

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.

Clothing brands still see Bangladesh as a major supplier: CPD-IPS study

- Despite the uncertainty caused by the coronavirus pandemic, international clothing brands are confident that Bangladesh will remain a major source of apparels in the coming months, according to a new study. The Centre for Policy Dialogue (CPD), a think-tank based in Dhaka, and the Institute of Policy Studies (IPS) of Sri Lanka, carried out the study.

- China, Bangladesh, Sri Lanka and Vietnam are major players in the global supply chain of the apparel business. Medium-term challenges will closely correlate with the extent to which the coronavirus is contained. The second wave has significantly reduced demand in prominent markets such as the US, the UK, and the EU, the study said. A significant shift in the distribution of export orders by buyers during the Covid-19 period (January–June 2020) has deprived several major supplying countries, including Bangladesh and Sri Lanka. Bangladesh's share in global knitwear markets fell from 8% in the pre-pandemic level to 6% in June last year. Similarly, the country's share in the woven segment declined from 7% to 6% during the period.

<https://www.thedailystar.net/business/news/clothing-brands-still-see-bangladesh-major-supplier-2081669>
<https://today.thefinancialexpress.com.bd/first-page/bd-to-keep-major-source-tag-1619028280>

Middle class savings under pressure

- In the banking sector, money is now cheaper than ever before. Low interest rates are a blessing for borrowers but a curse for the middle class depositors who depend on interest earnings. Money in the bank is now a loss for them. Most banks in the country are currently offering interest rates ranging from 3% to 4% against savings – far below the 5.63% inflation rate as of February this year. Most banks have brought down their cost of funds to below 3% following the single digit lending rate set from 1 April last year, making these depositors losers.

- The dilemma of the middle class has also come to the central bank's attention. The regulator last week halved the account maintenance fee for this year, taking the pandemic into account. Depositors who have a deposit of up to BDT 1 million in their savings accounts in 2021 will get this facility. This facility will not be applicable for current accounts. According to the decision, banks will deduct the account maintenance fee once instead of twice for this year.

<https://www.tbsnews.net/economy/banking/middle-class-savings-under-pressure-235321>

Steel structure business slumps 50% in pandemic

- The steel structure industry witnessed a 50% decline in business during the ongoing coronavirus pandemic, according to the Steel Building Manufacturers Association of Bangladesh. Industry insiders said private entrepreneurs are reluctant to invest more in new projects, which caused the slump. The industry is fully dependent on imported raw materials. Due to economic recessions and worldwide Covid-19 restrictions, raw material prices increased by around 40%, causing product costs to increase as well. But industry players could not increase the prices of finished products due to poor demand.

- The steel structure industry has been growing in Bangladesh for 30 years riding on industrialization and big government projects. According to industry insiders, around 100 companies are now providing PEB solutions in Bangladesh and at least 20 firms entered the market in the last five years. Despite challenges, steel structure companies say they will make big investments in the coming days. Bangladesh Building System is to invest BDT 160 million to modernise its factory, complying with the requirements of its foreign buyers who want to build factories in Bangladesh.

<https://www.tbsnews.net/economy/industry/steel-structure-business-slumps-50-pandemic-235249>

Footwear business caught in doldrums again before Eid

- The shoe industry logs one third of the annual sales ahead of Eid-ul-Fitr. Hoping for maximum return, businessmen make preparations to grab the market. This year, sales before the festival could make up part of the loss incurred throughout the year because of the pandemic, but the lockdown extended to 28 April slimed the possibility. Shops are closed and customers and shoemakers alike are confined to their homes. There are as many as 500 shoemakers, including more than 15 well-known brands, in the country. The market is rather dominated by small companies, employing a few hundreds of thousands of men and women. The market expanded, as the economy grew, at a rate of 12-15% a year before the pandemic broke out in the country. After registering a decline in the annual growth last year, businessmen were looking forward to overcoming their losses this year.

<https://www.tbsnews.net/economy/industry/footwear-business-caught-doldrums-again-eid-234745>

RD Food corporate director to buy 0.74 million shares

- Concrete and Steel Technologies Limited – a corporate director of Rangpur Dairy and Food Products Ltd (RD Food) – has announced it will buy more than 0.74 million shares of the listed company from the open market. The purchase will be accomplished within this month through the Dhaka Stock Exchange at the prevailing market price, said the company in a regulatory filing with the DSE.
- The company, already exporting products on a test basis to African countries, was awarded USD 1.1million export orders to Burkina Faso, the UAE, Ghana, Mali, the Republic of Moldova, Yemen, and many other countries of the world, RD Food informed shareholders on 12 April. Export proceeds will impact company revenues in the coming days. Its turnover will increase by BDT 91.3 million, gross profit by nearly BDT 17 million, and its annual earnings per share (EPS) will go up by BDT 0.1.

<https://www.tbsnews.net/economy/stock/rd-food-corporate-director-buy-737-lakh-shares-235258>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$61.12	\$12.60	25.97%
Crude Oil (Brent)*	\$65.32	\$13.52	26.10%
Gold Spot*	\$1,794.00	(\$101.10)	-5.33%
DSEX	5,423.22	21.15	0.39%
S&P 500	4,173.42	417.35	11.11%
FTSE 100	6,895.29	434.77	6.73%
BSE SENSEX	47,705.80	(45.53)	-0.10%
KSE-100	45,306.54	1,551.16	3.55%
CSEALL	7,433.44	659.22	9.73%

Exchange Rates

USD 1 = BDT 84.86*
GBP 1 = BDT 118.24*
EUR 1 = BDT 102.15*
INR 1 = BDT 1.12*

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

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