

Editorial Panel

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Economy and Banking Sector Indices

Money Market				
Parameters		Current Period	Earlier Period	Δ (Change)
Average Call Money Rate		1.66% (Feb 28 '21)	1.52% (Feb 22 '21)	↑ 0.14 %
Call Money Lending [crore BDT]		5,522.09 (Feb 28 '21)	6,707.63 (Feb 22 '21)	↓ 17.67 %
Prices	Weighted Average Deposit Rate	4.51% (Oct 25 '18)	5.36% (Oct 18 '18)	↓ 0.85 %
	Weighted Average Lending Rate	7.56% (Oct 25 '18)	9.55% (Oct 18 '18)	↓ 1.99 %
	Spread	3.05% (Oct '18)	4.19% (Oct '18)	↓ 1.14 %
Classified Loan % Total Outstanding		7.66 (Dec '20)	7.66 (Dec '20)	0.00 %

Major Local Economic Indices			
Parameters (%)	Current Period	Earlier Period	Δ (Change)
GDP Growth Rate	5.24% (FY '20)	5.24% (FY '20)	0.00 %
Inflation (12 Months Average)	5.64 (Jan '21)	5.64 (Jan '21)	0.00 %
Export	3436.79 (Jan '21)	3436.79 (Jan '21)	0.00 %
Import (C&F)	5388.50 (Dec '20)	5388.50 (Dec '20)	0.00 %
Foreign Remittance	1962.60 (Jan '21)	1962.60 (Jan '21)	0.00 %
FX Reserve	44028.34 (Feb 24'21)	43517.61 (Feb 17'21)	↓ 1.17 %

Figures are expressed in Million US\$ unless otherwise mentioned

Capital Market				
Local	DSEX	5,276.33044	5,385.21293	↓ 2.02 %
	CSCX	9460.1458		
	CASPI	15687.0272		
Global	Nikkei 225	29,663.50	22,690.81	↑ 30.73 %
	Dow Jones Industrial Average	30,932.37	25,706.68	↑ 20.33 %
	FTSE 100	6,594.68	7,054.60	↓ 6.52 %

*Current Period refers to March 01, 2021 & Earlier Period Refers to February 21, 2021

Major Global Economic Indices				
Type	Country	Inflation ⁵	GDP Growth Rate ²	Unemployment Rate
G8	United States	1.4%	4.1%	6.3%
	United Kingdom	0.7%	1%	5.1%
	Euro Area	0.9%	-0.6%	8.3%
Major Trade Partners	China	-0.3%	2.6%	5.2%
	India	4.06%	21.9 %	6.5%
	Germany	1%	0.3%	4.6%
	Singapore	0.2%	3.8%	3.2%

Commodity Market			
Crude Oil (Brent) [USD/bbl]	65.46		
Gold Spot (USD/t oz.)	1,747.54		
Wheat (CBOT) [USD/bu]	662.50		
Soyabean Oil (CBOT) [USD/lb]	49.94		

*Current Period refers to March 01, 2021

Source: Bangladesh Bank, DSE, CSE, Bloomberg, Trading Economies

Exchange Rate	
EUR-USD	Latest EUR to USD exchange rate is 1.2040 .
GBP-USD	Latest GBP to USD exchange rate is 1.3946 .
USD-JPY	Current USD-JPY exchange rate is 106.7200 .
AUD-USD	Current AUD to USD exchange rate is 0.7734 .

Govt and Central Bank Initiative

Govt releases Tk 16.83 billion cash incentives for exporters

- The government has released Tk 16.83 billion (1,683 crore) for the payment of cash incentives to local exporters against their export receipts. It is the 3rd installment of cash incentives for the January-March period of the current fiscal year.
- Export-oriented sectors, including readymade garment (RMG), frozen shrimp and others such as fish, leather items, jute and jute products, would receive the incentives, according to a circular issued by the Finance Division on Monday. Of the amount, Tk 2.50 billion (250 crore) would be distributed for the jute sector while Tk 14.33 billion (1,433 crore) for other sectors.
- Besides, a special 1.0 per cent cash incentive support fund for the RMG industry has also been included in the installment. The government provides cash incentive facilities for exporters in more than 35 categories.

Source: <https://today.thefinancialexpress.com.bd/trade-market/govt-releases-tk-1683-billion-cash-incentives-for-exporters-1614010247>



BB relaxes credit rating rules amid pandemic



- The central bank has relaxed the requirements of Internal Credit Risk Rating System (ICRRS) to help businesses avail credit facilities from the banks amid the Covid-19 pandemic. The ceiling of marginal internal credit risk rating score has been brought down to 55 per cent from 60 per cent earlier, according to a notification, issued by the Bangladesh Bank (BB), on Tuesday. It said the BB relaxed the rules considering the adverse impact of the pandemic on the country's overall business activities.
- Besides, the banks are allowed to calculate the rating score for 2021 on the basis of any one audited balance sheets for 2019 and 2020. In case of fiscal year, the banks may consider June 30, 2019 or June 30, 2020 for assessing the score while December 31, 2019 or December 31, 2020 would be applicable for the same purpose on the basis of calendar year, the officials explained.
- The ICRRS refers to the system to analyse a borrower's repayment ability based on information about a customer's financial condition, including their liquidity, cash flow, profitability, debt profile, market indicators, industry and operational background, management capabilities and other indicators.

Source: <https://today.thefinancialexpress.com.bd/first-page/bb-relaxes-credit-rating-rules-amid-pandemic-1614103075>

Bank and Financial Institutions

Dhaka needs to pay \$460m to join New Development Bank

- Bangladesh will have to pay about \$460 million in subscription fee to become a member of the New Development Bank (NDB) or BRICS Bank, a new international lender looking to mobilise resources for infrastructure and sustainable development projects.
- Of the sum, \$92 million shall be contributed to the bank's paid-up capital payable in seven annual instalments, according to a letter of the High Commission of India (HCI) in Dhaka.
- The government will now move to discuss the membership issue with the management of the NDB. The lender began its official journey on July 21, 2015, with an initial capital of \$50 billion. The total capital of the bank is \$100 billion.
- The management has shortlisted 20 targeted countries for consideration for membership. Current members of the new bank are Brazil, Russia, India, China and South Africa.
- Based on current authorised capital, each 1 per cent of shareholding at the NDB would correspond to \$1 billion of capital, of which \$200 million shall be contributed to the paid-up capital.

Source: <https://www.thedailystar.net/business/news/dhaka-needs-pay-460m-join-new-development-bank-2049049>



Chairman of BHBFC reappointed

- Professor Dr. Md. Salim Uddin FCA, FCMA has been reappointed Director and Chairman of Bangladesh House Building Finance Corporation (BHBFC).
- He has been discharging duty as Chairman of Executive Committee of Islami Bank Bangladesh Limited. Before joining BHBFC as Chairman he was an Independent Director of Chittagong Stock Exchange.
- He was also an Independent Director of Premier Bank Ltd and Director of Rupali Investment Ltd. He was also a Director of Rupali Bank Ltd- a nationalized commercial bank.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/chairman-of-bhbfc-reappointed-1614095883>

Mercantile Bank launches 20 new Islamic banking windows

- Mercantile Bank yesterday launched 20 new Shariah-compliant Islamic banking windows under a "TAQWA" brand. Managing Director and CEO Md Quamrul Islam Chowdhury inaugurated the services through a digital platform. The additions take the number of branches having such services to 45.

Source: <https://www.thedailystar.net/business/news/mercantile-bank-launches-20-new-islamic-banking-windows-2050701>



Stock Market Update

BSEC appoints special auditor to find out reasons

- The Bangladesh Securities and Exchange Commission (BSEC) has appointed a special auditor for Delta Life Insurance Company to assess the firm's health. The move comes following allegations of regulatory breaches by the listed insurer.
- The Insurance Development and Regulatory Authority (IDRA) appointed Sultan-ul-abedin Mollah as an administrator of Delta Life Insurance on February 11. The IDRA said they took this initiative to protect the policyholders' interests and submit a report on the company's situation within four months.
- Earlier, Delta Life Insurance accused IDRA Chairman M Mosharraf Hossain of seeking Tk 50 lakh in bribes to approve the reappointment of the company's CEO and renewing the actuarial valuation basis. The press briefing was organised at the BSEC headquarters yesterday by the stock market regulator on the roadshow held from February 9 to 12 in Dubai.

Source: <https://www.thedailystar.net/business/news/bsec-appoints-special-auditor-find-out-reasons-2049629>



DSE turnover nosedives to seven-month low



- Stocks nosedived yesterday when the market's turnover reached a seven-month low due to a confidence crisis among investors. DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, dropped 90.77 points, or 1.65 per cent, to 5,385.21. Turnover, an important indicator of the stock market, was downed by 32 per cent, to Tk 467 crore.
- The last time it was so low was on July 29, 2020 when turnover reached Tk 399 crore. The index has been overcast for the last couple of weeks, so many stock prices were a source of losses for investors which ultimately had an impact on confidence. The turnover's fall proves that institutional investors are now not active in the market. In the DSE, 23 stocks rose, 219 declined and 101 remained unchanged.
- Prime Finance First Mutual Fund shed the most dropping 6.50 per cent followed by Mir Akhter Hossain, Robi Axiata, Jute Spinners and Sandhani Life Insurance Company. Meanwhile the port city bourse also dropped. The CASPI, the Chittagong Stock Exchange's (CSE) general index, fell 256 points, or 1.61 per cent, to 15,564.99. Among 186 stocks to witness trade, 26 rose, 122 dropped and 38 remained the same.

Source: <https://www.thedailystar.net/business/news/dse-turnover-nosedives-seven-month-low-2049609>

Trade Market & FX Reserve

BD Business Research & Dev Council launched

- Bangladesh Business Research and Development Council (BBRDC), an organisation with a focus on trade and business research, officially started its journey in Chattogram city.
- Some young researchers and journalists came up with the initiative, which was inaugurated through a programme at a hotel in the port city in the morning.

Source: <https://today.thefinancialexpress.com.bd/trade-market/bd-business-research-dev-council-launched-1614010215>

Electrical goods export jump

- Exports of electrical goods rose 42.34 per cent year-on-year to \$41.93 million in the July to January period of the current fiscal year, in a testament to Bangladesh's growing prowess in the technological sector. The export receipts were \$29.34 million during the same period a year ago, data from the Export Promotion Bureaus showed.
- Bangladesh exports electrical products such as cables, distribution boards, transformers, switch gears, wires, insulators, fans, heat and speed control systems, magnetic contractors, switches, and irons. Other export-oriented products include tube lights, filament bulbs, light fittings, table lamps, water heaters, torch lights, and lift equipment.

Source: <https://www.thedailystar.net/business/news/electrical-goods-export-jump-2050793>



Forex reserve hits record \$44.02b

- Bangladesh's foreign exchange reserve yesterday hit a new record of \$44.02 billion thanks to robust remittance inflows and lower import payments, Bangladesh Bank data showed. The reserve, one of the major macroeconomic indicators of an economy, touched the \$41-billion mark on October 28 and rose to \$42 billion on December 15 and then to \$43 billion on December 30 last year.
- Between July and January this fiscal year, the country received \$14.9 billion in remittance, up 34.95 per cent from a year ago. Remittance stood at \$1.49 billion in the first 23 days of February in contrast to \$1.24 billion in the same period a year ago, BB data showed.
- Remittance has played a vital role in boosting the foreign currency reserve amid the coronavirus pandemic, a Bangladesh Bank official said, adding that dwindling imports have also helped expand the reserve. Imports decreased 6.80 per cent year-on-year to \$25.22 billion in the first half of the current fiscal year.

Source: <https://www.thedailystar.net/business/news/forex-reserve-hits-record-4402b-2050769>

Agricultural Sector Update

High food prices weighing on the vulnerable: FAO

- High prices of rice and other important food items, including soybean oil and loose palm oil, have severely constrained the purchasing power for a large section of the vulnerable population above the poverty line in Bangladesh. The UN agency said prices of rice in the Dhaka market increased steadily throughout 2020, reflecting tight market availabilities, exacerbated by an upsurge in domestic demand due to the Covid-19 pandemic.
- Monthly prices data of Dhaka city compiled by the FAO showed that prices of coarse rice soared 38 per cent year-on-year to Tk 44.4 per kilogramme in January this year, the highest since September 2017. Medium grains rose 39 per cent year-on-year to Tk 50.81 each kg, data showed.
- Citing an official estimate, the agency said 29.5 per cent of the total population was poor as of June 2020, up from 20.5 per cent in June 2019. The FAO said Bangladesh hosts about 8,60,000 Rohingya refugees from Myanmar, most of whom were residing in the Cox's Bazar district. Overall, the 2020 aggregate paddy production is estimated to be at 5.48 crore tonnes, up marginally from 5.47 crore tonnes the previous year.

Source: <https://www.thedailystar.net/business/news/high-food-prices-weighing-the-vulnerable-fao-2049037>



Govt-fixed soybean oil rates fall on deaf ears

- Retailers and wholesalers in Chattogram market are continuing to charge Tk 3 to Tk 4 higher than the Tk 115 fixed by the government as the retail price of each litre of loose soybean oil four days ago. According to the sellers, loose soybean oil is selling for Tk 110 per litre at mill gates and at Tk 117 to Tk 118 at retail, although the government had fixed Tk 108 for the former and Tk 115 for the latter last Wednesday.
- The main reasons being supply shortages and price hikes in international markets. According to the Chattogram Custom House data, more than 9.18 lakh tonnes of edible oil, including crude soybean and refined palm oil, worth Tk 5,539 crore were imported in the past seven months from July to January of the current fiscal 2020-21. Some 13.13 lakh tonnes of edible oil worth Tk 6,386 crore was imported in the same period of FY 2019-20.
- On Wednesday, the commerce ministry fixed the price of loose soybean oil at Tk 115 per litre at the consumers' level, Tk 110 per litre at the distributor level and Tk 107 per litre at the mill gate. Bottled soybean oil has been fixed at Tk 135 per litre at the consumers' level, Tk 127 per litre at the distributor level and Tk 123 per litre at the mill gate.

Source: <https://www.thedailystar.net/business/news/govt-fixed-soybean-oil-rates-fall-deaf-ears-2049017>



Automobile Sector Update

Pandemic wreaks havoc on car sales

- Passenger vehicle sales fell by around 26 per cent in 2020 compared to the previous year due to the ongoing coronavirus pandemic and imposition of additional road tax. Passenger car sales were at its lowest in the past seven years as a total of 12,403 units were sold in 2020 while it was 14,681 units in 2014.
- Until the last fiscal, the owners of cars or jeeps with up to 1,500cc engine capacity had to pay Tk 15,000 as road tax while those with up to 2,000cc engine capacity paid Tk 30,000. The rates of taxes for these vehicles increased to Tk 25,000 and Tk 50,000 respectively in the current fiscal. Meanwhile, a car or jeep with an engine capacity of 2,000-2,500cc now has to pay 50 per cent more at Tk 75,000.
- Similar vehicles with an engine capacity of 2,500-3,500cc will have to pay 25 percent more. Car sales have come down to 41 units per day in 2020 while it was 56 units in 2019 and 61 units in 2018. The government brought down the maximum depreciation on imported reconditioned vehicles from 45 per cent in fiscal 2015-16 to 35 per cent in 2018-19.



Source: <https://www.thedailystar.net/business/news/pandemic-wreaks-havoc-car-sales-2049025>



Bajaj Auto Ltd becomes world's most valuable two-wheeler company

- Bajaj Auto's recent recognition as the world's most valuable maker of two-wheelers with market capitalisation of over \$13.6 billion is unlikely to surprise many in Bangladesh given its undisputed leadership in the country's two-wheeler market backed with a strong association with the reputed Uttara Motors Ltd.
- Commenting on the milestone, Milind P Bade, vice president of international business at Bajaj Auto India, said the company exports motorcycles to more than 70 countries across the globe. It enjoys market leadership in key countries on account of its sharp product strategies and focus on differentiated customer experience, making Bajaj the most valuable two-wheeler company across the globe.
- The demand for sports motorcycles is increasing in Bangladesh as customers get the best in technology, safety and performance from premium bikes such as Pulsar.
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Source: <https://www.thedailystar.net/business/news/bajaj-auto-ltd-becomes-worlds-most-valuable-two-wheeler-company-2050721>

International Business

Spotify set to come to Bangladesh

- Streaming platform Spotify has announced that it is going to launch its operations in Bangladesh as it embarked on a sweeping expansion to add more than 80 new markets and bring the service to over a billion extra people. The announcement came during a live-streaming event attended by Spotify Founder and CEO Daniel Ek. Last year, Spotify opened verified pages dedicated to Bangladesh, indicating the official launch was imminent.
- The Swedish company, which started its service in 2008, is currently the world's most popular audio-streaming subscription service with 345 million users, including 155 million subscribers, across 93 markets. As part of the ongoing commitment to building a truly borderless audio ecosystem—connecting creators, listeners, and content—Spotify is embarking on a sweeping expansion, the company said on its website.
- Because of Spotify, Bangladesh will become another market for foreign language songs. Despite its enormous popularity, Spotify has long faced criticism over streaming royalties, which many musicians say are inadequate, according to BBC News.

Source: <https://www.thedailystar.net/business/news/spotify-set-come-bangladesh-2050141>



ADB to give \$11.1b for infrastructure development

- The Asian Development Bank (ADB) will provide about \$11.1 billion to Bangladesh from 2021 to 2023 under its new country operations business plan.
- Of the sum, \$5.9 billion will be given for firm projects and \$5.2 billion for standby projects.
- More than \$560 million of other supports is helping create jobs and boost the rural economy.
- The Manila-based lender is in talks with the government about a proposal for \$940 million in assistance from its Asia Pacific Vaccine Access Facility for Bangladesh's coronavirus vaccination programme.
- Two \$500-million policy-based loans are also being processed in 2021 to support the health and finance sector recovery.
- The ADB has initiated the preparation of a new Country Partnership Strategy for 2021-2025. It is fully aligned with the priorities of the Eighth Five-year Plan, the Perspective Plan 2041, the Bangladesh Delta Plan 2100 and the Strategy 2030 of the lender.

Source: <https://www.thedailystar.net/business/news/spotify-set-come-bangladesh-2050141>

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