

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.

Q1 deposits in Islamic banks up by BDT 308.70 billion

- The market share of Shariah-based banks in the total deposits in the country's banking sector increased to 27.54% in the January-March quarter of the year 2021 as two more conventional banks have started Islamic banking since January 2021. The number of full-fledged Islamic bank increased to 10 in January 2021 after Global Islami Bank Limited and Standard Bank Limited began Shariah-based banking operations. The share of Islamic banks in the total deposits in the country's banking sector increased to BDT 3.57 trillion at the end of March 2021 from BDT 3.26 trillion three months ago.

- Before the addition of BDT 308.70 billion in January-March 2021, the market share of the Islamic banks was 25.33% of the total BDT 12.90 trillion in deposits in the country's banking sector, showed a Bangladesh Bank quarterly report on Islamic banking released on Tuesday. The outstanding lending, known as investments in Shariah-based banks, from Islamic banks grew by BDT 3.22 trillion at the March-end quarter of 2021 from BDT 2.94 trillion a year ago. Among different segments of Bangladesh's Islamic financial sector, Islamic banking sector dominates with more than 27% share of the entire banking sector, it said.

<https://www.newagebd.net/article/141605/q1-deposits-in-islamic-banks-up-by-BDT-30870cr>

Lack of expertise holds back investment in mutual funds

- Bangladesh Institute of Capital Market (BICM) in a recent study has found 11 barriers – including a lack of expertise and insufficient tax benefit – to investment in mutual funds. Due to the problems, it said, mutual funds could not attract investors and failed to contribute properly to the capital market. The barriers include an extension of tenure for close-end mutual funds, lower demand, investment in non-approved securities, the presence of more asset managers, a lack of awareness among investors and a lower financial literacy rate.

- Absence of the ranking of asset managers, frequent changes of regulator's position, high fees charged by asset managers, and the unusual tax burden on unitholders at liquidation are the other problems mentioned in the study released on Tuesday. According to the BICM research, asset management companies' investment in the capital market is less than 3%. To date, Bangladesh Securities and Exchange Commission (BSEC) has issued 48 licences to asset management companies but many of them are not managing the funds. Thus, it is more likely that many asset managers may not have expertise in this area.

<https://www.tbsnews.net/economy/lack-expertise-barrier-investment-mutual-funds-264814>

BSEC fixes minimum credit balance for receiving interest income

- The securities regulator has revised the rules regarding the distribution of net interest incomes that come from consolidated customers' accounts (CCA) maintained by stock brokers. The revised directive was issued on Monday in a bid to ensure more transparency in maintaining the CCAs along with removing some complexities occurred while distribution of interest income among the clients of stock brokers. In its directive, the Bangladesh Securities and Exchange Commission (BSEC) included eligibility criteria of getting the interest income from the CCA.

- An investor or customer will be eligible to receive interest income if his minimum credits balance worth BDT 0.1 million remains in a CCA continuously at least for one month in a financial year, the directive said. Besides, an investor will not be allowed to receive interest income unless his interest income worth at least BDT 500.00 is accrued for a customer's account in a financial year.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-fixes-minimum-credit-balance-for-receiving-interest-income-1624384255>

Sinobangla to invest BDT 168.1 million in machinery, warehouse

- Sinobangla Industries, a manufacturer of plastic packaging products, will install new machinery and build a raw material warehouse with an investment of BDT 168.1 million to expand its production capacity. According to the company's disclosure, after the implementation of the investment decision, its production capacity will increase by 150 tonnes per month. According to the disclosure, to achieve the additional production target, the company will procure a tape extrusion line loom machine, needle looms, filler cord, and water chiller machine and build a raw material warehouse. The investment will come from internal cash and bank loans.

<https://www.tbsnews.net/economy/corporates/sinobangla-invest-BDT-1681cr-machinery-warehouse-264799>

IPDC to issue BDT 1.50 billion bond to strengthen capital base

- IPDC Finance – one of the leading non-bank financial institutions in the country – wants to issue a BDT 1.50 billion subordinate bond to meet its ongoing financial and capital adequacy requirements. It will be a non-convertible, unsecured, floating rate, coupon-bearing subordinated bond and the proceeds will be regarded as Tier 2 capital of the issuer. The tenure of the bond will be six years.
- The lender will issue the bond on a private placement subject to the regulatory and shareholders' approval. The company has not yet fixed the date for an extraordinary general meeting (EGM) and the record date for shareholders' approval. The company recommended a 12% cash dividend for its shareholders for the year that ended on 31 December 2020.

<https://www.tbsnews.net/economy/ipdc-issue-BDT-150cr-bond-strengthen-capital-base-264790>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$73.09	\$24.57	50.64%
Crude Oil (Brent)*	\$75.14	\$23.34	45.06%
Gold Spot*	\$1,779.77	(\$115.33)	-6.09%
DSEX	6,105.73	703.66	13.03%
S&P 500	4,246.44	490.37	13.06%
FTSE 100	7,090.01	629.49	9.74%
BSE SENSEX	52,588.71	4,837.38	10.13%
KSE-100	47,987.14	4,231.76	9.67%
CSEALL	7,743.71	969.49	14.31%

Exchange Rates

USD 1 = BDT 84.76*
GBP 1 = BDT 118.08*
EUR 1 = BDT 101.11*
INR 1 = BDT 1.14*

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

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