

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.

Bangladesh's persistent 'fighting spirit'

- The recently-released "World Economic Outlook" by the International Monetary Fund (IMF) – predicting Bangladesh to be the fastest growing economy in South Asia with a likely GDP growth rate of 4% against a nearly 10.5% contraction of India's economy – has been the talk of the town in recent days. Moreover, Bangladesh has been projected to be fourth in all of Asia and sixth in the global growth race in 2020 defying all odds of the ongoing economic recession induced by the Covid-19 crisis – which is thought to be the steepest in living memory. So far so good.
- What has, however, startled the keen economic observers of the sub-region is that the per capita GDP of Bangladesh may overtake that of India which was at least 40% higher just five years ago. Given the size of the economy, which is now over three hundred billion US dollars – and mind it was only eight billion US dollars in 1972 – unlike smaller economies like the Maldives and Sri Lanka, this may have created some ripples in the policy landscapes in South Asia.
- The divergent growth projections – from 1.6% by the World Bank and over 6% of the Asian Development Bank with the IMF staying in between – show the challenge of forecasting. Surely, one lesson is clear: despite these divergences, Bangladesh stands tall on a comparative cross-country basis. Let this be a source of inspiration, not of complacency. In addition, our lower money supply-GDP ratio – thanks to the prudent and cautious pursuit of innovative monetary policy for more than a decade or so – has provided space for monetisation and courage to policymakers to go for a number of robust stimulus packages as early as the first week of April this year.

<https://tbsnews.net/analysis/bangladeshs-persistent-fighting-spirit-147220>

Big borrowers gain, SMEs still in pain

- The implementation of the stimulus packages the government unveiled for small and medium enterprises (SMEs), farmers and low-income groups more than six months ago has been slow because of the reluctance of banks. In contrast, disbursement from the stimulus package meant for large industries and the service sector was faster. The government and the central bank rolled out 19 stimulus packages worth BDT 1.06 trillion to tackle the economic fallout brought on by the pandemic. Banks have been given the responsibility to distribute more than BDT 800.00 billion from the stimulus packages in the form of soft loans.
- The packages dedicated to corporate groups have a higher success rate as such entities operate in an organised manner. For instance, 81.87% of the BDT 330.00-billion package for large industries and the service sector was approved by lenders as of October 6. But the stimulus packages for the SME and farm sectors have seen sluggish implementation as lenders are reluctant to promote the packages, a central bank official said. Banks disbursed about BDT 58.82 billion among 26,664 borrowers since September under the stimulus package worth BDT 200.00 billion dedicated for the SME sector, which is considered the backbone of the economy.

<https://www.thedailystar.net/business/news/big-borrowers-gain-smes-still-pain-1981121>

Annual Development Programme (ADP) spending rebounds after pandemic pause

- Development spending rose 16% year-on-year to BDT 89.50 billion in September in a reassuring development for the government desperately trying to give a leg-up to the economy reeling from the coronavirus pandemic. This is the first positive growth since March this year as the expenditure from the ADP dipped every month since then compared to a year ago because of the crisis, data from the Implementation Monitoring and Evaluation Division (IMED) showed. ADP outlay in September last year was BDT 77.17 billion.
- Between July and September, the ministries and divisions spent BDT 173.01 billion, which was 0.25% down in the same period a year ago. The spending in the first quarter was 8.06% of the BDT 2.14 trillion set aside for the current ADP. The expenditure in July and August was 3.89% of the total development budget and it was 1.52% in July. The use of foreign aid rose more than 62% to BDT 32.05 billion in September from BDT 19.76 billion in the same month a year ago. Spending from the government's coffer edged up slightly to BDT 55.00 billion from BDT 54.59 billion in September last year.

<https://www.thedailystar.net/business/news/adp-spending-rebounds-after-pandemic-pause-1981105>

Wage disbursement: RMG owners turn their backs on digital payment

- Amid the pandemic, about three million apparel workers opened accounts with the country's mobile financial service (MFS) providers. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), 2.5 million workers opened accounts in April. This has been possible due to the government's directive on implementation of a stimulus package to absorb the economic fallout of the pandemic. The government announced a package of BDT

50.00 billion to pay workers' wages for the export-oriented industries.

- But in July, salary disbursed through MFS stood at BDT 45.87 billion, which drastically fell to BDT 10.64 billion in August. MFS providers and apparel makers said the drop from July to August was due to owners' return to traditional payments.

<https://www.dhakatribune.com/business/2020/10/19/wage-disbursement-rmg-owners-turn-their-backs-on-digital-payment>

GP pays 96.3 million in arrears to Dhaka South City Corporation

- Grameenphone (GP), the country's largest telecom operator, has paid arrears of the last seven fiscal years, worth BDT 96.3 million to Dhaka South City Corporation (DSCC). Dhaka South City Corporation Chief Revenue Officer said, "Although the corporation receives money from the mobile phone operator as per the law and schedule, the corporation has never been able to collect money from this sector due to lack of initiative."

- Grameenphone authority provided the necessary details of their towers, which they use in city corporation area, at several meetings, he said, adding they paid more than BDT 96.3 million for the entire arrears of the last seven years (FY 2013-14 to FY 2019-20).

<https://www.dhakatribune.com/business/2020/10/19/gp-pays-9-63c-in-arrears-to-dscc>

Grameenphone's profit shoots up by 25% in Q3

- Grameenphone Limited, the largest market-cap company of the country's prime bourse, has posted a 25% rise in net profit after taxes in the third quarter (Jul-Sep) of 2020 compared to the same period of previous year. The mobile operator reported total revenues of BDT 35.6 billion for the third quarter of 2020, registering a 2.8% de-growth from the same period last year. However, net profit after taxes for the third quarter was BDT 8.9 billion, with 25% margin. GP's earnings per share (EPS) for the period stood at BDT 6.59, as against BDT 5.38 for the same period of 2019.

- GP's network rollout significantly increased in the third quarter allowing us to expand our 4G footprint. Through strong operational execution, they focused on driving subscriber net ads and 4G conversion, leading to a 4.1% increase in our total customers from the previous quarter, Grameenphone CEO said in an official statement

<https://www.dhakatribune.com/business/2020/10/19/grameenphone-s-profit-shoots-up-by-25-in-q3>
<https://today.thefinancialexpress.com.bd/stock-corporate/gp-recovering-topline-as-economic-activity-resumes-1603124711>
<https://www.thedailystar.net/business/news/gps-net-profit-makes-strong-recovery-1981097>

Lub-rref cut-off price set at BDT 30

- The cut-off price of shares in Lub-rref (Bangladesh) Limited has been set at BDT 30 each after bidding by eligible institutional investors. At the end of the bidding process, with a proposed rate between BDT 13 and BDT 60, the cut-off price was set at BDT 30, according to the Dhaka Stock Exchange (DSE). Institutional investors will be offered 50% of the shares at the cut-off price. The remaining 50% will be offered to other investors, including general investors and non-resident Bangladeshis.

- The Chittagong-based company is due to use the BDT 1.50-billion IPO fund to install new machinery at its plant and repay some of its bank loans. Lub-rref (Bangladesh) supplies "BNO Lubricants" brand lubricants across the country. According to the entity's audited financial statements for the year ending on June 30, 2019, the company's weighted net asset value per share was BDT 31.93 while earnings per share (EPS) was BDT 2.08.

<https://www.dhakatribune.com/business/2020/10/19/lub-rref-cut-off-price-set-at-BDT-30>

Index Agro share bidding begins November 1

- The bidding for eligible investors (EIs) to discover the cut-off price of shares of Index Agro Industries Limited will begin on November 1 and will continue until November 4. The agro sector company will use the BDT 500-million IPO fund to install new machinery at its plant and repay some of its bank loans. The agro sector company will use the BDT 500-million IPO fund to install new machinery at its plant and repay some of its bank loans.

- According to the entity's audited financial statements for the year ending on June 30, 2019, the company's weighted net asset value per share was BDT 45.03 while earnings per share (EPS) was BDT 7.07.

<https://www.dhakatribune.com/business/stock/2020/10/19/index-agro-share-bidding-begins-november-1>
<https://tbsnews.net/economy/stock/index-agro-bidding-begin-november-1-147208>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$40.72	(\$20.91)	-33.93%
Crude Oil (Brent)*	\$42.45	(\$25.99)	-37.97%
Gold Spot*	\$1,903.42	\$381.95	25.10%
DSEX	4,902.16	449.23	10.09%
S&P 500	3,426.92	196.14	6.07%
FTSE 100	5,884.65	(1,702.40)	-22.44%
BSE SENSEX	40,431.60	(1,210.54)	-2.91%
KSE-100	40,340.17	(394.91)	-0.97%
CSEALL	5,946.08	(183.13)	-2.99%

Exchange Rates

USD 1 = BDT 84.74*

GBP 1 = BDT 109.72*

EUR 1 = BDT 99.73*

INR 1 = BDT 1.16*

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

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