

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.

Economy braces for soft landing: Bangladesh Bank

- The disruption in global supply chain caused by the pandemic will dampen the country's economic growth prospect by the end of this fiscal year, predicts the central bank. Looking ahead, domestic economic activities will remain buoyant due to strong remittance inflow despite the slowdown in export and import growth, the Bangladesh Bank, or BB, said in its latest quarterly update. But slowing global economic growth, Covid-19-induced disruption in the global supply chain, is likely to dampen the growth prospect during fiscal year 2019-20, it said.
- However, the pace of economic activities continued its normal trend due to strong domestic demand in first half (H1) of FY'20, according to the report covering October-December. A surge in government borrowings pushed broad money (M2) growth to 12.0% during the period under review, above the target of 11.3% for the H1 of this fiscal, while private credit growth continued moderating, according to the review. The review said weak private credit demand along with strong deposit growth favored by the buoyant remittance inflows led to an increase in liquidity in the banking system.
- Gross non-performing loans in the banking system dropped significantly to 9.3% in Q2 of FY'20 from 12.0% three months before, mainly because of loan rescheduling and one-time exit policy for bad credit, it added. The amount of soured loans shrank by nearly 19% to BDT 943.31 billion as of December 31 of the year from BDT 1,162.88 billion three months before, the BB data showed.
- The review said overall fiscal deficit remained at a moderate level during Q2 of FY 20, led by modest growth in expenditure and higher revenue collection. More than 60% of deficit financing was met from domestic sources led by banks and the rest came from foreign sources during the period as well as the first half of FY'20, according to the report.

<https://today.thefinancialexpress.com.bd/first-page/economy-braces-for-soft-landing-bb-1584895967>

Central bank to buy T-bills, bonds from banks

- The central bank will inject fresh fund through purchasing government securities directly from the banks to avert any unwanted liquidity satiation stemming from the coronavirus pandemic. As per the latest decision of the Bangladesh Bank (BB), interested commercial banks as well as non-banking financial institutions (NBFIs) may sell their excess securities after complying with the statutory liquidity ratio (SLR).
- The market rate for the securities will be fixed on the basis of cut-off yield on the securities at the latest auction. Currently, four treasury bills (T-bills) are being transacted through auctions to adjust the government's borrowings from the banking system. The T-bills have 14-day, 91-day, 182-day and 364-day maturity periods.

<https://today.thefinancialexpress.com.bd/first-page/central-bank-to-buy-t-bills-bonds-from-banks-1584896348>

Delta Hospital's share bidding begins

- Electronic bidding process to determine the cut-off price of Delta Hospital Limited shares began on Sunday. The bidding began at 5pm under the book building method of initial public offering (IPO) will continue for the next 72 hours. Eligible investors intending to participate in the bidding must meet a minimum investment criterion of the regulator.
- As per the regulatory approval, the company will raise BDT 500 million using the book building method to expand its business and repay bank loans. As per the revised public issue rules, eligible investors and mutual funds are allowed to purchase 40% and 10% shares respectively at the cut-off price. General public and non-resident Bangladeshis (NRBs) are allowed to purchase 40% and 10% shares respectively at 10% discount on the cut-off price. According to the entity's audited financial statements for the year ending June 30, 2019, the company's net asset value per share and weighted average earnings per share were BDT 45.84 and BDT 2.10 respectively.

<https://www.dhakatribune.com/business/stock/2020/03/22/delta-hospital-s-share-bidding-begins>

RMG export order cancellation, suspension race near to USD 1.5 billion

- The value of RMG export orders cancelled or put on hold by global buyers due to the worldwide coronavirus outbreak neared USD 1.5 billion till Sunday, according to the Bangladesh Garment Manufacturers and Exporters Association data. The BGMEA data showed that a total of 1,089 factories informed the trade body till Sunday about order cancellation or shipment delay notices they had received from the buyers for export orders involving USD 1.49 billion. Exporters said that they were getting order cancellation or shipment delay notices from buyers in every hour as most of the fashion retailers had shut their stores in Europe and North America due to the coronavirus outbreak.

- The former president of the Bangladesh Knitwear Manufacturers and Exporters Association feared that Bangladesh might lose USD 6-7 billion of RMG exports due to the outbreak of coronavirus worldwide. He said that considering the situation it can be presumed that the consumers of Europe and America would not buy garments for next two months and buyers would have to reduce their import orders for two months. Now, it is a very simple equation that Bangladesh's export loss to the US and Europe would stand at USD 6-7 billion in the two months.

<https://www.newagebd.net/article/102970/rmg-export-order-cancellation-suspension-race-near-to-15b>

All supermarkets, malls to remain shut from Mar 25 to 31

- All the shopping complexes and malls across the country will remain closed from March 25 to 31 as part of an effort to contain the coronavirus outbreak. Last night the president of Bangladesh Shop Owners' Association said they decided to shut markets and shopping malls as the number of customers dropped sharply amid coronavirus scare. However, the decision will not be applicable to kitchen markets, grocers' shops and medicine stores. Those will remain open as usual. Besides, many of the salespersons are unwilling to work due to the virus scare, he mentioned. He said there are around 250 markets in the capital and about 5,500 across the country.

<https://www.thedailystar.net/frontpage/news/shops-malls-close-wednesday-1884508>

<https://today.thefinancialexpress.com.bd/last-page/all-supermarkets-malls-to-remain-shut-from-mar-25-to-31-1584896707>

Garment factories to stay open

- The government on Sunday reiterated its decision to keep the factories in the country open amid the coronavirus pandemic. The decision was announced again after separate meetings with labor leaders. Shramik Karmachari Oikya Parishad (SKOP), a platform of 11 labor rights bodies, on Sunday demanded ensuring proper safety and protective measures in all the industrial units including readymade garment (RMG) and the areas they dwell across the country to protect workers from the possible Covid-19 infections. The SKOP leaders said they did not want closure of any factory now including garment saying that closure would create more panic and coronavirus would spread as workers would be moving across the country.

- They also demanded rationing facility of daily essentials including medicines for the workers and arrange industrial zone-based institutional quarantine facility, if needed. Besides, they pressed for keeping the operation in the factories running and requested the government to ensure monthly wages for the workers if the factories are closed. The SKOP leaders demanded an emergency fund worth BDT 50 billion for workers and formation of a task force comprising workers, owners, government officials and experts to decide what to do amid the ongoing coronavirus pandemic.

<https://today.thefinancialexpress.com.bd/first-page/govt-sticks-to-its-decision-to-keep-factories-open-1584896463>

<https://www.thedailystar.net/business/news/garment-factories-stay-open-1884538>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$23.07	+0.44	+1.94%
Crude Oil (Brent)*	\$26.43	-0.55	-2.04%
Gold Spot*	\$1,493.64	-5.01	-0.33%
DSEX	3,960.17	-14.79	-0.37%
Dow Jones Industrial Average	19,173.98	-913.21	-4.55%
FTSE 100	5,190.78	+39.17	+0.76%
Nikkei 225	16,851.79	+298.96	+1.81%
BSE SENSEX	27,608.80	-2,307.16	-7.71%

Exchange Rates

USD 1 = BDT 84.81*

GBP 1 = BDT 98.89*

EUR 1 = BDT 90.92*

INR 1 = BDT 1.11*

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

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