

Economy

Cenbank declares 7.13% reference rate to fix lending rate

The Bangladesh Bank has declared a reference lending rate of 7.13% for July, projecting an increase in interest rates for all types of bank loans. Based on the reference rate, the lending rate for banks will rise to 10.13% with the addition of a 1% supervision fee, meaning the rate will be 11.13% for personal and car loans, both of which fall under CMSME (Credit to Micro, Small, and Medium Enterprises) and consumer loans. ▪ Reference interest rates, sometimes called benchmark interest rates, are interest rates that are used as the basis for financial contracts. The reference lending rate, known as "SMART" (six-month moving average rate of Treasury bills), applies a margin for both banks and non-bank financial institutions (NBFIs).

<https://www.tbsnews.net/economy/banking/cenbank-declares-713-reference-rate-fix-lending-rate-652666>

Boon for savers as interest rate cap is scrapped

The new interest rate-setting method introduced by the central bank is going to benefit depositors as well as people who take consumer loans. Under the new arrangement, the Bangladesh Bank will introduce a market-driven reference lending rate for all types of bank loans, replacing the previously imposed lending rate cap. This move aims to enhance competitiveness in the banking sector and foster a favorable lending environment for businesses and individuals. The interest rate on the consumer loans will decrease to 11.10% from 12%, according to a BB notice issued yesterday.

<https://www.thedailystar.net/business/economy/news/boon-savers-interest-rate-cap-scrapped-3350806>

Dhaka retains duty-free access for exports to UK, but depends on human rights, political freedom

(UK to continue duty-free market access to Bangladesh after LDC graduation)

The UK's Developing Countries Trading Scheme (DCTS) has come into effect from Monday, 19 June, with simplified rules and tariff cuts that will facilitate more products entering the UK market from 65 developing countries including Bangladesh. "Bangladesh is due to graduate from Least Developed Country status in 2026. Changes made to the DCTS mean Bangladesh will retain duty-free access for 98% of exports, including readymade garments. It is more generous than the European Union's scheme the UK was previously a member of," says a British High Commission release in Dhaka on Monday, reports UNB.

<https://www.tbsnews.net/economy/bangladesh-will-retain-duty-free-access-98-exports-including-rmg-uk-through-new-scheme>

Biman Bangladesh to buy 10 Airbus jets, breaking Boeing reliance – Minister

State-owned carrier Biman Bangladesh Airlines has decided to purchase 10 planes from Airbus (AIR.PA), in a shift from its Boeing-dominated (BA.N) fleet, the South Asian country's junior minister for civil aviation told Reuters on Monday. "As per our requirement, the decision has been taken to purchase 10 aircraft in phases. The technical committee is assessing now," Mahbub Ali said. Ali's comments came after sources said the airline was close to a deal to buy 10 Airbus A350 widebody planes, marking its first order with the French plane maker.

<https://www.tbsnews.net/economy/aviation/biman-bangladesh-buy-10-airbus-jets-breaking-boeing-reliance-minister-652430>

Inequality has eaten away much of economy's gains: Experts

Growing inequality has eaten away the benefits of economic growth and achievements in recent years, said Dr M Asaduzzaman, a former research director of the Bangladesh Institute of Development Studies (BIDS). Quoting the Bangladesh Bureau of Statistics, he said, "The income inequality index, Gini coefficient or index, has increased at an abnormal rate in the last 10 years. While the overall Gini is below 0.50, it is 0.54 in urban areas, indicating high inequality."

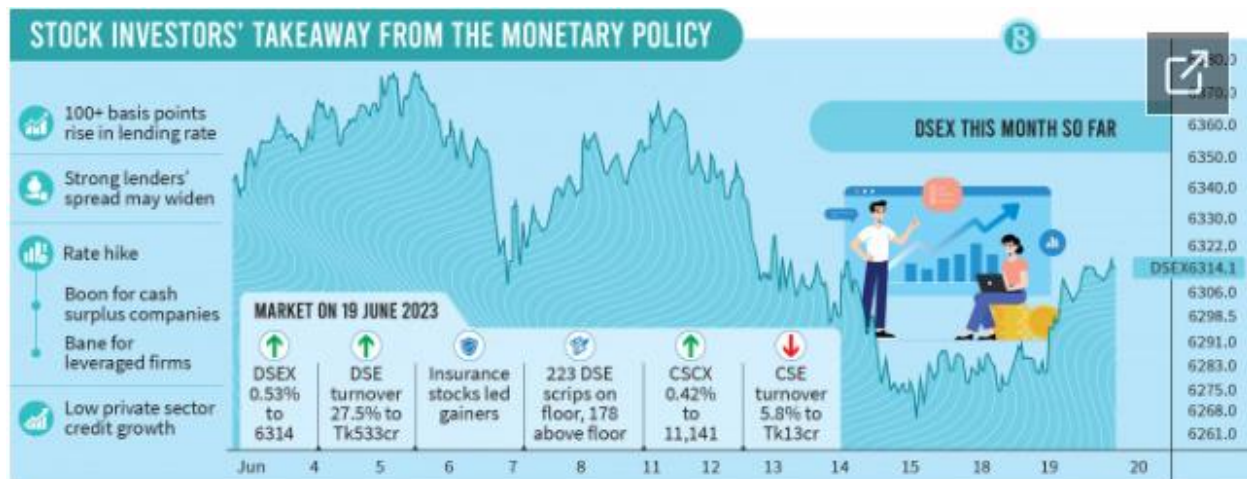
Participating in the discussion, another former research director of BIDS Dr Rushidan Islam Rahman, called for comprehensive research to find out the real cause of ongoing inequality in Bangladesh. "Although loan defaulters and wealth smuggling are blamed for the increase in inequality, research is needed on the real reasons," she said.

<https://www.tbsnews.net/economy/inequality-has-eaten-away-much-economys-gains-experts-652826>

Stock-Exchange News

Stocks turnaround defying monetary tightening

Dhaka and Chattogram stocks began their recovery on Monday, despite the announcement of a contractionary monetary policy by the Bangladesh Bank. The DSEX, the broad-based index of the Dhaka Stock Exchange (DSE), gained by 0.53% to 6,314 points in the first trading session following the unveiling of the much-feared policy. The major index of the premier bourse fell from 6,367 on 11 June to 6,264 on 15 June before the halfway recovery on Monday.



<https://www.tbsnews.net/economy/stocks/indices-surge-central-banks-lending-rate-cap-withdrawal-announcement-652498>

Stock-Specific News

Padma Oil to sell land for setting up second Eastern Refinery unit

The state-owned Padma Oil Company Limited has decided to sell its land in Chattogram to the Bangladesh Petroleum Corporation (BPC) in order to set up the second unit of its sister concern Eastern Refinery Limited. Padma Oil disclosed this as price sensitive information on the Dhaka Stock Exchange (DSE) website on Monday. The land's size is 11.6 acres, and its sale value is yet to be announced. Both Padma Oil and Eastern Refinery are owned by the BPC.

<https://www.tbsnews.net/economy/stocks/padma-oil-sell-land-setting-second-eastern-refinery-unit-652838>

Pran Agro to raise BDT 2.62 Bn thru bonds

Pran Agro is going to raise funds of BDT 2.62 Bn from institutional investors and high-net worth people by issuing bonds. The Bangladesh Securities and Exchange Commission (BSEC) approved the bond yesterday at a commission meeting, said a press release. The bond would be guaranteed, unsecured, transferrable, redeemable, and nonconvertible. Coupon rate of the bond is 8.88%. This is the second bond of Pran Agro, which raised BDT 2.1 Bn by issuing its first bond in 2021.

<https://www.thedailystar.net/business/economy/news/pran-agro-raise-tk-262cr-thru-bonds-3350646>

Runner Automobiles to raise BDT 2.675 Bn

Runner Automobiles PLC is going to raise funds of BDT 2.675 Bn from the institutional investors, corporates and high-net-worth people. The Bangladesh Securities and Exchange Commission (BSEC) approved the bond today in a commission meeting. The tenure of the bond would be seven years and it would be unsecured, redeemable, nonconvertible, and guaranteed. The coupon rate would be 8.5-9%. With the bond proceeds, Runner would extend the credit to the customers and build a solar plant.

<https://www.thedailystar.net/business/news/runner-automobiles-raise-tk-2675-crore-3350601>