

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.

Cost of projects to be revised

- The government will revise the cost of various projects considering the rising cost of construction materials, including rod, said LGRD Minister. The minister informed the House that this will be done within the next one week to 10 days. He added that the contractors will then be interested in carrying out work of different projects

<https://today.thefinancialexpress.com.bd/trade-market/cost-of-projects-to-be-revised-1654534825>

Govt to lower corporate tax to 12% for non-RMG sectors

- The government is going to introduce a 12% corporate tax for all export sectors – the same rate as the readymade garment industry is now enjoying – with a view to encouraging export diversification. Besides, green industries exporting goods and services will be taxed at 10%. All sectors other than the RMG now pay a 30% tax for exports of goods and services. The massive cut in corporate tax will ensure a level-playing field for all other sectors. This type of export-friendly initiative will lower the trade deficit with other countries,

<https://www.tbsnews.net/economy/budget/govt-lower-corporate-tax-12-non-rmg-sectors-434486>

MRT-5 to cost USD 5.05 Bn

- An Asian Development Bank (ADB)-funded feasibility study team has estimated USD 5.05 Bn cost for the proposed 17.40-km MRT line-5 (southern) route. The MRT-5 southern route will be the third initiative of the government after taking up the ongoing metro-rail projects, including MRT-6, MRT-1 and MRT-5 (northern) routes. The construction of the northern route has been started at a cost of BDT 412.38 Bn, which is expected to be completed by Dec'28.

<https://today.thefinancialexpress.com.bd/first-page/mrt-5-to-cost-505-billion-1654540237>

SMEs get only 33% of required loan

- The entrepreneurs of the country's small and medium enterprises (SMEs) receive loans for only 33% of their demand, said the SME Foundation. In addition, rural entrepreneurs receive only 19% of the total disbursed loans in this sector. According to the SME Foundation, SMEs suffered the most in the Covid-19 pandemic as 94% of the businesses witnessed a decline in sales, and 21% were shut down.
- Research done by various public and private organisations had shown that 37% of the workers in these small and medium companies had lost their jobs, and 70% were at risk of losing their jobs. Around 83% of the companies are facing losses, and 33% have not been able to repay the loan instalments.

<https://www.tbsnews.net/economy/smes-get-only-33-required-loan-434338>

Interbank US dollar rate in Bangladesh rises to BDT 91.95

- The exchange rate of the dollar rose to a record high of BDT 91.95 on Monday from BDT 89.9 a day ago. With the latest devaluation, the exchange rate of the dollar has appreciated by BDT 5.5 per US dollar since May 1 and BDT 7.15 since Aug'21. To keep the foreign exchange market stable, the BB has so far injected USD 5.95 Bn in the current fiscal year into the banking system.

<https://www.newagebd.net/article/172544/interbank-us-dollar-rate-in-bangladesh-rises-to-tk-9195>

Banks paid high dividends, now they are in trouble

- The provision surplus of 41 private banks in the country stood at BDT 7.96 Bn in Mar'22, 84% down year-on-year from BDT 50.0 Bn in Mar'21. 25 of the 41 private banks have no provision surplus. Despite efforts from central bank and caution from global rating agencies, many banks did not pay heed to the warnings and announced higher dividends even during the pandemic.
- BRAC Bank, Dutch-Bangla Bank, Islami Bank, Prime Bank, Pubali Bank, Shahjalal Islami Bank, The City Bank, and Uttara Bank have provision surplus of BDT 1.0 Bn or more. Agrani Bank, BASIC Bank, Janata Bank, and Rupali Bank, while the private banks are Mutual Trust Bank, Standard Bank, Bangladesh Commerce bank, and National Bank have an accumulated provision shortfall of BDT 208.0 Bn.

<https://www.tbsnews.net/economy/banking/banks-paid-high-dividends-now-they-are-trouble-434478>

Wage board for RMG workers on cards

- The government will take initiatives soon to form a wage board aiming to increase the existing wages for the country's readymade garment workers. The government would also distribute cards among garment workers so that they can buy daily essentials at fair prices.

<https://thefinancialexpress.com.bd/trade/wage-board-for-rmg-workers-on-cards-1654518373>

Govt to make direct contact with Brazil's soybean exporters

- The government has taken an initiative to establish direct contact between its relevant agencies and Brazilian exporters of soybean, aimed at securing timely and periodic supply of the essential commodity. The Bangladesh Embassy in Brazil is exploring the possibilities of procuring bulk soybean from the South American country following a recent instruction by the Ministry of Commerce.

<https://today.thefinancialexpress.com.bd/trade-market/govt-to-make-direct-contact-with-brazils-soybean-exporters-1654534763>

Transfer undistributed dividends to CMSF account by June 10

- The securities regular has asked issuer companies to transfer undistributed dividends into the account of Capital Market Stabilisation Fund (CMSF) within June 10, after extending the May 31 deadline. An official of the CMSF told that the suspense accounts containing undistributed dividends will not be operated without the regulatory permission. Issuer companies have so far transferred undistributed stock dividend worth around BDT 5.0 Bn and BDT 4.7 Bn of cash dividend.

<https://today.thefinancialexpress.com.bd/stock-corporate/transfer-undistributed-dividends-to-cmsf-account-by-june-10-1654537423>

BSEC moves to make A and B category stocks sellable the next day

- Bangladesh Securities and Exchange Commission (BSEC) has moved to shorten the settlement cycle of stocks under the 'A' and 'B' categories to T+1, so that they can be sold the very next day after purchase. Currently, investors can sell a stock on T+2, while it is T+4 for Z category stocks.

<https://www.tbsnews.net/economy/stocks/bsec-moves-make-a-and-b-category-stocks-sellable-next-day-434410>

Bourses asked to explain Modern Dyeing delisting

- Bangladesh Securities and Exchange Commission (BSEC) has sought explanations from both stock exchanges of the country about the delisting and postponement of share trading of Modern Dyeing and Screen-Printing Ltd. In July 2018, the board of directors of the Dhaka Stock Exchange decided to delist the firm from the exchange's all boards.

<https://www.tbsnews.net/economy/stocks/bourses-asked-explain-modern-dyeing-delisting-433326>

BSEC to look into business activities of Miracle Industries

- The Bangladesh Securities and Exchange Commission (BSEC) has formed an inquiry committee to review the overall affairs of Miracle Industries Ltd, which manufactures different types of bags for cement, fertilizer, salt, feed, sugar, food grains, and chemicals.
- Four directors of the company at a board meeting expressed their intention to transfer their entire holdings of 35,22,900 shares to Mehmood Equities Ltd. by 14 June 2021, considering the dire financial and business condition of the company. However, the said transfer is yet to be completed. The firm has changed its office location or shut it down without the decision of the board and proper intimation to all stakeholders.

<https://www.tbsnews.net/economy/stocks/bsec-look-business-activities-miracle-industries-434438>

Meghna Insurance to make share trading debut Wednesday

- Meghna Insurance Company Ltd will commence trading of its shares on the Dhaka Stock Exchange (DSE) from Wednesday under the "N" category. The DSE trading code for the company is "MEGHNAINS". Earlier, on 1 March this year, the Bangladesh Securities and Exchange Commission (BSEC) allowed the general insurer to raise BDT 160 Mn from the stock market through an initial public offering (IPO).

<https://www.tbsnews.net/economy/stocks/meghna-insurance-make-share-trading-debut-wednesday-434446>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 119.38	USD 44.17	58.73%
Crude Oil (Brent)*	USD 120.45	USD 42.67	54.86%
Gold Spot*	USD 1,840.64	USD 11.44	0.63%
DSEX	6,502.36	-254.30	-3.76%
S&P 500	4,121.43	-644.75	-13.53%
FTSE 100	7,608.22	223.68	3.03%
BSE SENSEX	55,675.32	-2,578.50	-4.43%
KSE-100	41,577.21	-3,018.86	-6.77%
CSEALL	7,803.61	-4,422.40	-36.17%

Exchange Rates**1 US Dollar = 91.63 BDT****1 GBP = 114.59 BDT****1 Euro = 97.85 BDT****1 INR = 1.17 BDT**

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