government's nod

- The government on Tuesday approved the 'emergency use' of the Russian vaccine 'Sputnik V' against Covid-19. This is the second vaccine the government has approved after the AstraZeneca's. The Sputnik V has not yet been authorized by the World Health Organisation (WHO). The prestigious medical journal Lancet, however, reported that the vaccine having 91.6% efficacy rate was safe. The approval given by the Bangladesh health authorities has made the import and use of the Russian antidote legal. The government undertook a desperate move to procure vaccines from other sources when it had become certain that the Serum Institute of India (SII) would not be able to supply Coveshield, the Oxford-AstraZeneca vaccine anytime soon. The government has already stopped giving first dose of the AstraZeneca vaccine because of its shortage.

<https://today.thefinancialexpress.com.bd/first-page/sputnik-v-vaccine-gets-govts-nod-1619546337>

<https://www.thedailystar.net/frontpage/news/govt-gives-nod-sputnik-v-emergency-use-2084973>

11 banks, NBFIs to disburse loans

- SME Foundation has assigned 11 banks and non-bank financial institutions (NBFIs) to disburse BDT 3.0 billion as loan among the pandemic-hit cottage, micro, small and medium enterprises (CMSMEs) of different sectors under the stimulus package. Of the total BDT 3.0 billion allotted for SME Foundation under the government declared BDT 27 billion package, BDT 1.0 billion will be disbursed before June and BDT 2.0 billion in the upcoming fiscal year 2021-22.
- According to the Foundation, the designated banks and NBFIs - Brac Bank, Premier Bank, Mutual Trust Bank, Bank Asia, South East Bank, Dhaka Bank, Dutch Bangla Bank, Prime Bank, BASIC Bank, IDLC Finance and Lanka Finance - will disburse the fund among the pandemic-hit entrepreneurs following a policy guideline and agreed modality. The loan amount will be from BDT 100,000 to BDT 7.5 million, to be disbursed based on the bank-client relations and mutual agreement on monthly instalment basis up to 24 months. Group loans will also be released.

<https://today.thefinancialexpress.com.bd/first-page/11-banks-nbfis-to-disburse-loans-1619546468>
<https://www.thedailystar.net/business/news/sme-foundation-disburse-BDT-300cr-2084941>

International Finance Corporation (IFC) provides USD 30 million to Brac Bank to aid Covid-hit cos

- International Finance Corporation (IFC) has provided USD30 million to Brac Bank to support small and medium-sized enterprises (SMEs) and larger companies hit by the impacts of the Covid-19 pandemic. The investment will help keep businesses open and preserve jobs, which is critical to sustaining the Bangladesh's economy, according to a statement. The financing package is part of IFC's USD 8 billion global Covid-19 fast-track financing facility to support companies during the ongoing public health crisis.

- With the financing, Brac Bank is expected to extend loans to its SMEs and corporate customers, supporting businesses that are now coping with a new wave of Covid-19 in Bangladesh. SMEs make up over 90% of businesses in Bangladesh and employ over 20% of the adult population. Their cash flows have been heavily disrupted by the ongoing Covid-19 pandemic, the statement added. An IFC survey in last October showed that nearly one-third of workers in Bangladesh's micro, small and medium-sized enterprises were jobless at the time due to Covid-19 impacts.

<https://today.thefinancialexpress.com.bd/last-page/ifc-provides-30m-to-brac-bank-to-aid-covid-hit-cos-1619547082>
<https://www.thedailystar.net/business/news/brac-bank-get-30m-ifc-loan-2084977>

Submarine cable business: Government amends clause to attract more investments

- The government has opened up licences for submarine cable business, removing the clause that allowed only two companies in the market. The government also wants to attract more local and foreign investments in the sector in a bid to create an ecosystem for competitive and high quality internet in the 5G era. Licenses will be awarded by the Commission as per the evaluation of submitted offers or proposals subject to approval of the government, the circular further said.
- Though there was a provision for two companies, Bangladesh Submarine Cable Company Limited (BSCCL) is the core telecommunications service provider and international submarine cable operator of Bangladesh. It is also an IIG (International Internet Gateway). The service provided by BSCCL represents the long-haul communication between Bangladesh and the rest of the world. The company emerged in July 2008 as a public limited company under the Posts and Telecommunications Division of the Ministry of Posts, Telecommunications and Information Technology.

<https://today.thefinancialexpress.com.bd/public/trade-market/govt-amends-clause-to-attract-more-investments-1619455198>

Margin loan interest cap: BSEC defers execution of directive till January next

- The securities regulator has deferred the implementation of its directive regarding the cap on margin loan interest for another six months until January 1, 2022, considering the interest of the investors and development of the capital market. The implementation of its directive regarding the cap on margin loan interest was supposed to come into effect from July 1, 2021.

- Earlier, on January 14, 2021, the securities regulator issued a directive on setting the highest interest rate at 12% on margin loan disbursed against listed securities. The directive said the highest spread on the cost of margin loans will be 3.0%. BSEC extended the timeframe following an appeal from the top brokers and Bangladesh Merchant Bankers Association (BMBA).

<https://today.thefinancialexpress.com.bd/last-page/bsec-defers-execution-of-directive-till-january-next-1619547136>
<https://www.tbsnews.net/economy/stock/brokers-merchant-banks-have-until-1-january-adjust-margin-loans-238216>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$63.01	\$14.49	29.86%
Crude Oil (Brent)*	\$66.50	\$14.70	28.38%
Gold Spot*	\$1,772.15	(\$122.95)	-6.49%
DSEX	5,422.39	20.32	0.38%
S&P 500	4,186.72	430.65	11.47%
FTSE 100	6,944.97	484.45	7.50%
BSE SENSEX	48,944.14	1,192.81	2.50%
KSE-100	45,292.87	1,537.49	3.51%
CSEALL	7,066.70	292.48	4.32%

Exchange Rates

USD 1 = BDT 84.71*
 GBP 1 = BDT 117.65*
 EUR 1 = BDT 102.33*
 INR 1 = BDT 1.14*

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

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