

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.

Banks can now lend more to trade-based small enterprises

- Banks and other financial institutions can now lend more to trade-based cottage, micro, small and medium enterprises (CMSMEs) as the central bank yesterday raised the annual ceiling of the loans for the sector by 10% points. While unveiling the BDT 200.00 billion stimulus package for the CMSME sector in April, the central bank included trade-based micro and cottage firms as a huge number of people are employed in the sector. At the time, lenders were allowed to disburse 20% of their total annual loans to trade-based CMSMEs.
- Now, they can set aside 30% of the loans for the sub-sector as the CMSMEs have been hit hard by the coronavirus pandemic, the BB said in a circular yesterday. As a result, banks can channel up to 30% of the stimulus package to the sector. If the amount of the loans goes past 20%, the share of the funds for the manufacturing and service sub-sectors would go down proportionately. However, it would not be below 70% combined for the two sub-sectors, the BB said. The disbursement of the funds from the stimulus package has not been satisfactory, the BB said.
- Trading dominates the CMSME sector. So, they had long been urging the central bank to raise the ceiling for the trading sub-sector, said the head of SME of Brac Bank. Because of the 20% cap, banks could not lend more to CMSME traders from the package, he said. So, they welcome the 10% points increase. This will help banks accelerate the disbursement of funds from the stimulus package. The banker also said the deadline for the CMSME fund disbursement should be extended to December, as the central bank did in case of the stimulus package for the farming sector.

<https://www.thedailystar.net/business/news/banks-can-now-lend-more-trade-based-small-enterprises-1985989>
<https://tbsnews.net/economy/banking/small-traders-get-30-stimulus-package-151066>

Export loans get cheapest ever

- The central bank has slashed interest rates on loans under Export Development Fund (EDF) scheme to help exporters weather the pandemic-related disruptions. The revised rates will allow exporters to borrow from the low-cost fund at a rate of 1.75% instead of the previous 2.0%. Such an interest rate on loans under the EDF will continue until March 31, 2021, according to a notification, issued by the Bangladesh Bank (BB) on Wednesday.
- Authorised dealer (AD) banks will also get the similar benefit and access such loans from the central bank paying 0.75% interest rate, down from 1.0%. Bangladesh's export earnings grew by 2.97% to USD 9.70 billion during the July-September period of the fiscal year (FY), 2020-21, from USD 9.42 billion in the same period of FY '20. The central bank has also considered a lower London Inter-bank Offered Rate (LIBOR) that was linked to the low-cost fund earlier for re-fixing the interest rate. In a month, LIBOR came down to 0.15% this week from 1.79% a year ago, according to the international media reports.
- The central bank has enhanced allocations for the EDF to USD 5.0 billion from USD 3.50 billion in line with the government's efforts to minimise the economic impacts of the coronavirus crisis. Exporters welcomed the BB's latest move, saying that it will help increase export earnings in the coming months defying the challenges posed by the Covid-19 pandemic

<https://today.thefinancialexpress.com.bd/first-page/export-loans-get-cheapest-ever-1603907095>
<https://www.dhakatribune.com/business/banks/2020/10/28/bangladesh-bank-further-cuts-lending-rate-from-edf>
<https://www.thedailystar.net/business/news/loans-export-dev-fund-be-cheaper-1985993>
<https://tbsnews.net/economy/banking/interest-rate-edf-loans-slashed-151006>

Budget spend shrinks by BDT 1.0 trillion in FY'20

- The government expenditure fell significantly in the last fiscal year as the COVID-19 crisis impacted development outlays. The total budget outlay reached BDT 3.98 trillion at the end of June 30, down by over BDT 1.0 trillion, according to Economic Review 2020, a government publication released on Wednesday. The revised budget for the fiscal year 2020 was BDT 5.01 trillion, which is equivalent to 17.88% of the gross domestic product. The latest publication, which was not published during the budget announcement due to the disruptions caused by COVID-19 outbreak, said operating expenditure was recorded at over 87% while the development expenditure was just over 73%.
- Lower expenditure has helped the country keep fiscal deficit at 4.8% of the gross domestic products (GDP). The original budget had estimated a much wider deficit at 5.5% in 2019-20. The official publication said that revenue mobilization target was BDT 3.38 trillion or 12.4% of the GDP. But, at the end of the fiscal year, the collection was BDT 2.63 trillion, down by more than 22% from the target.

<https://today.thefinancialexpress.com.bd/first-page/budget-spend-shrinks-by-BDT-10tn-in-fy20-1603907435>

Japan lifts foreign aid in Q1

- The inflow of foreign aid to Bangladesh jumped by 55% in the first quarter (Q1) of this fiscal after Japan released a big chunk of budget support to help the economy recover from the Covid-related devastations, officials said on Wednesday. The bilateral and multilateral development partners disbursed USD 1.45 billion worth of medium and long-term loans and grants in July-September period of the fiscal year 2020-21, provisional statistics of the Economic Relations Division (ERD) showed. The country received USD 931.04 million worth of assistance from the external sources at the same time in FY2020, according to the ERD data.

- Besides, longer term loans and grant disbursement by other major development partners, including the World Bank (WB), the Asian Development Bank (ADB) and China were also remarkable, the official said. The Washington-based lender disbursed USD 329.65 million credit, the ADB USD 201 million and China USD 246.37 million during the first three months of the current fiscal, which will conclude in June 2021. Of the total foreign aid, the development partners released USD 1.38 billion worth loans and USD 60.3 million worth grants during July-September period.

<https://today.thefinancialexpress.com.bd/last-page/japan-lifts-foreign-aid-in-q1-1603907677>

Bangladesh outdoes India, Pakistan in sustainable trade

- Bangladesh has surpassed India and Pakistan in terms of sustainable trade on the back of better performance in economic and social areas, says the Economist Intelligence Unit (EIU). However, the ranking in the environmental aspect is poor for Bangladesh due to worsening deforestation and air and water pollution, according to the EIU's latest Sustainable Trade Index 2020 commissioned by the Hinrich Foundation. The country jumped five places up in the index scoring 49.3 out of 100 and ranked 12th among 20 Indo-Pacific economies, while India and Pakistan scored 47.1 and 43.9 respectively.

- The index measures a country's capacity to participate in the international trading system in a manner that supports the long-term domestic and global goals of economic growth, environmental protection, and social capital development. Bangladesh experienced the highest improvement in social development (9th), but ranked at the bottom in labour standards. On the economic front, the country ranked at the top in the economic growth indicator and performed better in the export market concentration, gross fixed capital formation and growth in the labour force.

<https://tbsnews.net/economy/bangladesh-outdoes-india-pakistan-sustainable-trade-151087>

Marico BD declares 200% interim cash dividend

- Marico Bangladesh Ltd, one of the leading listed multinational companies, has declared 200% interim cash dividend based on six months financials for the period ended on September 30, 2020. Marico Bangladesh, the first subsidiary of Indian fast-moving consumer goods company Marico, has reported earnings per share (EPS) of BDT 25.03 for July-September 2020 as against BDT 21.24 for the same period in 2019. In the six-month period from April to September 2020, its EPS was BDT 56.67 as against BDT 48.20 for April-September 2019, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Wednesday.

- The net operating cash flow per share (NOCFPS) was BDT 83.24 for April-September 2020 as against BDT 73.75 for April-September 2019. The net asset value (NAV) per share was BDT 50.57 as on September 30, 2020 and BDT 44.05 as on March 31, 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/marico-bd-declares-200pc-interim-cash-dividend-1603902214>
<https://www.dhakatribune.com/business/stock/2020/10/28/marico-bangladesh-announces-200-interim-cash-dividend>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$37.56	(\$24.07)	-39.06%
Crude Oil (Brent)*	\$39.23	(\$29.21)	-42.68%
Gold Spot*	\$1,877.10	\$355.63	23.37%
DSEX	4,838.52	385.59	8.66%
S&P 500	3,271.03	40.25	1.25%
FTSE 100	5,582.80	(2,004.25)	-26.42%
BSE SENSEX	39,922.46	(1,719.68)	-4.13%
KSE-100	41,186.86	451.78	1.11%
CSEALL	5,600.20	(529.01)	-8.63%

Exchange Rates

USD 1 = BDT 84.78*

GBP 1 = BDT 110.16*

EUR 1 = BDT 99.64*

INR 1 = BDT 1.14*

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

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