

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.

Bangladesh Bank absorbs BDT 60.7 billion excess liquidity from banks on 2nd auction day

- The central bank on Wednesday drained BDT 60.7 billion in idle money from the banking system through an auction of Bangladesh Bank (BB) bills for the second day. In this way, the Bangladesh Bank has so far mopped up a total of BDT 86.8 billion from banks in the two auctions.
- On the second day, the 30-day BB bills – a monetary instrument to mop up excess liquidity – were auctioned, with banks placing bids amounting to BDT 63.8 billion, according to the Bangladesh Bank. Some 41 banks participated in the auction for 30-day bills and different banks purchased bills worth BDT 60.7 billion at a yield rate of 1.25%.
- Earlier on 9 August, the central bank absorbed another BDT 26.1 billion in excess liquidity from the banking system through seven-day and 14-day BB bills. The total excess liquidity in the banking sector almost doubled in the last year and stood at BDT 2.4 trillion this June. The figure was BDT 1.4 trillion in the same period last year, according to Bangladesh Bank data.

<https://www.tbsnews.net/economy/banking/bb-absorbs-tk6070cr-excess-liquidity-banks-2nd-auction-day-286933>
<https://www.newagebd.net/article/146062/bb-bills-worth-tk-6070cr-issued-in-2nd-auction>

BDT 130.0 billion loans rescheduled in 2020

- Even amid a payment pause facility during the pandemic crisis, banks rescheduled BDT 134.7 billion loans last year. The rescheduled amount, however, was the lowest in the last five years and 74% lower when compared to the previous year's figure, according to the Bangladesh Bank's financial stability report for the year 2020.
- The banking sector experienced the highest amount – BDT 527.7 billion – of loan rescheduling in 2019 as the central bank offered a one-time exit policy that allowed borrowers to regularize loans at only 2.0% down payment.
- Of the rescheduled loans, a significant amount remained classified, which is a matter of concern for the central bank. The ratio of non-performing loans rescheduled was the highest 23.3% in the RMG sector, according to the Bangladesh Bank's data. Private commercial banks possessed the highest amount of rescheduled loans which accounted for 59.6%, while the share of state-owned commercial banks was 35.6% last year.

<https://www.tbsnews.net/economy/banking/tk13000-crore-loans-rescheduled-2020-286996>

Bangladesh Bank rejects bankers' demand for lifting deposit rate cap

- The Bangladesh Bank has rejected bankers' demand for lifting the minimum interest rate cap on deposits. According to an executive director of the Bangladesh Bank, the deposit rate cap was imposed only for the fixed deposit portion of individual depositors. As a result, only 30.0% of deposits will come under the interest rate cap. Banks currently give almost zero interest to institutional depositors. As a result, the deposit rate cap will not affect the banks' profit margin.
- On Sunday, the Bangladesh Bank issued a circular, barring banks from lowering deposit rates below the inflation rate. The inflation rate has been on an upward trend in recent months and stood at 5.6% in June. If banks have to fix deposit rates above inflation, it will give a small return to depositors but push the lending rate up.
- The deposit rate cap has annoyed bankers as they think it will hurt banks' profitability severely, making it difficult for them to keep the lending rate at 9.0%. The deposit rates came down to 2.0% to 3.0%, the lowest level in recent history, and in the case of some banks, it was as low as 1.0%, it did not affect deposit growth. The deposit growth was above 13.0% to 14.0% during the pandemic year, according to the central bank data.

<https://www.tbsnews.net/economy/banking/bb-rejects-bankers-demand-lifting-deposit-rate-cap-286954>

Finance Minister upbeat on high remittance flow

- Finance Minister AHM Mustafa Kamal expressed doubt over the patriotism of people who talks otherwise about higher remittance inflow and its continuation. Referring to statistics he said before the government started providing incentives in 2019, the country had been receiving USD 13.1 billion each year as remittance. But since starting to pay 2.0% incentives to remitters, the country in the first year received USD 18.2 billion and in the following year the figure went up to USD 24.8 billion.
- According to the distinguished fellow of the Centre for Policy Dialogue (CPD), in July remittance inflow fell by 28.0% compared to the same month of previous fiscal year thus the magic shown by remittance during the last couple of years may ends soon.

<https://today.thefinancialexpress.com.bd/first-page/kamal-upbeat-on-high-remittance-flow-1628707029>

Bangladesh Telecommunication Regulatory Commission (BTRC) okays tariffs for NTTN services

- The Bangladesh Telecommunication Regulatory Commission (BTRC) approved tariff rates for services of the private nationwide telecommunication transmission network (NTTN) operators for the first time. The rates have different slabs, price floors and ceilings for different types of customers and areas, according to the Posts and Telecommunications Division.
- The BTRC in June set a uniform price list for internet service providers (ISPs), who are recipients of NTTN services. It was BDT 500 for 5.0 megabits per second (Mbps) of broadband internet a month, to be followed by all ISPs across the country. According to the tariff plan, BDT 500 was the maximum charge at union level.
- On the other hand, price of 10 Mbps internet has been fixed at BDT 800-1,000 a month, while 20 Mbps at BDT 1,100-1,200 per month. According to the new NTTN tariff rates, up to 10 Mbps of regular capacity bandwidth is going to cost BDT 200-300 in metro areas, BDT 400-500 in other than metro areas, and BDT 200-300 for districts and adjacent upazilas and unions. The tariff is getting cheaper, if the volume of bandwidth range is higher, as per the tariff plans.

<https://today.thefinancialexpress.com.bd/last-page/btrc-okays-tariffs-for-nttn-services-1628707314>

Chattogram customs' July revenue logs 3.5% year-on-year growth

- Despite a series of virus restrictions setbacks and the Eid holidays, Customs House, [Chattogram](#), clocked a 3.5% year-on-year revenue growth in July, fetching home about BDT 33.9 billion. Revenues collected in July last year stood at around BDT 32.9 billion. Revenues in the first month of this current fiscal year were BDT 1.0 billion more than in the corresponding period last year. However, collections still missed the July target of BDT 49.8 billion with the 2021-22 FY target set at BDT 654.4 billion.
- The customs house saw a record BDT 67.4 billion in June revenues, the last month of the outgoing fiscal year. Compared to June, July collections, however, fell about 50.0%, to around BDT 33.9 billion.
- In 2020-21 FY, the revenue collection target for Chattogram customs was around BDT 643.0 billion and the collection stood at BDT 515.8 billion. However, it should be noted that customs revenues for 2019-20 FY were around BDT 418.4 billion and 2020-21 FY did see a 23.2% growth over the previous fiscal year.

<https://www.tbsnews.net/economy/ctg-customs-july-revenue-logs-35-year-year-growth-287002>

Dhaka back in bustle

- Dhaka gets back its usual looks amid traffic bustle with resumption of public transports, offices and trades as Bangladesh, attuned to reopening outer world, unlocked Wednesday all sectors but education.
- However, the incidence of the mortal disease gave a look of climb-down on the day with the health department disclosing 237 deaths out of 10,420 cases in the latest 24 hours' count.
- Despite wasting valuable time getting trapped in nagging traffic congestion, the city commuters were found happy having transports that cost them comparatively low. It was also found that the transport operators resumed their operation not following the government instructions to run half of the transports with capacity passengers as majority of the buses were seen operating on the streets on the first day after the latest lockdown regime was over.

<https://today.thefinancialexpress.com.bd/first-page/dhaka-back-in-bustle-1628706747>

60 districts still at 'high risk' of Covid infections

- With the positivity rates above 10.0%, as many as 60 districts are still at a high risk of coronavirus infection as Bangladesh lifted virus curbs on Wednesday. Of the high-risk zones, Munshiganj logged the highest 43.7% positivity rate while Chapainawabganj recorded the lowest 5.1%.
- At the onset of the second wave in Bangladesh in May, the positivity rate in Chapainawabganj spiraled to 70.0%. Strict lockdown and the engagement of local people to enforce it has improved the situation that many call "the Chapai model" of capping Covid infections.
- On Wednesday, two districts had the positivity rates above 40.0%, 13 districts above 30%, 27 districts above 20.0% and 17 districts above 10.0%. The rates in four districts – Natore, Pabna, Joypurhat and Chapainawabganj – were below 10.0%. On the day, positivity rates in Mymensingh and Sylhet division scored 29.12% and 29.1% respectively, while Rajshahi division clocked the lowest 13.1%.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/60-districts-still-high-risk-covid-infections-286963>

Bangladesh Securities and Exchange Commission (BSEC) to punish auditor of Nurani Dyeing

- The Bangladesh Securities and Exchange Commission has decided to punish auditor of Nurani Dyeing and Sweater Limited for

not disclosing information about the closure of company's production for a long time. The BSEC also decided to recast the board of Nunai Dyeing for committing such a crime.

- The Dhaka and Chittagong stock exchanges have recently visited company's corporate office and factory and found it shut. According to the report of the bourses, it was appeared that the company kept its production shut for a long period of time, the press release said.

- However, the audited financial statements and information to the stock exchanges displayed that the activities and production was on operation. BSEC officials said that the auditor breached professional conduct as it did not present the true picture of the company's financial position.

<https://www.newagebd.net/article/146065/bsec-to-punish-auditor-of-nurani-dyeing>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 69.33	USD 20.81	42.89%
Crude Oil (Brent)*	USD 71.55	USD 19.75	38.13%
Gold Spot*	USD 1,750.95	(USD 144.15)	-7.61%
DSEX	6,623.31	1,221.24	22.61%
S&P 500	4,447.70	691.63	18.41%
FTSE 100	7,220.14	759.62	11.76%
BSE SENSEX	54,525.93	6,774.60	14.19%
KSE-100	47,377.38	3,622.00	8.28%
CSEALL	8,095.57	1,321.35	19.51%

Exchange Rates

USD 1 = BDT 84.88*
 GBP 1 = BDT 117.73*
 EUR 1 = BDT 99.65*
 INR 1 = BDT 1.14*

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

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Sadman Sakib	Research Analyst	sadman.sakib@bracepl.com	01730 727 939
Md Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	bappi@bracepl.com	01730 357 991
----------------------	-------------------------	--	---------------

BRAC EPL Research www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142
 Gulshan Avenue, Dhaka – 1212
 Phone: + (880)-2-9852446-50
 Fax: + (880)-2-9852451-52
 E-Mail: research@bracepl.com