

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 steps in to ease non-bank lenders' liquidity problem

- The central bank has allowed non-banking financial institutions (NBFIs) to borrow the maximum 40% of their equities from the inter-bank call money market. The current limit is 30%. The revised limit for borrowing from the call money market of the NBFIs will come into effect from September 01, 2019, according to a notification issued by the Bangladesh Bank (BB) on Monday.
- The NBFIs also were advised to raise capital through issuing bonds, which will also help reduce the dependence on funds from banks. The BB's latest move came against the backdrop of liquidity crunch facing the non-banking financial sector, especially after the recent liquidation of People's Leasing and Financial Services Ltd (PLFSL).

<http://today.thefinancialexpress.com.bd/first-page/bb-steps-in-to-ease-non-bank-lenders-liquidity-problem-1565026453>
<https://www.thedailystar.net/business/news/bb-brings-some-relief-nbfis-cash-crunch-1782310>
<http://www.newagebd.net/article/80797/nbfis-allowed-to-borrow-more-thru-call-money-market>
<https://www.dhakatribune.com/business/banks/2019/08/05/bb-allows-nbfis-to-borrow-larger-amount-from-call-money-market>

Remittance rises by 21% in July

- Inflow of remittance rose by 21.2% year-on-year in July as expatriates sent home more money before Eid-ul-Azha, one of the biggest festivals of the Muslims. Bangladesh Bank data released on Monday showed that the country received USD 1.6 billion in remittance in July, the first month of financial year 2019-20, against USD 1.32 billion in the same month of last year. BB officials said that the country received higher amount of remittance in July as expatriates sent higher amount of money for their family before the Eid-ul-Azha, which would be celebrated on August 12.
- Devaluation of the taka against the dollar has been working as another encouraging factor for the expatriates to send money, they said. The interbank exchange rate of a US dollar increased to BDT 84.5 in recent weeks from BDT 83.9 at the beginning of January this year. In the last 30 months, the taka was devalued by 7.37% or BDT 5.8 as the interbank rate of a dollar was BDT 78.7 in January, 2017.
- In FY19, remittance inflow hit record USD 16.4 billion breaking the previous highest of USD 15.32 billion in FY15. The inflow of remittance in FY19 was 9.48% or USD 1.42 billion higher than the amount received in FY18, USD 14.98 billion. The country's remittance receipt might leap further once the government implements its decision to give 2% cash incentive against remittance as it would bring down the remittance cost, officials said.

<http://www.newagebd.net/article/80799/remittance-rises-by-21pc-in-july>
<https://www.dhakatribune.com/business/economy/2019/08/05/remittance-inflow-surges-ahead-of-eid-ul-azha>

Record debt repayment last fiscal year

- Bangladesh made a record in external debt repayment last fiscal year, in yet another indication of the growing stature of the economy. In fiscal 2018-19 the government paid off USD 1.57 billion to external lenders, up 12.23% year-on-year, according to data from Economic Relations Division (ERD) and Bangladesh Bank. Of the amount, USD 1.18 billion was principal and USD 387 million interest. Bangladesh's external debt repayment is still less than 1% of its GDP. But it may put pressure on the economy after five to six years when repayment of big and supplier credit loans will start.
- If the funds are not utilized properly, debt repayment will hit the foreign exchange reserve and it would create pressure on the economy, a research director of the Centre for Policy Dialogue (CPD) said. Bangladesh received USD 6.21 billion in foreign aid in fiscal 2018-19, the second highest after the previous fiscal year's inflow of USD 6.37 billion, according to data from the ERD. A senior ERD official said that the amount of Bangladesh's external debt was very low as per the International Monetary Fund's permissible limit.

<https://www.thedailystar.net/business/news/record-debt-repayment-last-fiscal-year-1782304>

EBL First Mutual Fund tenure extended up to 2029

- The tenure of EBL First Mutual Fund, a closed-end mutual fund, has been extended for another 10 years until August 18, 2029, said an official disclosure on Monday. Closed-end mutual funds are investment funds that gather a fixed pool of money for 10 years from a number of investors and re-invest them into stocks, bonds and other assets. Bangladesh RACE Management PCL, the asset manager of the fund, has informed that by order of the government, the BSEC

through the exercise of its power accorded by the Securities and Exchange Ordinance, 1969 (XVII of 1969) Section 20A has given consent to extend the tenure of the existing EBL First Mutual Fund for another 10 years in relaxation of all applicable rules & regulations and procedures.

- Earlier in September 2018, the stock market regulator has given a go-ahead to the extension of the tenure of closed-end mutual funds and handed over the right to the asset managers. In this regard, the BSEC also issued a directive that time scrapping its previous directive regarding conversion or liquidation of closed-end MFs on completion of tenure of ten years. The existing closed-end MFs which are unwilling to extend tenure will be allowed to be converted or liquidated as per the rules, the BSEC directive said. According to BSEC directive, total tenure, including another term of ten years, of the existing closed-end mutual funds will not be more than 20 years.

<http://today.thefinancialexpress.com.bd/stock-corporate/ebf-first-mf-tenure-extended-up-to-2029-1565023633>

10 new products to get export subsidy

- The government is going to extend subsidies on the export of 10 new products with a view to boost export earnings to USD 50 billion by 2021 to achieve higher growth and generate employment. Moreover, garment export to the US, Europe and Canada will for the first time get 1% of the earnings as subsidy, for which the government has allocated BDT 28.25 billion. According to the Finance Secretary, the fruits of this subsidy would come through the achievement of the GDP growth target. At present, cash incentives ranging from 2-20% is provided on export of 26 categories of products.
- The new products will be eligible for cash incentives of 4 to 10%. They include surgical instruments and appliances, buffalo intestines and horns, home appliances, particle boards, products from betel nut plants and garment products made from scrap fabrics. Agro and synthetic products made by Bangladeshi entrepreneurs at export processing zones, software made by local companies at hi-tech parks and PET flakes will also get the benefit.

<https://www.thedailystar.net/business/news/10-new-products-get-export-subsidy-1782325>
<http://www.newagebd.net/article/80798/cash-incentives-against-export-of-more-products-in-fy20>
<https://www.dhakatribune.com/business/economy/2019/08/05/11-more-products-to-get-export-incentive>

281,000 BO accounts closed in July amid sluggish stock business

- A total of 281,158 beneficiary owner (BO) accounts were closed in July due mainly to non-payment of annual account renewal fees by the stock investors amid sluggish stock business. Besides, capital losses also contributed to exodus of investors who did not bother to renew their accounts paying annual fee, stakeholders have said. July is the month for clearing annual BO account renewal fees. The DSE officials concerned say the number of defaulting BO account holders in the given month was the highest this year, as never in the last decade did the number cross two lakh.
- According to the Central Depository Bangladesh Ltd (CDBL) data, the number of active BO accounts was 28,09,850 on June 30, but the figure declined to 25,28,692 on July 31 this year. Dhaka Stock Exchange Brokers' Association (DBA) president said that investors are not paying fees as they could not make profit and faced huge losses. About closing such a big number of BO accounts, he says that good companies are not going public, and BSEC did not approve a single IPO since April 30.
- As of yesterday, out of a total 2,516,104 BO accounts, 1,844,925 belonged to males and 671,179 to female investors. According to the CDBL data, currently 2,372,817 BO accounts are owned by Bangladeshi investors and 143,287 accounts by non-resident Bangladeshi investors.

<https://www.dhakatribune.com/business/stock/2019/08/05/281-000-bo-accounts-closed-in-july-amid-sluggish-stock-business>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.03	-0.63	-1.13%
Crude Oil (Brent)*	\$61.13	-0.76	-1.23%
Gold Spot*	\$1,452.14	+11.31	+0.79%
DSEX	5,172.86	+3.13	0.06%
Dow Jones Industrial Average	26,485.01	-98.41	-0.37%
FTSE 100	7,407.06	-177.81	-2.34%
Nikkei 225	20,538.96	-548.20	-2.60%

Exchange Rates

USD 1 = BDT 84.45*
GBP 1 = BDT 102.61*
EUR 1 = BDT 93.75*
INR 1 = BDT 1.20*

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

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