

*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.*

### **The state-owned commercial banks (SoCBs) to give funds to PCBs at 6.0% interest**

- The state-owned commercial banks (SoCBs) have agreed to provide deposit to the private commercial banks (PCBs) at 6.0% interest rate for implementing the single-digit lending rate. The government is thinking about depositing its fund with both the public and the private sector banks at rates below 6.0% to help implement the proposed interest rate. Chief executive officer and managing director of the Sonali Bank Limited assured that we'll provide deposit to the PCBs at 6.0% interest rate.
- Meanwhile, the PCBs have started implementation of the proposed cut in their lending and deposit rates in line with the decisions of the Bangladesh Association of Banks (BAB). On June 20, BAB decided to bring down the interest rates on lending and deposit to 9.0% and 6.0% respectively from July 01. Chairman of the Association of Bankers, Bangladesh (ABB) said that PCBs are reducing the lending rates to 9.0% from the existing level in line with the decisions of their respective board of directors.
- As per the BAB decisions, the proposed interest rate on deposit will be applicable in case of the deposits having three-month maturity tenure only. The interest rates of other term-deposits (for six months and one year) will not come under such jurisdiction. Bangladesh Bank (BB) also assured the bankers to extend its support for implementing the single-digit lending rate.

<http://today.thefinancialexpress.com.bd/first-page/socbs-to-give-funds-to-pcbs-at-60pc-interest-1530554365>  
<https://www.thedailystar.net/business/deposit-funds-private-banks-6pc-interest-1599106>  
<http://www.newagebd.net/article/45031/scbs-to-give-pvt-banks-fund-at-6pc-interest>

### **Remittance rises 17%**

- Inward remittance has bounced back strongly in the just concluded fiscal year, thanks to depreciation of the BDT against the USD . The country received remittances worth USD 14.98 billion in 2017-18, up 17.31% from the previous year. In 2016-17, the receipts were the lowest in six years -- USD 12.77 billion. On June 30, the interbank exchange rate was BDT 83.75, which was BDT 80.60 a year earlier. Bangladeshis living abroad are remitting more money through formal channels because of higher rate offered by local banks. The majority of the banks are facing a shortage of greenback for the last few months due to spiralling import payments against falling export earnings. So, the banks are putting in their best efforts to bump up remittance inflows through their respective channels. At the same time, the central bank has strengthened its surveillance on hundi, the illegal outlet that many turn to for moving funds cross-border.

<https://www.thedailystar.net/business/remittance-rises-17pc-1599103>  
<http://www.newagebd.net/article/45033/remittance-inflow-rises-17pc-in-fy18-amid-dollar-appreciation>

### **Operators yet to cut VAT on internet use**

- No internet service provider, including the mobile operators, has lowered the value-added tax at the end user level even though the government has slashed the tax burden by about 66% for customers from July 1. In contrast, when the government imposed supplementary duty on mobile services two years ago the operators scuppered to implement it, with the levy taking effect within hours. In the budget for fiscal 2018-19 the government lowered the VAT on internet usage to 5% from 15% to meet a longstanding demand of the ICT sector.
- This means, the operators were legally obliged to apply the reduced VAT from the early hours of July 1. The reason for the delay in implementing the new tax structure is that ISPs are complaining that it will increase their cost of doing business by about 10 to 12%; they will request the government to reconsider the move. Meanwhile, the mobile operators said they are not reducing the VAT at the end user level yet as the order is not clear.

<https://www.thedailystar.net/business/operators-yet-cut-vat-internet-use-1599100>

**World Stock and Commodities\***

| <b>Index Name</b>            | <b>Close Value</b> | <b>Value Change</b> | <b>% Change</b> |
|------------------------------|--------------------|---------------------|-----------------|
| Crude Oil (WTI)*             | \$74.58            | +0.64               | +0.87%          |
| Crude Oil (Brent)*           | \$77.88            | +0.58               | +0.75%          |
| Gold Spot*                   | \$1,239.72         | -2.32               | -0.19%          |
| DSEX                         | 5322.41            | -83.05              | -1.54%          |
| Dow Jones Industrial Average | 24,307.18          | +35.77              | +0.15%          |
| FTSE 100                     | 7,547.85           | -89.08              | -1.17%          |
| Nikkei 225                   | 21,628.39          | -183.54             | -0.84%          |

**Exchange Rates**

USD 1 = BDT 83.43\*  
GBP 1 = BDT 109.57\*  
EUR 1 = BDT 97.06\*  
INR 1 = BDT 1.21\*

*\*Currencies and Commodities are taken from Bloomberg.*

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