

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.

Yields on 91-day T-bills lowest in 10 years

- The yields on 91-Day Treasury Bills (T-bills) fell below 1.0% on Sunday after more than one decade as banks preferred to invest their excess funds in the government securities. The cut off yields, generally known as interest rate, on 91-day T-bills came down to 0.94% on the day from 1.39% of the previous auction, held on October 11. On the other hand, the cut off yields on 364-day T-bills also dropped to 2.49% on the day from 3.99% of the previous auction, according to the auction results.
- A senior official of the Bangladesh Bank (BB) said the yield on T-bills have been fixed in line with the market requirements. The overall excess liquidity with the commercial banks hit all time high at around BDT 1.60 trillion in August 2020 from BDT 1.41 trillion a month before. Lower private sector credit growth along with injecting fresh funds in the market by the central bank through buying the USD from the banks continuously have helped push up the excess liquidity in the banking system, according to the bankers.

<https://today.thefinancialexpress.com.bd/last-page/yields-on-91-day-t-bills-lowest-in-10-yrs-1603043870>

Higher imports put revenue on positive track

- The government's revenue collection witnessed positive growth after seven months of coping with the blows dealt by the Covid-19 pandemic. In addition to 1.55% growth in September, the National Board of Revenue (NBR) reported growth in the first quarter of the current financial year. NBR officials said that tariff collection had exceeded expectations as imports had increased in July and September. On the other hand, there was an increase in income tax revenues as the time for filing tax returns is approaching. However, the NBR still lags behind the revenue collection target.
- According to NBR sources, in the first quarter of the current fiscal year, BDT 480.17 billion came from customs, VAT, and income tax, and growth was 0.67%. During the same period in 2019, when the economy was in a normal state, BDT 473.88 billion was collected. On the other hand, revenue collection grew by 1.55% in September alone, though the NBR slipped into negative growth in March when the pandemic hit the country. Experts believe that this increase in revenue collection based on imports is temporary.
- The executive director of the Policy Research Institute said that many essential products had not been imported since the beginning of the year. He said that global trade was pretty much stagnant for a few months and that is why imports increased in the last two months. Revenue collection has also increased based on that. However, it cannot yet be said whether this growth is sustainable or not.

<https://tbsnews.net/economy/higher-imports-put-revenue-positive-track-146764>

The never-ending debate over GDP growth

- The debate over Bangladesh's GDP growth forecasts is back again. Last week, the International Monetary Fund (IMF) lowered its economic growth forecast for Bangladesh to 4.4% for FY21 from 5.7% earlier. The World Bank said the economy would grow by 1.6%. The Asian Development Bank (ADB) painted a more optimistic scenario among the three as it predicted 6.8% GDP growth.
- The government is, however, bullish about pulling off 8.2% GDP growth and has said the World Bank forecast is not reflective of the ongoing economic recovery. The IMF's growth estimate seems more reasonable. The growth might even be higher if the current pace of economic activities continues and there is no further disruption, said the research director of the Bangladesh Institute of Development Studies

<https://www.thedailystar.net/business/news/the-never-ending-debate-over-gdp-growth-1980577>

Foreign spending in Annual Development Programme (ADP) runs on slow lane in Q1

- Not a single penny has been spent on the Science and Technology Ministry's Rooppur Nuclear Power Plant project from its foreign allocation of BDT 129.60 billion under the Annual Development Programme (ADP). Besides, no money from foreign assistance was released in the first three months for the projects of several ministries, such as the Civil Aviation and Tourism Ministry, the Post and Telecommunications ministry, the Shipping Ministry and the Land Ministry.
- According to the Implementation Monitoring Evaluation Division (IMED), all government ministries and divisions spent only BDT 54.58 billion from foreign aid in July-September for the implementation of development projects, which was only 7.78% of the total foreign allocation of BDT 705.02 billion. Under these circumstances, the Economic Relations Division (ERD) has taken an initiative to trim foreign funding from the ADP as there have been delays in implementing

the projects from the beginning. In this regard, the ERD has already sent letters to all ministries and divisions, asking them to send proposals for revised allocations for their projects for the rest of the financial year.

- A former lead economist of the World Bank's Dhaka office, said the pandemic has changed government priorities and the ADP implementation progress should be evaluated according to the new parameters. He said priority projects may face a funding crisis if the revised ADP is based just on implementation. Additional allocations should be made for health, social security, rural infrastructure, education and economic recovery projects, considering the pandemic-led crises.

<https://tbsnews.net/bangladesh/foreign-spending-adp-runs-slow-lane-q1-146761>

Facility partially accommodative

- Bangladesh is not being able to reap the duty-free benefit in the Chinese market to the fullest extent as more than one-third of its total readymade garment (RMG) exports to that country is still subjected to payment of duty, industry people said. In June last, the Tariff Commission of the Chinese State Council issued a notice on granting zero treatment to 97% of tariff products of Bangladesh to its market effective from July 1, officials said. In June last, the Tariff Commission of the Chinese State Council issued a notice on granting zero treatment to 97% of tariff products of Bangladesh to its market effective from July 1, officials said.

- With the announcement, China had included additional 5,161 Bangladeshi products to enjoy zero-tariff treatment in its market. Prior to that announcement, 3,095 Bangladeshi products were eligible for duty-free access to the market under Asia-Pacific Trade Agreement, they added. Bangladesh's total RMG export to China in the financial year 2018-19 was USD 507 million and USD 308.4 million of it was under duty-free facility, said Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president. "Almost USD 178 million RMG exports are still excluded from the duty-free access, which is 33 to 38% of our total RMG export to China," she said adding that these exportable Bangladeshi RMG faced 6.0 to 12% duty there.

<https://today.thefinancialexpress.com.bd/first-page/facility-partially-accommodative-1603043291>

Covid-19 incentive: Banks get more time to apply for subsidies

- Banks will get a 4.5% subsidy on the loan that they are giving to the Covid-19 affected businesses at 9% interest from the BDT 300.00 billion incentive package. The Bangladesh Bank, in a circular issued on Sunday, informed about this decision to give banks more time to apply for the subsidy. Banks will have to apply at the end of every quarter to get the subsidy within 12 working days after that. Earlier banks had to apply within 10 days. Association of Bankers Bangladesh Chairman said that they will get around 15 days from now.

- The incentive package policy states that industry and service sector organisations affected by the Covid-19 will get a loan from the package. However, defaulters and those who have rescheduled loans three times will not get this facility. And, the loan can be used as working capital but not for repayment. Also, this loan cannot be used for starting a new business or expanding an ongoing one either.

<https://tbsnews.net/economy/banking/covid-19-incentive-banks-get-more-time-apply-subsidies-146749>

CSE 30 Index revised

- The Chittagong Stock Exchange (CSE) has revised its blue-chip index CSE 30 on the basis of performance of the listed companies. The biannual revision will be effective from 1 November 2020. Aamra Networks limited, Bd Finance & Investment Company, Esquire Knit Composite, Khulna Power Company, Singer Bangladesh and The City Bank Limited have been included in the index this time.

- On the other hand, Eastern Bank Limited, Envoy Textiles, Export Import Bank of Bangladesh, GSP Finance Company (Bangladesh), Heidelberg Cement Bangladesh and Unique Hotel & Resorts Limited have been excluded from the prestigious list of selective 30 companies. CSE 30 companies contribute to 18.41% of the total market capitalisation of all stocks listed with the bourse. The contribution is 27% in terms of free-float market capitalization.

<https://tbsnews.net/economy/stock/cse-30-index-revised-146734>

Covid-19 hits earnings of BSRM, BSRM Steels

- Earnings of both Bangladesh Steel Re-Rolling Mills (BSRM) and BSRM Steels declined significantly for the year ended on June 30, 2020 compared to previous year. Of the companies, the consolidated earnings per share (EPS) of BSRM declined 50.50% or BDT 3.98 to close at BDT 3.90 for the year ended on June 30, 2020. The board of directors of BSRM has recommended 15% cash dividend for the year ended on June 30, 2020.

- In separate disclosures, the companies have said their earnings declined following less productions and sales amid

COVID-19 pandemics and tax burden faced by subsidiaries. The company shall have to pay minimum tax as per Section 82 C of the Income Tax Ordinance 1984 which is higher than the tax the company would have paid on actual profit, according to the disclosure.

<https://today.thefinancialexpress.com.bd/stock-corporate/covid-19-hits-earnings-of-bsrm-bsrm-steels-1603035975>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$40.93	(\$20.70)	-33.59%
Crude Oil (Brent)*	\$42.95	(\$25.49)	-37.24%
Gold Spot*	\$1,900.49	\$379.02	24.91%
DSEX	4,877.65	424.72	9.54%
S&P 500	3,483.81	253.03	7.83%
FTSE 100	5,919.58	(1,667.47)	-21.98%
BSE SENSEX	39,982.98	(1,659.16)	-3.98%
KSE-100	40,164.02	(571.06)	-1.40%
CSEALL	5,945.79	(183.42)	-2.99%

Exchange Rates

USD 1 = BDT 84.79*

GBP 1 = BDT 109.71*

EUR 1 = BDT 99.37*

INR 1 = BDT 1.16*

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

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