

*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.*

### **Stimulus packages fueling private credit growth**

- Private sector credit growth extended its gains for the second straight month in August driven by loans given under the stimulus packages aimed at reviving the economy. The year-on-year credit growth stood at 9.36% in August, up 9.20% from a month earlier. Credit growth had decreased in the two years to April before increasing in May and declining once again in June. It started an upward trend in July, a sign of the steady recovery process of the country's economy.
- The outstanding loans in the private sector stood at BDT 11.02 trillion as of August in contrast to BDT 10.95 trillion in the previous month. The implementation of various stimulus packages has given a boost to the country's private sector credit growth, said the managing director of Pubali Bank. Banks have so far disbursed 80% of the BDT 330.00 billion that has been allocated for the large industries and service sector under the central bank's stimulus package
- Lenders have been sitting on excess liquidity for the last couple of months as the central bank has injected funds into the market in different forms to revive the economy, said the managing director of Dhaka Bank. In addition, credit demand from the private sector is yet to reach a strong position as had been in the pre-Covid-19 period, he said. Despite that, banks are looking for avenues for investment to keep the wheel of their profitability moving, he said.

<https://www.thedailystar.net/business/news/stimulus-packages-fuelling-private-credit-growth-1968737>

### **Microfinance institutions (MFIs) to get more money to lend under stimulus package**

- Microfinance institutions (MFIs) will receive more funds from banks under the government's BDT 30.00-billion stimulus package for distribution among the pandemic-hit clients after the central bank raised the ceiling on the loans they can secure from commercial lenders. On April 20, Bangladesh Bank unveiled the refinance scheme for low-income professionals, marginal farmers and micro-enterprises to keep them afloat. Marginal businesses and farmers with no access to banks and non-bank financial institutions will be allowed to get loans from the revolving fund.
- At the time, the central bank had said a bank could lend up to 30% of last three years' average loan to an MFI or 2% of the BDT 30.00 billion stimulus package, or whichever was lower. But yesterday the central bank raised the ceiling from 2% to 5%, according to a circular. Under the package, the BB will initially provide the fund to banks at 1% interest, which they will lend to MFIs at 3.5% interest. The MFIs will be allowed to charge a maximum of 9% interest to borrowers.

<https://www.thedailystar.net/business/news/mfis-get-more-money-lend-under-stimulus-package-1968721>  
<https://tbsnews.net/economy/banking/microfinance-institutions-get-more-refinancing-scheme-138448>

### **July-August tax revenue collection up slightly**

- The government's tax revenue collection improved slightly in the July-August period of this fiscal year (FY), 2020-21, with a nominal growth over the corresponding period of last FY. It happened so, as the economy started reviving following an improvement in the Covid-19 pandemic situation. In this July, the tax revenue collection growth was in a negative territory, at 6.77%, compared to the previous year. In August, the National Board of Revenue (NBR) achieved a 7.85% growth in revenue collection over the corresponding month of previous year, said provisional data of the board. The government's tax revenue collection in the July-August period of FY 21 was 0.16% higher than the matching period of last fiscal.
- When contacted, Director General of the NBR's Research and Statistics Wing said the revenue collection achieved a positive growth in this July-August period mainly due to increase in import, intensified efforts of taxmen, and revival of economic activities.

<https://today.thefinancialexpress.com.bd/last-page/july-aug-tax-revenue-collection-up-slightly-1601229194>  
<https://www.newagebd.net/article/117447/tax-collection-falls-BDT-10784cr-short-of-target-in-july-aug>

### **Bangladesh Securities and Exchange Commission (BSEC) vows to rein in rumors**

- The Bangladesh Securities and Exchange Commission (BSEC) will take strict measures against the spread of misinformation on the stock market as it leads to gambling and has an overall negative impact on general investors, according to a senior regulatory official. They are bringing a number of Facebook pages and other websites under our radar to monitor whether they spread stock market related information or advice, he said. As per regulations, no one is allowed to provide advice on investment strategies without securing an advisory certificate from the stock market regulator.

- They will shut down all the pages that are spreading rumours and we will take legal actions against them as well, the BSEC official added. The BSEC recently urged investors to disregard any possible rumours as it could adversely affect their investment strategies.

<https://www.thedailystar.net/business/news/bsec-vows-rein-rumours-1968709>

### **Ring Shine shuts factory for one month as export orders decline**

- The management of the Ring Shine Textiles Ltd closed its factory for one month until October 25 due to decline in export orders. The management has decided to lay-off factory due to worldwide impact of prevailing Covid-19 pandemic, declining orders from foreign buyers, and shortage of imported raw materials, the company said in a posting through Dhaka Stock Exchange website. The factory will be reopened as usual from October 26, 2020, according to the disclosure.

- The company's IPO fund account was suspended for six months and the management could not use this fund as the securities regulator subsequently requested the Bangladesh Bank to freeze the IPO account of the company on charges of irregular cash disbursements. Recently, the Bangladesh Securities and Exchange Commission (BSEC) has withdrawn the embargo on the use of the initial public offering (IPO) fund of Ring Shine Textiles.

<https://today.thefinancialexpress.com.bd/stock-corporate/ring-shine-shuts-factory-for-one-month-as-export-orders-decline-1601221888>

<https://tbsnews.net/economy/rmg/ring-shine-textiles-declares-one-month-layoff-orders-decline-138397>

<https://www.newagebd.net/article/117450/ring-shine-shuts-factory-for-one-month-within-1-year-of-listing>

<https://www.dhakatribune.com/business/stock/2020/09/27/ring-shine-factory-to-remain-shut-till-october-25>

### **Energypac eyes bigger footprint in autogas industry: Managing Director**

- Energypac Power Generation Limited (EPGL), one of the leading power engineering companies in Bangladesh, is set to invest more in LPG business from its IPO proceeds to grab a significant share of the growing LPG market. The Md & CEO of Energypac believes because of the countrywide construction of residential buildings without access to piped gas, demand for LPG will be more than double in the next five years. Autogas is the common name for LPG when it is used as a fuel in vehicles. Autogas is also widely known as a "green" fuel. The government has also stepped forward as part of the ongoing efforts to make LPG more available as a primary fuel source for vehicles in Bangladesh where reserves of natural gas are depleting fast.

- The company has been working in the sectors of power generation, energy, infrastructure, commercial automotive, industrial and commercial building and assembling and manufacturing. Its energy and power division supplies generators, alongside providing operations, maintenance and installation services. The motor vehicle division of the company imports, assembles and sells branded commercial vehicles and agro machinery.

<https://today.thefinancialexpress.com.bd/stock-corporate/energypac-eyes-bigger-footprint-in-autogas-industry-1601221973>

### **Trust Bank to issue BDT 4 billion bond**

- Trust Bank Ltd is due to issue a BDT 4 billion bond and its proceeds would be regarded as Additional Tier 1 capital of the issuer. Issuing a redeemable non-convertible unsecured subordinated bond is expected to help the commercial bank fulfil its Basel III requirements. Previously, on June 28 this year, the bank decided to issue a perpetual bond of BDT 4 billion.

<https://tbsnews.net/economy/banking/trust-bank-issue-BDT400-crore-bond-138400>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$40.04	(\$21.59)	-35.03%
Crude Oil (Brent)*	\$41.70	(\$26.74)	-39.07%
Gold Spot*	\$1,860.43	\$338.96	22.28%
DSEX	4,971.61	518.68	11.65%
S&P 500	3,298.46	67.68	2.09%
FTSE 100	5,842.67	(1,744.38)	-22.99%
BSE SENSEX	37,388.66	(4,253.48)	-10.21%
KSE-100	41,701.23	966.15	2.37%
CSEALL	5,859.04	(270.17)	-4.41%

**Exchange Rates**

**USD 1 = BDT 84.86\***  
**GBP 1 = BDT 108.35\***  
**EUR 1 = BDT 98.73\***  
**INR 1 = BDT 1.15\***

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

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