

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.

Non-tax revenue swells 130%

- Non-tax revenue (NTR), the second-biggest source of government revenues, saw a quantum leap in the past fiscal year following a reform conducted for enhancing resources from state-owned enterprises, sources say. Bangladesh Economic Review 2021, released Wednesday, says the receipt of NTR, consisting of mainly dividends and fees of government-owned entities, swelled to BDT 458.6 billion, up by nearly 130%, during the period from July 2020 to May 2021.
- The state corporation made the highest net profit amounting to BDT 58.39 billion followed by Bangladesh Telecommunications Regulatory Commission at BDT 22.32 billion during the last fiscal year. On the other hand, the state-owned Trading Corporation of Bangladesh incurred the biggest loss in the year under review. Its losses ballooned to BDT 10.38 billion.

<https://today.thefinancialexpress.com.bd/first-page/non-tax-revenue-swells-130pc-1631124179>

Govt to provide automated services to taxpayers

- The government has taken several measures to provide seamless services to the taxpayers through automation and digitalization of Income Tax, VAT and Customs Departments under the National Board Revenue (NBR), according to an official document, reports UNB. The government believes that internal sources will be the main field of revenue collection for uninterrupted economic progress amid global economic stagnation due to the COVID-19 pandemic and its aftermath.
- Now, the taxpayers can pay their returns from home at their convenience through their own bank accounts without physical presence at the premises of Bangladesh Bank or the state-run Sonali Bank. As in every year, the major portion of the total budget expenditure will be mobilised from internal resources that will be collected by the NBR.

<https://thefinancialexpress.com.bd/economy/govt-to-provide-automated-services-to-taxpayers-1631093915>

Bank deposits rise despite low returns

- Deposits at banks saw remarkable growth last fiscal year as the coronavirus-linked uncertainty compelled people to cut non-essential expenses and save more, while lending growth shrank slightly due to business slowdown. Deposits totaled BDT 1,485,601 crore in fiscal 2020-21, up 8.49% from a year ago, according to data from Bangladesh Bank.
- The deposit growth, however, stood at 8.95% in FY20. Last fiscal year, lending growth decelerated to 8.48% from 8.95% a year ago. Banks disbursed BDT 1,154,955 crore in loans in FY21. The loan-deposit ratio stood at 71.55% last fiscal year in contrast to 76.22% a year earlier, comfortably within the regulatory ceiling.

<https://www.thedailystar.net/business/economy/banks/news/bank-deposits-rise-despite-low-returns-2171811>

Loss of back-to-back LC facility looms on 500 RMG makers

- Around 500 knitwear and home textile exporters without a bond license are now bracing for a big blow as the National Board of Revenue (NBR) takes a hardline on stopping them from getting a back-to-back letter of credit (LC).
- The revenue board in a letter on 31 August requested the Bangladesh Bank not to allow non-bonded apparel factories the facility as it contradicts the central bank's guidelines. But industry people say if the back-to-back LC benefit goes, at least 450 knitwear and around 50 home textile factories will no longer be able to procure raw materials and accessories from local and foreign sources on credit.

<https://www.tbsnews.net/economy/rmg/loss-back-back-lc-facility-looms-500-rmq-makers-299899>

Inactive asset managers to face BSEC probe

- The stock market regulator will look into the business activities of asset management companies (AMCs) that do not manage any funds or are not in operation after getting licenses. The Bangladesh Securities and Exchange Commission (BSEC) has recently identified 10 such inactive asset management companies.

- But the companies are enjoying the quota facility in initial public offerings (IPOs) and qualified investor offers (QIOs) in the capital market as qualified investors. They are Alif Asset Management Company, Invest Asia Capital Asset Management, BDV Asset Management Company, Meghna Asset Management, Bloominance Asset Management Company, Blue-Wealth Assets, Belt and Road Asset Management Company, Maslin Capital, BMSL Asset Management Company, and MBL Asset Management Limited.

<https://www.tbsnews.net/economy/stocks/inactive-asset-managers-face-bsec-probe-299848>

Regulator seeks to know role of margin loan

- Dhaka Stock Exchange (DSE) has been given a 15-day timeframe to find whether margin loans were disbursed against the securities having P/E ratio above 40. The DSE management will have to submit a report in this regard within a fortnight (15 days).

- According to previous directive issued on April 4, 2021 investors were allowed to avail margin-loan facilities at a ratio of 1:0.8 until the DSEX remaining below 7000 points. And the lower loan ratio was 1:0.5 if the DSEX crosses 7001-point mark or rises above. Of 390 securities listed with the bourses, the P/E ratios of 221 are below 40, while the ratios of 98 securities are above 40 based on the latest interim financials and the market prices of the securities observed on Wednesday.

<https://today.thefinancialexpress.com.bd/first-page/regulator-seeks-to-know-role-of-margin-loan-1631124072>

<https://www.thedailystar.net/business/news/dse-asked-find-reasons-behind-junk-stocks-rising-prices-2171426>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD69.18	USD20.66	42.58%
Crude Oil (Brent)*	USD72.51	USD20.71	39.98%
Gold Spot*	USD1,789.93	(USD105.17)	-5.55%
DSEX	7,196.32	1,794.25	33.21%
S&P 500	4,514.07	758.00	20.18%
FTSE 100	7,095.53	635.01	9.83%
BSE SENSEX	58,250.26	10,498.93	21.99%
KSE-100	46,396.71	2,641.33	6.04%
CSEALL	8,764.21	1,989.99	29.38%

Exchange Rates

USD 1 = BDT 85.11*

GBP 1 = BDT 117.12*

EUR 1 = BDT 100.66*

INR 1 = BDT 1.16*

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

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