

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.

Bangladesh Bank asks banks to meet CRR, SLR requirements

- The central bank has asked the scheduled banks to comply with cash reserve ratio (CRR) and statutory liquidity ratio (SLR) rules concerning their offshore banking operations (OBO) from September 01 next. Under the new mechanisms, the banks will be eligible to comply with the CRR requirement using their balance of foreign currency clearing accounts held with the central bank, particularly for the OBOs. Besides, the banks will be allowed to maintain the SLR using their balance of nostro accounts, according to a notification, issued by the Bangladesh Bank (BB), on Monday.
- The banks, which have offshore banking operations (OBOs), need around BDT 230 billion to meet the CRR and SLR requirements. An extra liquidity pressure might be created if the banks were to comply with the CRR and SLR rules for OBOs, the chairman of the Association of Bankers, Bangladesh (ABB), said while explaining possible impact of the policy. In the past, the central bank was not empowered fully to monitor and supervise the OBU operations closely due to legal constraints, A BB official said. The OBUs were exempted for maintaining CRR and SLR with the central bank of Bangladesh against their liabilities.

<http://today.thefinancialexpress.com.bd/first-page/bb-asks-banks-to-meet-crr-slr-requirements-1566235848>

<http://www.newagebd.net/article/81931/banks-must-keep-crr-slr-against-offshore-unit-exposures>

<https://www.dhakatribune.com/business/banks/2019/08/19/bb-asks-banks-to-maintain-crr-slr-for-offshore-operations>

FY'19 trade gap narrows

- The country's merchandise trade deficit with the rest of the world narrowed in the past fiscal year (FY'19), despite slight rise in imports, the central bank said on Monday. The latest statistics showed that trade gap reached USD 15.49 billion in FY19, down from USD 18.17 billion in FY18. The double-digit expansion in goods exports and moderate growth in imports helped reduce the trade gap during the period. Balance of payments (BoP) table showed that export in terms of FoB (Free on Board) registered 10.10% growth in FY'19 while imports edged up by 1.80%. The gap in services trade also decelerated to USD 3.71 billion in FY19, which was USD 4.20 billion in FY18.
- The reduction in trade gap along with around 10% growth in inflow of remittances contributed to easing the pressure on current account balance. After a record-high current account deficit of USD 9.56 billion in FY'18, it came down to USD 5.25 billion in the past fiscal year.

<http://today.thefinancialexpress.com.bd/first-page/fy19-trade-gap-narrows-1566236027>

<https://www.thedailystar.net/business/news/trade-deficit-shrinks-low-imports-1787725>

<http://www.newagebd.net/article/81933/fy19-trade-deficit-narrows-by-1476pc>

<https://www.dhakatribune.com/business/economy/2019/08/19/trade-deficit-falls-by-14-76-in-fy19>

Rawhide trading with cash starts, partially

- Trading in the city's wholesale hide and skin market began from Monday after a week's impasse over pay row and price debacle. Traders said they are selling hide and skins at the government-fixed prices only to those who purchase making cash payment. They will start selling in full swing after the August 22 meeting where the decision on the payment of dues will be made.
- Before Eid, the government announced the prices of different types of rawhides from animals sacrificed during the Eid-ul-Azha. As per the decision, tanners would buy per square feet salted cowhide and buffalo rawhide at BDT 45-50 in Dhaka and at BDT 35-40 outside the capital. The price of salted skin of castrated goats across the country has been fixed at BDT 18-20 per square feet while that of salted skin of un-castrated varieties has been fixed at BDT 13-15.
- There has been a big crisis in rawhide trade since the Eid-ul-Azha as a large number of merchants stopped buying rawhide from seasonal traders, many of whom dumped rawhide by the roadside in more than a dozen districts, failing to sell those. The merchants alleged that they were cash-strapped as the tanners didn't clear their dues before the Eid. Following the Eid, around 3.5 million pieces of rawhide out of more than 10 million were thrown away by seasonal traders as they could not find any buyers, said rawhide merchants and tanners. They put the price of the dumped rawhide at BDT 1.0 billion.

<http://today.thefinancialexpress.com.bd/first-page/rawhide-trading-with-cash-starts-partially-1566236090>

<https://www.dhakatribune.com/business/2019/08/19/rawhide-procurement-target-may-not-be-achieved-fear-tanners>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$56.21	0.00	0.00%
Crude Oil (Brent)*	\$59.79	+0.05	+0.08%
Gold Spot*	\$1,495.21	-0.71	-0.05%
DSEX	5227.27	+10.73	+0.21%
Dow Jones Industrial Average	26,135.79	+249.78	+0.96%
FTSE 100	7,189.65	+72.50	+1.02%
Nikkei 225	20,664.07	+100.91	+0.49%

Exchange Rates**USD 1 = BDT 84.62*****GBP 1 = BDT 102.67*****EUR 1 = BDT 93.82*****INR 1 = BDT 1.18***

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

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