

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.

Private credit flow grows as businesses reopen

- Credit flow into private sector grows gradually as July demand for loans, particularly for working capital, rose for Eid-ul-Azha festival and the after-lockdown reopening of businesses began creating needs for funds. Such credit flow rose to 8.38% in July 2021 on a year-on-year basis, from 8.35% a month ago, according to the central bank's latest statistics. The growth was 7.55% in May 2021. It was 2.62 percentage points lower than the Bangladesh Bank (BB)'s target of 11% for the first half (H1) of fiscal year (FY) 2021-22.
- All the scheduled banks have already been asked to implement the second phase of two major stimulus packages amounting to BDT 600 billion to help revamp the coronavirus-hit economy. Implementation process of the second phase of the stimulus packages worth BDT 400 billion for large industries and service-sector business entities has been started with the inclusion of foreign-owned companies operating in Bangladesh. Besides, the stimulus package for the cottage, micro, small and medium enterprises (CMSMEs) worth BDT 200 billion has already entered into its second phase through amending the target-fixation method.

<https://today.thefinancialexpress.com.bd/last-page/private-credit-flow-grows-as-businesses-reopen-1630866232>

BDT 5 billion credit scheme for low-income people

- The Bangladesh Bank (BB) launched a BDT 5.0-billion re-financing scheme on Sunday to help mitigate adverse impact of the Covid-19 pandemic on the marginal/landless farmers, low-income groups, school banking account-holders and small businesses. The central bank, in a press release, said BDT 10, BDT 50 and BDT 100 account-holders are entitled to get money from the special fund.
- Under the scheme, the scheduled banks are allowed to disburse collateral-free loan of maximum BDT 0.5 million to a client. In terms of group funding, the regulator set a loan limit of maximum BDT 2.0 million for a group having two to five members.

<https://today.thefinancialexpress.com.bd/first-page/Tk-5b-credit-scheme-for-low-income-people-1630865473>

Waivers eat up 8.0% of BD's tax-GDP ratio

- Tax exemptions are eroding 8.0% from Bangladesh's tax-GDP ratio, but the government's revenue authority says it is necessary to spur economic growth. Bangladesh's tax-GDP ratio is one of the lowest in the region.
- The country's tax-GDP ratio is currently below 9.0% which could have been 17% if the government refrained from offering exemption, admitted NBR chairman. Some 8.0% of the total revenue collected from customs wing is being lost in the form of tax exemptions, he added.

<https://today.thefinancialexpress.com.bd/first-page/waivers-eat-up-80pc-of-bds-tax-gdp-ratio-1630865539>

Remittance continues to slump in August

- Remittance continued to dip for the third consecutive month in August, with seemingly no respite in the coming days. Remittance inflow declined 8% year-on-year in August to USD1.8 billion, the lowest in the past six months. At the same time, the remittance in August decreased by about 3.25% compared to July, the first month of the fiscal year.
- According to the Bangladesh Bank data, remittances sent by expatriates to the tune of USD1,810 million in August, equivalent to BDT15,385 crore (if a dollar cost BDT85.) The figure of USD1.8 billion is lower than August 2020, when it was USD1.96 billion. Apart from this, compared to the first month of the current FY 2021-22 July, the remittance has decreased by about 3.25% in August. In July, the expatriates sent USD1.87 billion, equivalent to BDT15,900 crore.

<https://www.dhakatribune.com/business/economy/2021/09/05/remittance-continues-to-slump-in-august>

Dollar gets pricier on rising imports

- High import expenditure coupled with low remittance inflow have pushed up the price of the US dollar against the local currency both in the banking channel and the open market, putting the foreign exchange market under pressure.
- The cash US dollar rate increased by BDT0.30 to BDT0.40 over the past one week and is currently trading at nearly BDT88. The LC (letter of credit) rate also rose by BDT0.30 in the past week to reach BDT85.25 on Sunday.

<https://www.tbsnews.net/economy/dollar-gets-pricier-rising-imports-298279>

Companies reined in on lavish bonus shares

- Listed companies' hands are now tied on issuance of unjustified stock dividends as the securities regulator likes investors to relish cash gains from their money in time, lest they shouldn't be deceived. The Bangladesh Securities and Exchange Commission (BSEC) issued the latest set of rules through a gazette notification, evidently in view of a spree in handing out dividends in terms of stocks as bonus shares.
- Five types of companies, including Z-category ones, have also not been allowed to issue stock dividends or bonus shares without prior consent of the commission. As per the BSEC decrees, immediate after declaration of stock dividends or bonus shares, a listed company will have to disclose price-sensitive information (PSI) that it has not declared such dividend from capital reserves or revaluation reserves.

<https://today.thefinancialexpress.com.bd/first-page/cos-reined-in-on-lavish-bonus-shares-1630865612>

NRB Commercial Bank fined for overinvestment in stocks

- The Bangladesh Bank has penalized the new generation NRB Commercial Bank for overinvestment in stocks, violating the Bank Company Act. The newly-listed bank invested more than 27% of its capital in stocks as of July when the banking law allows a maximum 25% investment on a solo basis.
- The NRB Commercial bank was fined BDT23.5 lakh for violating the law, according to a source at the central bank. Chairman of NRB Commercial Bank said the investment crossed the limit owing to an increase in share prices amid rising price indices at the Dhaka Stock Exchange (DSE). The bank's real investment remains within 20%, he added.

<https://www.tbsnews.net/economy/banking/nrb-commercial-bank-fined-overinvestment-stocks-298282>

<https://www.thedailystar.net/business/economy/banks/news/nrb-commercial-bank-fined-breaching-stock-investment-ceiling-2169501>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$68.94	\$20.42	42.09%
Crude Oil (Brent)*	\$72.23	\$20.43	39.44%
Gold Spot*	\$1,828.30	(\$66.80)	-3.52%
DSEX	7,052.82	1,650.75	30.56%
S&P 500	4,535.43	779.36	20.75%
FTSE 100	7,138.35	677.83	10.49%
BSE SENSEX	58,129.95	10,378.62	21.73%
KSE-100	46,957.47	3,202.09	7.32%
CSEALL	9,316.65	2,542.43	37.53%

Exchange Rates

USD 1 = BDT 85.12*

GBP 1 = BDT 117.93*

EUR 1 = BDT 101.05*

INR 1 = BDT 1.16*

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

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