

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.

Budget spending falls 10.58% in first half

- Total budgetary spending in the first six months of the current fiscal shrank 10.58% year-on-year to BDT 1.41 trillion due to the ongoing Covid-19 pandemic, according to a report from the finance ministry. While presenting the report's findings in the parliament yesterday, Finance Minister AHM Mustafa Kamal said government expenditure for the period did not reach expected levels because of the prolonged coronavirus fallout. However, steps have been taken to increase expenditure in the days to come, he added. The expenditure target for the current fiscal year was set at BDT 5.67 trillion or 17.91% of the country's gross domestic product (GDP).
- Of this amount, just 29.75% has been spent in the first half of the ongoing fiscal year. During the same period in fiscal 2019-20, total budgetary expenditure stood at BDT 1.58 trillion, a 16.51% increase from the previous year. Non-development expenditure in the six months till December was BDT 1.07 trillion, or 29.75% of the total allocation. This is 5.37% lower than spending in the corresponding period in fiscal 2019-20, when it was BDT 1.14 trillion.

<https://www.thedailystar.net/business/news/budget-spending-falls-1058pc-first-half-2072293>

Foreign aid inflow rises by 6.62% in Jul-Feb

- The country received 6.62% higher foreign assistance in the first eight months of the current fiscal year (FY2020-21) as compared to the corresponding period of the previous FY, officials said on Thursday. The development partners have also made 22% higher aid commitments through signing different loan and grant deals during the July-February period of this FY, Economic Relations Division (ERD) officials said. According to the ERD's provisional data, the foreign development partners disbursed USD 3.72 billion - USD 3.60 billion in loans and USD 108.92 million in grants - during the period under review.
- The figure was USD 231 million more than USD 3.48 billion - USD 3.32 billion in loans and USD 168.43 million in grants - received in the same period of last FY from the development partners including Japan, the World Bank and the Asian Development Bank (ADB). Besides, the development partners confirmed USD 3.96 billion worth of medium-and long-term (MLT) loans and grants during the July-February period of this FY through signing several deals with the government, according to the ERD. In the same period of FY20, they made a fund commitment worth USD 3.25 billion.
- A senior ERD official said that as some big loans like the ADB's USD 500 million and Japan's USD 320 million budgetary supports were disbursed during that period, the overall receipts reached a comfortable zone. Of the total USD 3.96 billion commitment for MLTs and grants by the donors during the first eight months of the current fiscal, USD 3.38 billion was in loans and remaining USD 580.91 million was in grants.

<https://today.thefinancialexpress.com.bd/last-page/foreign-aid-inflow-rises-by-662pc-in-jul-feb-1617560580>

Rush for cash withdrawals

- Banks yesterday faced a huge number of cash withdrawals as the government declared a restriction on movement for seven days from today as part of effort to tackle the second wave of the coronavirus pandemic. In some cases, automated teller machines (ATM) of different banks ran out of cash as clients tried to keep physical money at hand given the uncertainties during the period of the restrictions on movement. The seven-day restriction on movement was declared on Saturday, a weekend in the country when banking activities are usually closed.
- So people rushed to bank branches yesterday, the first workday of a week, to withdraw money in order to fulfill their cash requirements during the period of restrictions on movement, said the managing director of Mutual Trust Bank. The number of clients has doubled at the bank's branches as general people feel comfortable keeping adequate cash at hand in times of crisis, he said. The executive director of the South Bangla Agriculture and Commerce Bank (SBAC), said the presence of clients has increased twofold to threefold in their different branches.

<https://www.thedailystar.net/business/news/rush-cash-withdrawals-2072361>

<https://www.newagebd.net/article/134494/banks-face-addl-cash-withdrawal-pressure>

<https://www.dhakatribune.com/business/banks/2021/04/04/mad-rush-at-banks-for-cash-withdrawal-ahead-of-lockdown>

Take prior approval to reappoint directors

- Banks will have to take prior approval from Bangladesh Bank to reappoint their directors in line with the Banking Companies Act 1991. The central bank yesterday issued a notice saying that some banks have recently reappointed directors in violation of the act. Every appointment and reappointment of directors will require approval from the central bank as per the act, read the notice. Some banks have also given false explanations to this end, sidestepping the rules

and regulations, it said. The banks have not taken approval from the central bank while reappointing their directors and they thought that there is no requirement to do so, said a central bank official. Against this backdrop, the central bank has issued show cause notices on the banks concerned.

<https://www.thedailystar.net/business/news/take-prior-approval-reappoint-directors-2072273>

BB sets new ceiling for mobile financial services

- People will not count any charge to send a maximum of BDT 40,000 per month through mobile financial services (MFS), a development that will help clients settle financial transactions during the countrywide lockdown. The central bank yesterday issued a notice to this end saying that clients will also be allowed to send BDT 10,000 per transaction without any charge through MFS providers. The new instructions will be applicable for the type of person-to-person related transaction. This means an individual will enjoy the new facility while sending money to another person, said a Bangladesh Bank official. Earlier, an individual was charged highest BDT 5 to send money to another person.

- However, the new instruction will not help client to a large extent as the central bank has not changed the charge for the cash-out from the MFS accounts of clients. People usually have to pay between BDT 10 and BDT 20 per withdrawal of BDT 1,000. The central bank has also enhanced the transaction ceiling for MFS as the central bank has reduced the banking hours during the strict restrictions on movement. A client will be able to send BDT 200,000 per month instead of the previous ceiling of BDT 75,000. The enhanced transaction limit will also be applicable for the person-to-person related transaction.

<https://www.thedailystar.net/business/news/bb-sets-new-ceiling-mobile-financial-services-2072289>

<https://www.tbsnews.net/economy/banking/mfs-transaction-limit-credit-card-billing-time-extended-226822>

<https://www.dhakatribune.com/business/2021/04/04/bb-extends-mfs-transaction-limit>

E-commerce eyes another boom

- E-commerce and digital shopping platforms expect another boom in their business with the country entering a fresh weeklong lockdown on Monday when shopping malls will remain closed. Meanwhile, the Cabinet Division has called upon the countrymen to avoid eating out and refrain from going to shopping malls except for daily essentials till 11 April in the wake of a sharp rise in the Covid-19 cases. Following the government move, online shopping platforms and the e-commerce association have taken several initiatives to take the role and keep their business on. Some online shopping companies have already hired new delivery heroes or staff while others offer free home delivery of products.

- Currently, the country has 1,500 e-commerce companies and more than 100,000 Facebook-based shopping platforms dealing around 120,000 orders daily. The sector has seen a 150-200% growth since the coronavirus broke out in the country in March last year, when the country went into a 66-day shutdown to curb the spread of the deadly virus.

<https://www.tbsnews.net/economy/industry/e-commerce-eyes-another-boom-226810>

BSEC enhances margin loan limit to curb free-fall of share prices

- The stock market regulator on Sunday increased the marginal loan limit for the investors to curb free-fall of share prices. From now on, investors will be able to borrow more than before. The investors will get margin loan ratio of 1:0.80, if the key index of the Dhaka Stock Exchange (DSE) stays below 7,000 points, as per the latest decision of the Bangladesh Securities and Exchange Commission (BSEC). That means, the investors will get a maximum loan of BDT 80, if he/she purchases shares of BDT 100. Earlier, the investors got margin loan of BDT 50 against buying of shares worth BDT 100.

- The BSEC took the decision amid investors' panic on rising coronavirus cases in the country, said BSEC executive director and spokesperson. The new margin loan limit will be effective from today (Monday), he said. However, if the main index of DSE exceeds 7,000-mark, the loan limit will come down to 1:0.50%.

<https://today.thefinancialexpress.com.bd/last-page/bsec-enhances-margin-loan-limit-to-curb-free-fall-of-share-prices-1617560685>

DSE, CSE reduce trading time to two hours

- The Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) have reduced trading time to two hours effective from today (Monday) in line with the banking hours. Trading on the bourses will begin at 10:00am and continue until 12:00 noon instead of normal schedule of 10:00am to 2:30pm. The new schedule will be continued until further notice, DSE said in a statement on Sunday. The CSE will also follow the DSE decision, officials said. Normally, the capital market sees a four-and-a-half hours trading from 10:00am to 2:30pm. Banks will remain open from 10am to 12:30pm during the government-imposed seven-day lockdown, said Bangladesh Bank on Sunday.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-cse-reduce-trading-time-to-two-hours-1617556337>
<https://www.newagebd.net/article/134495/banks-bourses-to-operate-with-shortened-working-hours>
<https://www.dhakatribune.com/business/banks/2021/04/04/banking-transaction-time-reduced-to-2-5hrs-amid-lockdown>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$61.14	\$12.62	26.01%
Crude Oil (Brent)*	\$64.52	\$12.72	24.56%
Gold Spot*	\$1,726.64	(\$168.46)	-8.89%
DSEX	5,088.99	(313.08)	-5.80%
S&P 500	4,019.87	263.80	7.02%
FTSE 100	6,737.30	276.78	4.28%
BSE SENSEX	50,029.83	2,278.50	4.77%
KSE-100	44,300.95	545.57	1.25%
CSEALL	7,193.28	419.06	6.19%

Exchange Rates

USD 1 = BDT 84.70*
 GBP 1 = BDT 117.20*
 EUR 1 = BDT 99.68*
 INR 1 = BDT 1.16*

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

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