

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.

Important News Snippets

Covid: July already overtakes deadliest April

- With 2,549 lives lost to Covid-19 in the first 14 days, July has already broken the record of monthly fatality count in the deadliest April this year. In April, 2,404 coronavirus patients died as the month recorded the highest 112 deaths on a single day. Besides, the daily death counts crossed the 100-plus mark five times in that month.
- The first half of this July has already witnessed 200 plus deaths for the fourth day in a row Wednesday, and 100 plus deaths for the previous eight days. This month also reported the single-day highest 230 fatalities. In the past 24 hours until Wednesday, the country reported 210 deaths and 12,383 new cases, according to the health directorate. The latest single-day positivity rate stands at 29.14%.
- According to the health directorate, the Covid-19 death rate is now at 1.61% -- up from previous month's 1.5%. with 2.6% fatalities, Khulna tops divisional death rates. Not only the elderly citizens, many of the younger population with no comorbidity factors have been losing the fight against the infection in this second wave. During the peak of Covid first wave in July 2020, the highest daily caseload was 1,264 while the highest single-day deaths were 55.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/covid-19-july-becomes-cruellest-month-another-macabre>

Banks cut back on loan write-off

- Loans written off by banks declined sharply in the first quarter of this year as the lenders' capacity to keep 100% provisioning against their delinquent assets has decreased because of the slowdown in their business. Between January and March, loans amounting to BDT 1.0 billion were written off, down 87.4% from a quarter earlier, according to data from Bangladesh Bank. Banks, however, wrote off only BDT 330.0 million in the first three months of last year.
- As per Bangladesh Bank regulations, banks have to keep a provisioning of 0.25% to 5.0% for unclassified loans. They have to maintain 20.0% for default loans of substandard category, 50.0% for the doubtful category and 100% for the bad or loss category.
- Non-performing loans (NPLs) in the country's banking sector stood at BDT 950.9 billion in March, up 7.1% from three months earlier and 2.8% year-on-year. Default loans amounting to BDT 9.7 billion were removed from the balance sheets last year, down 63.0% year-on-year. A total of BDT 571.2 billion has been written off since the facility was introduced in January 2003.

<https://www.thedailystar.net/business/economy/banks/news/banks-cut-back-loan-write-2130501>

Deposits in NBFIs drop in Q1

- The amount of deposits in the country's non-bank financial institutions fell in the January-March quarter in 2021 as people's trust in the sector is yet to be restored. Bangladesh Bank data showed that the deposits in NBFIs dropped by BDT 5.6 billion quarter-on-quarter in the January-March quarter of the year 2021.
- At the end of March quarter, the deposits in the NBFIs sector dropped to BDT 442.3 billion from BDT 448.0 billion in deposits three months before. However, the deposits in banks increased by BDT 88.0 billion in the January-March quarter, taking the total deposits in the country's banking sector to BDT 13.0 trillion at the end of March 2021.
- Prior to the January-March quarter 2021, the deposits in NBFIs rose only by 3.9% or BDT 16.8 billion in 2020 even after receiving policy support from the central bank. In 2020, deposit growth in the banking sector was 13.5% or BDT 1.5 trillion. In 2019, the amount of deposits in the NBFIs dropped to BDT 431.2 billion from BDT 455.5 billion at the end of the year 2018.

<https://www.newagebd.net/article/143750/deposits-in-nbfis-drop-in-q1>

New timings for interbank cheque clearing

- The central bank set 12pm and 3pm as the presentment and return cut off time respectively for clearing high value cheques (BDT 500,000 and above) on 15, 18 and 19 July. For lower value cheques (below BDT 500,000), the regulator set 12:30pm and 5pm as the presentment and return cut off time respectively for the three days mentioned above.

• A weekly holiday falls on the 16th of July. For the 17th and 20th of July, the central bank set 11:30pm and 1pm as the presentment and return cut off time respectively for all high value cheques. On those two days, the regulator set 12pm and 2:30pm as the presentment and return cut off time respectively for cheques below BDT 500,000. During this period, transactions using the RTGS system can be carried out from 10am to 2pm, while payment of customs duties, fees, charges and interbank transactions can continue until 3pm.

• In another circular the same day, the Bangladesh Bank said financial institutions will conduct business as usual from 10am to 6pm on the 15th, 18th and 19th of July. From 25 July to 5 August (excluding weekly holidays), they will operate on a limited scale from 10am to 2pm.

<https://www.tbsnews.net/economy/banking/bb-re-fixes-daily-timings-interbank-cheque-clearing-274861>

Bangladesh Securities and Exchange Commission (BSEC) approves two more SMEs to raise capital

• The stock market regulator has approved two more SME sector firms' proposal for raising capital worth BDT 100.0 million each through qualified investor offer (QIO). The capital will be raised through the exchanges' SME platform earlier introduced to ensure long term financing for the small capital companies. The companies are Oryza Agro Industries Ltd and Master Feed Agrotec Ltd.

• According to the BSEC approval, Oryza Agro Industries will raise capital of BDT 100.0 million by issuing 10 million ordinary shares to eligible investors through qualified investor offer. The company will utilise the proceeds to repay bank loan, working capital and issue management costs with a face value per share of BDT 10.0. It is not a public offer and general investors are not allowed to apply for the shares issued through QIO. Only the eligible investors are allowed to receive shares through QIO.

• As per the BSEC approval, Master Feed Agrotec will raise capital worth BDT 100.0 million by issuing 10 million ordinary shares to eligible investors through qualified investor offer. The company will utilise the proceeds for working capital and issue management costs with a face value per share of BDT 10.0. The company will not be allowed to issue any bonus shares within three years from the date of debut trading, as per the BSEC approval.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-two-more-smes-to-raise-capital-1626284161>

Baraka Patenga Power makes debut today

• Baraka Patenga Power is making its shares trading debut on Dhaka Stock Exchange and Chittagong Stock Exchange today (Thursday) under settlement category "N". The DSE trading code for the power generation company is "BPPL" and DSE company code is 15324 while the CSE scrip ID is 20024 and scrip code is "BPPL".

• BSEC allowed the company to explore the cut-off price of its shares through eligible investors' bidding on January 5 of this year. The company raised BDT 2.25 billion by issuing 73,770,488 ordinary shares under the book-building method. Its IPO subscription was held between June 13 and June 17. Baraka Patenga is the second company, after Sonali Life Insurance, whose IPO shares had been allocated on the newly introduced pro-rata basis.

<https://today.thefinancialexpress.com.bd/stock-corporate/baraka-patenga-power-makes-debut-today-1626284284>

Envoy Textile to invest BDT 1.8 billion to expand spinning project

• World's first platinum certified green factory Envoy Textile Limited has decided to invest BDT 1.8 billion to enhance production capacity of its spinning project. The new project's production capacity will be 3,710 tonne yarn per year. Out of the total investment amount, the company will provide BDT 560.0 million from its retained earnings and the rest will come from the banks.

• According to the chairman of Envoy Textile, the firm is making investments to build new capacity to produce blended yarn, which is expected to help to reduce over-rate cost. The company is adjusting its capacity preference, buoyed by the prediction that demands for fabrics will soon go beyond the pre-pandemic level riding on vaccination drives in the apparel sector's two key export destinations – Europe and the USA.

<https://www.tbsnews.net/economy/envoy-textile-invest-tk176-crore-expand-spinning-project-274942>

City Bank secures USD 30.0 million foreign fund

• CDC Group, the development finance institution and impact investor of the United Kingdom, has extended a trade finance loan of USD 30.0 million to City Bank. CDC's investment will enable City Bank to extend foreign currency trade credit to local lenders, importers and exporters and is expected to generate up to USD 100.0 million in additional trade every year, according to a press release.

• The loan will strengthen City Bank's ability to meet the needs of its more than 17.0 million clients in the retail and small-and-medium-enterprise (SME) segments, facilitating increased trade and supporting key sectors of Bangladesh's economy. The bank will assist businesses in meeting exporters' requirements of payment at sight and clients' needs for timely goods receipt while enhancing overall competitiveness in international commercial activities.

<https://www.thedailystar.net/business/economy/banks/news/city-bank-secures-30m-foreign-fund-2130496>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 72.18	USD 23.66	48.76%
Crude Oil (Brent)*	USD 73.82	USD 22.02	42.51%
Gold Spot*	USD 1,828.53	(USD 66.57)	-3.51%
DSEX	6,273.33	871.26	16.13%
S&P 500	4,374.38	618.31	16.46%
FTSE 100	7,091.19	630.67	9.76%
BSE SENSEX	52,904.05	5,152.72	10.79%
KSE-100	47,491.47	3,736.09	8.54%
CSEALL	7,939.35	1,165.13	17.20%

Exchange Rates

USD 1 = BDT 84.66*

GBP 1 = BDT 117.10*

EUR 1 = BDT 100.12*

INR 1 = BDT 1.14*

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

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