

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.

Government tamps down allocation amid fears of revenue shortfall

- The government had to allocate BDT 414.49 billion less fund than the demand placed by different ministries under the new annual development programme (ADP) for the upcoming fiscal year (FY) due to a possible resource constraint. Since the COVID-19 pandemic has affected the economy as well as the revenue collection, they said, the government had to take a cautious approach in setting the development expenditure in the next financial year (FY). The government on May 18 last approved the ADP for FY2021-22 with an allocation of BDT 2.25 trillion against a demand for a total of BDT 2.66 trillion by the ministries and agencies, the Planning Commission (PC) officials said.
- The government, however, has allocated as much from the external resources as desired by the ministries and agencies, he added. According to the PC, it had allocated BDT 1.37 trillion from the internal resources against the demand of BDT 1.79 trillion by the ministries. On the other hand, it allocated BDT 880.24 billion from the external resources against a demand for BDT 879.37 billion. Since they got less fund than demand, we have allocated money as much as possible for all the 1,426 ongoing projects, another PC official said.
- Had they received BDT 2.66 trillion from the finance ministry, they would have been able to provide all the 1,426 projects with more fund, he added, requesting for anonymity. They had to allocate even BDT 1.0 million to BDT 10 million for some of the projects. When asked, a finance ministry official said that they would not be able to provide adequate fund in the FY 2021-22 ADP as revenue collection would again face setback due to the pandemic.

<https://today.thefinancialexpress.com.bd/last-page/govt-tamps-down-allocation-amid-fears-of-revenue-shortfall-1621703535>

Cash takes back seat as Covid drives card use

- The use of both credit and debit cards went up heavily in March as people purchased more products and services through digital means amid the recent resurgence of Covid-19. Total card loans held by lenders stood at BDT 17.83 billion in March, up 18% from a month ago and 57% year-on-year. The growth in March was also the highest in the last seven months since September last year as the previous highest growth was 24% in August. Clients' dependency on debit cards increased substantially in March as the figure stood at BDT 220.00 billion, up 22% from that a month earlier and 45.33% year-on-year.
- The growth of debit card transactions is also the highest in the last eight months as the number of cardholders surged 44.66% in July. The head of card and digital banking at Eastern Bank Ltd (EBL), said that people had prepared in advance to tackle the second wave of the pandemic since March, putting a positive impact on the card transactions. Although the government imposed restriction on public movement in April, it had earlier requested people to stay at home in March to contain the second wave, he said.
- EBL, one of the largest credit card issuers in the country, also observed the upward transaction trend in April, he said. The head of retail banking at Dhaka Bank, mentioned three reasons behind the increase in card transactions at his bank. People came back to their normal lifestyle in February, which also continued in the first half of March, he said. So, transactions through cards maintained an upward trend during the period and many people purchased lifestyle products in advance to celebrate March 26, which is the country's independence day.

<https://www.thedailystar.net/business/economy/news/cash-takes-back-seat-covid-drives-card-use-2097181>
<https://www.tbsnews.net/economy/digital-transactions-surge-march-249406>

4 companies waiting for SME board listing

- Four companies are waiting for the Bangladesh Securities and Exchange Commission's approval for being listed on the country's stock exchanges' small and medium enterprise platform. The companies are Oryza Agro Industries Limited, Subra Systems Limited, Mostafa Metal Industries Limited and Master Feed Agrotec Limited. Oryza Agro Industries will raise BDT 100 million, Master Feed BDT 100 million, Subra Systems BDT 120 million and Mostafa Metal BDT 110 million through qualified investor offers. As companies with paid up capital of more than BDT 300 million cannot apply for the QIO, the regulator exempted the four companies from complying with the related rules, BSEC spokesperson said.
- The current paid up capital of Mostafa Metal is BDT 378.5 million, that of Subra Systems BDT 500 million, that of Master Feed BDT 571.5 million and that of Oryza Agro BDT 590.8 million. He also said that subscription of shares of the companies under the SME board would be through qualified offering and distribution of those shares would be on pro rata basis.

<https://www.newagebd.net/article/138528/4-cos-waiting-for-sme-board-listing>

Government asks KPCL to shut production by May

• Bangladesh Power Development Board has asked Khulna Power Company Limited, listed with the country's two stock exchanges, to shut down the company's production as the tenure of the existing Power Purchase Agreement will end by this month. According to a company's price-sensitive information, the tenure of existing Power Purchase Agreement (PPA) of KPC Unit II 115MW Plant and KPC 40MW Noapara Plant of Khulna Power Company (KPCL) is going to expire on 31 May 2021 and 28 May 2021 respectively.

• 'Accordingly, BPDB has instructed by its letter to shut down KPC Unit II 115MW Plant and KPC 40MW Noapara Plant from 1 June 2021 and 29 May 2021 respectively,' it said. 'However, our persuasion for renewal of PPAs for the mentioned power plants is ongoing,' it also said.

<https://www.newagebd.net/article/138544/govt-asks-kpcl-to-shut-production-by-may>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$63.58	\$15.06	31.04%
Crude Oil (Brent)*	\$66.44	\$14.64	28.26%
Gold Spot*	\$1,881.25	(\$13.85)	-0.73%
DSEX	5,813.07	411.00	7.61%
S&P 500	4,155.86	399.79	10.64%
FTSE 100	7,018.05	557.53	8.63%
BSE SENSEX	50,540.48	2,789.15	5.84%
KSE-100	45,914.98	2,159.60	4.94%
CSEALL	7,220.72	446.50	6.59%

Exchange Rates

USD 1 = BDT 84.79*

GBP 1 = BDT 119.98*

EUR 1 = BDT 103.27*

INR 1 = BDT 1.16*

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

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