

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 allows each bank to form BDT 2 billion fund

- The central bank has allowed all scheduled banks to create a special fund worth BDT 2.0 billion each of five-year tenure, only for investment in the capital market, officials said. Under the fresh arrangement, the banks may form the special fund with their own resources or with fund received from the Bangladesh Bank (BB) through repo or re-financing mechanism, according to a notification, issued by the BB on Sunday. Such investment will not be included in the banks' capital market exposures, both on solo and consolidated basis, until February 2025, it added.
- The banks will be eligible to get repo (repurchase agreement) facilities against treasury bills (T-bills) and treasury bonds at 5.0% interest rate instead of the existing 6.0%. The interested banks will receive such low-cost fund through special repo facility without holding any auction, the BB officials said. Under the mechanism, the banks may lend money to share market intermediaries by charging maximum 7.0% interest rate, according to the notification. Such loan will not be included in the ADR (advance-deposit ratio) calculation of the banks concerned. The lending will be of continuous and revolving nature during the five years tenure, the officials explained.

<https://today.thefinancialexpress.com.bd/first-page/bb-allows-each-bank-to-form-BDT-2b-fund-1581356791>

<https://www.thedailystar.net/business/banking/news/bb-comes-the-rescue-ailing-stocks-1866244>

<https://www.newagebd.net/article/99216/bangladesh-bank-allows-each-bank-to-form-BDT-200cr-special-fund-for-stocks>

Bangladesh Securities and Exchange Commission (BSEC) sits with top executives of seven SoEs next week

- The securities regulator has stepped up its efforts to facilitate the process of divesting the shares of some selected state-owned enterprises (SoEs) in a bid to revamp the country's stock market. As part of the move, the Bangladesh Securities and Exchange Commission (BSEC) will sit with top executives of seven SoEs next week to evaluate their requirements and preparations in this regard.
- The Ministry of Finance (MoF) has already dispatched the minutes of its recent meeting, asking seven companies to take necessary steps for offloading their shares in the stock market. Of the seven selected companies, Titas Gas Transmission & Distribution Company and Power Grid Company of Bangladesh are already listed on the stock exchanges. These two companies have been asked to offload at least 10% shares.

<https://today.thefinancialexpress.com.bd/first-page/bsec-sits-with-top-executives-of-seven-soes-next-week-1581356841>

Dhaka Stock Exchange foreign investors withdraw fund for 11 months

- The net foreign investment at Dhaka Stock Exchange remained negative for the last 11 months in January this year due mainly to low investors' confidence in the market, gloomy economic reports and volatile financial sector. The net foreign investment dipped to BDT 1.28 billion negative in January this year after BDT 162 million negative in December last year. In January, the overseas investors sold shares worth BDT 4.02 billion against their purchase of shares worth BDT 2.74 billion. In 2019, the overseas investors sold shares worth BDT 41.67 billion against their purchase of shares worth BDT 36.79 billion.
- A decline in the private sector credit growth to nine-year low, negative export earnings for last five months, poor tax revenue collection and heavy government borrowing were adding woes to the waning investors' confidence. The foreign investors continued pulling funds out the market amid concerns over the country's economy, volatility in the financial sector and anomalies in the capital market. The continued foreign investment flight in last two years from the capital market has become a heavy drag on the market.

<https://www.newagebd.net/article/99217/dse-foreign-investors-withdraw-fund-for-11-months>

The National Board of Revenue (NBR) seeks budget proposals from think-tanks, lenders

- The revenue authority has sought proposals from a wide range of stakeholders, including ministries, think-tanks and international lenders, apart from trade bodies as it prepares to frame revenue measures for fiscal 2020-21. The official believes the suggestions from these stakeholders will help them boost revenue collection as opposed to the proposals from trade bodies who usually ask for waivers and discounts. By February 27, opinions and recommendations will have to be submitted on VAT and Supplementary Duty Act 2012, the rules related to the law, Excises and Salt Act as well as notifications and orders related to the legislations.

<https://www.thedailystar.net/business/news/nbr-seeks-budget-proposals-think-tanks-lenders-1866172>
<https://www.newagebd.net/article/99218/nbr-seeks-budget-proposals-from-research-orgs-global-lenders-universities-for-first-time>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$50.15	+0.58	+1.17%
Crude Oil (Brent)*	\$54.01	+0.74	+1.39%
Gold Spot*	\$1,568.26	-3.89	-0.25%
DSEX	4385.55	-3.21	-0.07%
Dow Jones Industrial Average	29,276.82	+174.31	+0.60%
FTSE 100	7,446.88	-19.82	-0.27%
Nikkei 225	23,685.98	-142.00	-0.60%
BSE SENSEX	40,979.62	-162.23	-0.39%

Exchange Rates**USD 1 = BDT 84.96*****GBP 1 = BDT 109.75*****EUR 1 = BDT 92.73*****INR 1 = BDT 1.19***

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

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BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229
Md. Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
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BRAC EPL Research www.bracepl.com

121/B Gulshan Avenue
Gulshan-2, Dhaka
Phone: +880 2 881 9421-5
Fax: +880 2 881 9426
E-Mail: research@bracepl.com