

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 gets UN recommendation for graduating from LDC status

- The United Nations Committee for Development Policy has recommended Bangladesh's graduation from Least Developed Country (LDC) status along with Nepal and Lao PDR. Bangladesh has met, for the second time, all the three eligibility criteria for graduation involving income per capita, human assets, and economic and environmental vulnerability. After the recommendation by the UN committee for Bangladesh to become a developing nation, the proposal will be sent to the United Nations Economic and Social Council (ECOSOC) for endorsement in June.
- In view of the impact of the Covid-19 pandemic on the economy, the CDP recommended that Bangladesh and two other countries get five years, till 2026, to prepare for the transition to a developing country instead of three years.

<https://www.thedailystar.net/business/news/bangladesh-gets-un-recommendation-graduating-ldc-status-2051857>

Thirteen banks suffer negative credit growth in 2020

- Thirteen banks faced negative credit growth year-on-year as of December 2020 amid a plunge in demand following the coronavirus outbreak which caused businesses to refrain from taking fresh loans. However, the situation improved in January as the businesses started to rebuild their production inputs following commencement of vaccination drives against the virus in different countries along with restoration of business activities within the country due to a very low infection rate. Officials of the central bank said that the banks had suffered from negative credit growth mainly as the banks' loan recovery from their customers in 2020 was higher than issuance of fresh loans to customers, resulting in negative growth.
- In 2020, domestic credit growth and private sector credit growth were 9.91% and 8.37% respectively, remaining far lower than the central bank's monetary projections. The central bank projected to achieve 19.3-per cent domestic credit growth for the fiscal year 2020-2021 but later lowered the projection to 17.4% to check inflation while private sector credit growth was set at 14.8%.
- The thirteen banks which suffered negative growth in 2020, excluding those with Shariah-based banking operations, are BASIC Bank, Eastern Bank, Jamuna Bank, NCC Bank, NRB Bank, Global Islami Bank, Shahjalal Islami Bank, Bank Alfalah, State Bank of India, Standard Chartered Bank, National Bank of Pakistan, Modhumoti Bank and Woori Bank. Global Islami Bank managing director said that they are yet to recover completely from the coronavirus issue and are living under an undeclared restriction.

<https://www.newagebd.net/article/131322/thirteen-banks-suffer-negative-credit-growth-in-2020>

BB mulling incentive against small-value remittance

- The Bangladesh Bank has started an analysis into the possibility of issuing incentive to small-value remitters by reducing the cost of sending money home from abroad. The central bank has taken the move with a view to reducing the cost burden on remitters who usually send small amounts of money home from abroad. The government may reimburse beneficiaries of the remittance sent in local currency against the charge the remitters would pay to the money transfer agency. To encourage the remitters, the government in the fiscal year 2019-2020 introduced a policy to pay 2-per cent incentive against inward remittance.

<https://www.newagebd.net/article/131248/bb-mulling-incentive-against-small-value-remittance>

BO accounts on the rise

- The number of new beneficiary owners' (BO) accounts, used to invest and trade in the stock market, continued to rise following regulatory measures taken to ease the account opening process. The regulatory approval for a good number of IPO (initial public offering) proposals this year has also inspired investors to open BO accounts, according to market insiders. The number of active BO accounts stood at over 2.66 million as of Thursday, up from 2.63 million on February 1. The data of the Central Depository Bangladesh Limited (CDBL) revealed that the BO accounts saw a rising trend in its number over the last several months.
- The number of accounts was 2.51 million on December 1, 2020 and the figure surpassed 2.55 million on January 4 this year. To increase the investors' participation, the securities regulator inaugurated the online BO account opening system in Dubai as well as at its own office in Dhaka early February. As a result, investors are now able to open BO accounts from their home without going to brokerage houses in person.

<https://today.thefinancialexpress.com.bd/stock-corporate/bo-accounts-on-the-rise-1614442691>

Walton plans fresh USD 640 million investment

• Walton Hi-Tech Industries Ltd is going to make a fresh investment of USD 640 million, equivalent to BDT 54.40 billion, to expand facilities to produce and increase export of electrical and electronic goods. The company has already submitted its plan to the Bangladesh Economic Zones Authority (Beza), seeking 300 acres of land at the Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram. Under the investment, the company intends to set up a second unit of Walton Hi-Tech Industries, said Walton Group Managing Director.

• The investment will be made over a period of eight years and would be comprised, in equal parts, of retained earnings and long-term bank loans. The group plans to borrow from domestic and foreign banks. The Walton managing director hopes the second unit would widen its global footprint. The proposal said all manufacturing machinery would be imported from countries, including Japan, China, Italy, Korea, Belgium, Turkey, Austria, Germany and the US. Its forecast domestic and export sales revenue in the seventh year following investment is around BDT 56.90 billion.

<https://www.thedailystar.net/business/news/walton-plans-fresh-640m-investment-2052241>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|-------------|------------------|--------------|
| Crude Oil (WTI)* | \$61.50 | \$12.98 | 26.75% |
| Crude Oil (Brent)* | \$64.42 | \$12.62 | 24.36% |
| Gold Spot* | \$1,734.04 | (\$161.06) | -8.50% |
| DSEX | 5,416.39 | 14.32 | 0.27% |
| S&P 500 | 3,811.15 | 55.08 | 1.47% |
| FTSE 100 | 6,483.43 | 22.91 | 0.35% |
| BSE SENSEX | 49,099.99 | 1,348.66 | 2.82% |
| KSE-100 | 45,865.02 | 2,109.64 | 4.82% |
| CSEALL | 7,476.34 | 702.12 | 10.36% |

Exchange Rates

USD 1 = BDT 84.84*

GBP 1 = BDT 118.15*

EUR 1 = BDT 102.42*

INR 1 = BDT 1.15*

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

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