

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.

Finance Minister unwraps BDT 4.64 trillion budget today

- The government unveils the last budget of its present tenure today. Finance minister is set to place the budget before Jatiya Sangsad with a record outlay of over BDT 4.64 trillion. The size of the upcoming budget will be equivalent to 18% of the country's gross domestic product or GDP, estimated at US\$ 220 billion. The Awami League government's fiscal blueprint comes months before the national elections and also at a time when both external and internal conditions not that comfortable. The present government will be responsible for execution of the next budget for the first half of the next fiscal year (FY).
- This will be the country's 47th budget and the 12th to be placed by current finance minister. The budget for next fiscal is likely to set a revenue target of BDT 3.39 trillion. The NBR's revenue growth rate was 18% in the first 10 months of FY 2017-18. The budget deficit in the upcoming fiscal is projected to reach BDT 1.25 trillion or 4.9% of the GDP. It will cut the corporate tax rates, in some cases, in response to persistent demand from the businesses. The minister recently said that the target for GDP growth would be set at 7.8% for the next financial year.

<http://today.thefinancialexpress.com.bd/first-page/muhith-unwraps-BDT-464-trillion-budget-today-1528307447>

Bangladesh Bank (BB) launches term repo for banking system liquidity

- The Bangladesh Bank (BB) introduced a term repurchase agreement (repo) facility for the first time on Wednesday to ensure liquidity in the banking system. Under the term repo, the banks are allowed to avail liquidity from the central bank for durations ranging from seven days to a maximum of 28 days. The central bank will conduct the repo and the term repo transactions through auctions, held on all working days for overnight, seven-day, 14-day and 28-day tenors. The banks will have to mention tenor and interest rate of repo facility in their bids. The interest rate on overnight repo has already been fixed at 6.0%.
- Currently, the overnight repo and the overnight reverse repo are available for the banks to manage their liquidity properly. If a bank needs fund, it can get the fund by using the repo window. Chairman of the Association of Bankers, Bangladesh (ABB), welcomed the BB's latest moves in this regard. Managing director and chief executive officer of the Dhaka Bank Limited said that it will help ensure better liquidity management in the country's banking system.

<http://today.thefinancialexpress.com.bd/first-page/bb-launches-term-repo-for-banking-system-liquidity-1528307550>

Banking sector woes mar mixed economic performance

- Finance minister announces today the national budget for the next fiscal year of 2018-2019 with the banking sector woes overshadowing mixed performances of the other major economic indicators in the outgoing fiscal year. Budget implementation was weak, private investment improved marginally, banking sector continued to deteriorate and external sector exposed to some risks despite a record-high GDP growth in the year. Remittance earnings rebounded after negative growth in previous fiscal year (FY 2016-2017), export earnings growth remained sluggish while import payments experienced a phenomenon growth putting pressure on trade balance and current account balance.
- Revenue mobilisation lagged behind the target while implementation of the annual development programme could not make any breakthrough in the year. Experts and business leaders said that the overall economic performance was modest and mixed with some challenges in the outgoing FY18. They said that healthy economic growth and stability could not bring momentum in the private investment mainly because of lack of confidence of investors and in absence of improvement in investment climate.

<http://www.newagebd.net/article/43030/banking-sector-woes-mar-mixed-economic-performance>

New rate brings down international call volume

- The average incoming international calls per day through legal channels declined by 11.11% or 6.0 million minutes in May this year after the government surprisingly increased call termination rate in February this year. As per the latest report of Bangladesh Telecommunication Regulatory Commission, average international call termination through legal channel declined to 480 million minutes per day in May from 540 million minutes per day in February, when the Bangladesh Telecommunication Regulatory Commission introduced the new call termination rate at 2.5 US cents per minute. Average international call termination through legal channel was 530 million minutes in March and 520 million minutes in April this year. The commission's reluctance to identify illegal voice over internet protocol business along with pressure from influential quarters to keep the rate high worked as major factor behind the drastic fall.

<http://www.newagebd.net/article/43031/new-rate-brings-down-intl-call-volume>

Plea to keep remittance inflow out of tax net

- Non-resident Bangladeshis (NRBs) urged the government to keep their hard-earned money out of the tax net to encourage remittance of their earnings home. Chairman of the Centre for Non Resident Bangladeshis (Centre for NRB) informed that they suggested that the authority concerned keep remittances, sent home through official channels, out of the tax net. With this facility, the country's remittance inflow will increase. Currently, more than 10 million Bangladeshis are working abroad.

<http://today.thefinancialexpress.com.bd/last-page/plea-to-keep-remittance-inflow-out-of-tax-net-1528307797>

Sluggish Dhaka Stock Exchange (DSE) turnover hits govt revenue

- The government's revenue earnings from the Dhaka bourse fell 27% month-on-month in May this year on the back of falling trade volume and value. Market insiders said that the sluggish trading activities coupled with low share sales by the sponsor-directors affected the government's revenue earnings from the prime bourse last month. The daily average turnover in May came down to BDT 4.60 billion while the average turnover was BDT 5.48 billion in April, registering a decline of 16%, according to statistics from the Dhaka Stock Exchange (DSE). The government bagged tax worth BDT 161 million in May against BDT 220 million in April 2018, falling more than 27%, the DSE data shows. The government earnings from the DSE in 11 months for July-May period of the current fiscal year (FY) also fell marginally by 5.29%.

<http://today.thefinancialexpress.com.bd/stock-corporate/sluggish-dse-turnover-hits-govt-revenue-1528309256>

<http://www.newagebd.net/article/43033/govt-tax-collection-from-dse-dips-in-may>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$65.01	+0.28	+0.43%
Crude Oil (Brent)*	\$75.70	+0.34	+0.45%
Gold Spot*	\$1,297.16	+0.76	+0.06%
DSEX	5398.75	+51.95	+0.97%
Dow Jones Industrial Average	25,146.39	+346.41	+1.40%
FTSE 100	7,712.37	+25.57	+0.33%
Nikkei 225	22,808.91	+183.18	+0.81%

Exchange Rates

USD 1 = BDT 84.19*

GBP 1 = BDT 113.02*

EUR 1 = BDT 99.23*

INR 1 = BDT 1.26*

*Currencies and Commodities are taken from Bloomberg.

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