

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 unveils policy measures to ward off coronavirus effects

- The central bank yesterday introduced a set of policy measures to keep financial activities stable as part of its efforts to tackle the crisis stemming from the coronavirus outbreak in the country. The Bangladesh Bank asked banks not to consider businesspeople as defaulters if they fail to repay instalments until June 30 this year. Banks will have to maintain the credit status of a borrower as of January 30 until June 30. There is concern that the outbreak, which was first confirmed in Bangladesh on March 8, will hamper the trade and finance and impede job creation, the central bank said in a notice to the banks.
- Bangladesh Bank yesterday brought ease to the provisioning requirements under the relaxed loan rescheduling policy as part of efforts to strengthen the capital base of banks. Banks will now be allowed to show 50% of their provisions against loans as their capital, according to a central bank notice sent out to all lenders. The rest of the provisions will have to be kept as "specific provision" and, if the loans are not recovered in the end, the provision amount cannot be shown as income.
- The monthly transaction limit using mobile financial services (MFS) has been increased to BDT 200,000 from BDT 75,000. Clients will not fork out any charge for cashing out BDT 1,000 per day. Merchants will not be charged for settling transactions of BDT 15,000 daily while selling medicines and other essential goods if clients use debit or credit card for payment. The charge-free transaction limit for merchants is BDT 100,000 per month. The transaction limit using contactless debit and credit cards rose to BDT 5,000 per day from BDT 3,000 previously.
- In a separate move, the central bank instructed banks to extend the tenure of realizing export proceeds by two months to six months. Similarly, Bangladeshi importers have been given more time to make import payments. The tenure was extended to six months from existing four months. The BB also increased the repayment tenure of loans, which were given out from the central bank's Export Development Fund, to six months from three months now. The period of back to back letters of credit opened under suppliers and buyers' credit has been extended up to a year from six months currently.

<https://www.thedailystar.net/business/news/bb-unveils-policy-measures-ward-coronavirus-effects-1883251>
<https://www.thedailystar.net/business/news/loan-provision-rule-eased-help-banks-boost-capital-1883248>
<https://today.thefinancialexpress.com.bd/public/first-page/bb-unveils-package-to-benefit-businesses-1584640529>
<https://www.newagebd.net/article/102680/repayment-failure-not-to-cause-loan-default-till-june>
<https://www.newagebd.net/article/102872/banks-encourage-clients-to-avail-services-digitally>

Junk, over-valued stocks the real winners of new floor price

- Junk and some over-valued stocks were the real winners of the capital market regulator's move on Thursday to set a new floor price to thwart a meltdown in the bourse amid the heightened coronavirus fears. The Bangladesh Securities and Exchange Commission (BSEC) has set the floor price of all stocks by calculating their last five days' average prices. As junk and over-valued stocks were not excluded from the newly-fixed prices, gamblers behind these stocks gained the most. With the new floor prices, the junk stocks' prices will also not be allowed to go down from the last Thursday's opening prices, which is why the gamblers are grinning now, said a stock broker.
- However, many analysts fear the new floor price may leave the market illiquid as the price is not market-driven. The new floor price set by the BSEC is way higher than the market demand, so the number of transactions may fall and many investors may not be able to sell their shares, the analysts said. The regulator cannot set the price of a stock; rather, the market should determine it on the basis of demand and supply, said a stock market analyst. If the regulator thinks the market is not running well, it can halt trading. But what the BSEC has done is insane, he said.

<https://www.thedailystar.net/business/news/junk-over-valued-stocks-the-real-winners-new-floor-price-1883998>

Annual Development Program (ADP) chopped by BDT 98 billion

- The government on Thursday endorsed a BDT 1.93 trillion development programme slashing allocations by BDT 98 billion from the original outlay due mainly to the poor implementation by public agencies. During the first eight months to February, the government agencies implemented 37% of the ADP, a 2.0%age points lower than the corresponding period of the last fiscal. The government agencies would try to implement the revised ADP even as the country battles the Covid-19 pandemic.
- According to the revised ADP, the government has allocated the highest BDT 474.32 billion to the transport sector, almost a quarter of the total allocation, followed by BDT 268.40 billion, or 13.91%, to the infrastructure planning, water supply and the housing sectors. Some BDT 236.32 billion went to the power sector, BDT 204.24 billion to the

education and religion sector; and BDT 167.91 billion to the science and ICT sector.

- The National Economic Council (NEC) also cut the allocation of the public sector autonomous and semi-autonomous agencies by BDT 41.15 billion to BDT 82.77 billion. The government agencies will implement over 1,700 projects while the autonomous and semi-autonomous bodies will execute 103 projects in the current fiscal.

<https://thefinancialexpress.com.bd/economy/adp-chopped-by-BDT-98b-1584681143>

RMG supply chain disruption shock to be temporary for Bangladesh: Moody's

- International credit rating firm Moody's has said that the shock from the readymade garment supply chain disruption due to the global coronavirus outbreak would be temporary for Bangladesh and the country would be able to overcome the setbacks with the increase in demand in the global market later this year. Moody's identified low labor costs, vertical integration, technological investment and environmentally sustainable processes as the key elements for the competitiveness of Bangladesh's RMG sector, saying that the sector had more than doubled its market share across the globe over the last decade, reaching 6% of global apparel exports in 2018.

- Despite the slowdown in exports and remittances, Moody's saw low risks of external vulnerability, saying external financing from multilateral and bilateral lenders for infrastructure projects supported Bangladesh's external dynamics. The rating affirmation also considered challenges in addressing infrastructure needs and low levels of human capital, both of which hindered greater foreign investment and limited prospects for economic diversification over the medium to longer term.

<https://www.newagebd.net/article/102875/rmg-supply-chain-disruption-shock-to-be-temporary-for-bangladesh-moodys>

USD 608 million RMG export orders cancelled or suspended

- Global buyers have so far cancelled or put on hold orders of readymade garment products from Bangladesh as many fashion brands have shut their stores in Europe and North America due to the coronavirus outbreak. 264 RMG factories informed the trade body till Saturday about order cancellation or shipment delay notices they had received from the buyers for export orders worth USD 607.89 million.

- Italy, Spain and France and some other European countries declared nationwide lockdowns as the countries took sweeping measures to reduce the spread of the coronavirus. Following the lockdowns, major brands in Europe, including Primark and Inditex, shut their stores in the countries and asked Bangladeshi suppliers to hold shipment of ready garments for another two to four weeks. Later, major retailers in North America announced closure or reduction in store hours of all outlets in the United States and Canada amid the rise in the number of coronavirus cases in the countries.

<https://www.newagebd.net/article/102870/608m-rmg-export-orders-cancelled-or-suspended>

No duty on PPE, hand sanitizer and testing kit raw materials

- The National Board of Revenue (NBR) is set to remove all forms of import duties and taxes to encourage quick import of Personal Protective Equipment (PPE), raw materials used in hand sanitizers, coronavirus testing kits and re-agents, said finance ministry officials yesterday. The list for duty-free import items also includes surgical masks and various sterilizing agents. An official notification is likely to be issued today, said a senior official of the country's revenue authority seeking anonymity as he is unauthorized to speak to media. About 17 items used to treat coronavirus patients and stem the rate at which the highly contagious pathogen spreads will be offered duty-free benefits to reduce import costs.

<https://www.thedailystar.net/business/news/no-duty-ppe-hand-sanitiser-and-testing-kit-raw-materials-1884028>

Coronavirus response: Government seeks USD 100 million from World Bank

- The government sent a project concept paper to the World Bank (WB) last week, seeking fund for facilitating surveillance, investigation and rapid response system to stop spreading Coronavirus outbreak in Bangladesh. It sought fund worth USD100 million for implementing the project, which will also be used to improve the country's public sector health service capability.

- The Economic Relations Division (ERD) officials said they sought the fund from the Washington-based lender on an emergency basis in response to the COVID-19 epidemic in Bangladesh. They are expecting the USD 100 million from the WB's newly announced USD 14-billion package. Out of the USD 14 billion, USD 8.0 billion will be disbursed by the WB's concessional wing - International Development Association (IDA), and the rest by the lender's other wings.

<https://thefinancialexpress.com.bd/economy/coronavirus-response-government-seeks-100m-from-world-bank->

[1584762371](https://www.thefinancialexpress.com.bd/economy/combatting-virus-erd-seeks-project-proposals-to-get-fund-from-wb-1584333535)
<https://www.thefinancialexpress.com.bd/economy/combatting-virus-erd-seeks-project-proposals-to-get-fund-from-wb-1584333535>

The Asian Development Bank (ADB) to support Bangladesh in stemming coronavirus impact

- The Asian Development Bank (ADB) would support Bangladesh in tackling novel coronavirus (Covid-19) outbreak challenges. ADB has recently announced USD 6.5 billion initial package to address the immediate needs of its developing member countries as they respond to the Covid-19 pandemic. ADB's previous responses to Covid-19 include USD 200 million made available through ADB's Supply Chain Finance Program for companies manufacturing and distributing medicines and other items needed to combat the pandemic.

- The Asian Development Bank may provide USD 500 million to Bangladesh initially as budget support in order to help the country improve its health system and assist the vulnerable groups as coronavirus is fast transmitting across the country. The amount may go up, said a number of finance ministry officials yesterday.

<https://www.dhakatribune.com/business/economy/2020/03/21/adb-to-support-bangladesh-in-stemming-coronavirus-impact>
<https://www.thedailystar.net/business/news/adb-keen-write-cheque-500m-1884025>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$22.63	-3.28	-12.66%
Crude Oil (Brent)*	\$26.98	-1.49	-5.23%
Gold Spot*	\$1,498.64	+27.40	+1.86%
DSEX	3,974.96	+371.01	+10.29%
Dow Jones Industrial Average	19,173.98	-913.21	-4.55%
FTSE 100	5,190.78	+39.17	+0.76%
Nikkei 225	16,552.83	-173.72	+1.04%
BSE SENSEX	29,915.96	+1627.73	+5.75%

Exchange Rates

USD 1 = BDT 84.98*

GBP 1 = BDT 99.00*

EUR 1 = BDT 91.28*

INR 1 = BDT 1.13*

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

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