

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 current account surplus exceeds USD 3.5 billion**

- Bangladesh posted a current account surplus of USD 3.53 billion in the first three months (July-September) of 2020-21 Fiscal Year, amid the onslaught of the Covid-19 pandemic. The Bangladesh Bank made the disclosure in its latest weekly report on Thursday. In the same period during the last fiscal year, the country had posted a current account deficit of USD 715 million. Bangladesh has an import-oriented economy. According to experts, the trade deficit dropped as the demand for imports also dipped due to the impacts of the Covid-19 pandemic, which in turn decreased the country's import payments.
- The country spent USD 11.73 billion on imports in July-September of the current fiscal year, compared to USD 13.25 billion during the corresponding period of the FY2019-20 – indicating an 11% drop in import payments. Bangladesh is also witnessing the return of a positive trend in export earnings during the July-September period of this fiscal year. The country posted USD 9.89 billion in export earnings during this time, compared to USD 9.64 billion during the same period last year. Bangladesh received some USD 6.71 billion in remittance during the first three months (July-September) of the current fiscal year – indicating a nearly 50% growth compared to the corresponding period last year, according to the latest data from the central bank.

<https://tbsnews.net/economy/bangladeshs-current-account-surplus-exceeds-35b-148636>

### **Economy averts recession, but inflation threat looms**

- Increased money supply in the last six months following a substantial growth in high-powered money has helped Bangladesh avert possible recession, but economists say inflationary pressure is building up. High-powered money comprises currency and bank deposits at the central bank. Expansionary monetary policy of the Bangladesh Bank (BB) along with the implementation of the government's stimulus packages aiming to speed up recovery of the pandemic-hit economy have also helped higher inflow of liquidity in the banking system. Besides, the central bank's downward revision of repo rate and cash reserve ratio (CRR) since April 2020 has boosted the flow. The country's aggregate money supply, measured by broad money (M2), increased by 1.41 percentage points to 13.57% in August year-on-year from 12.16% in March 2020, according to the central bank's latest statistics.
- Economists feared that higher money supply may fuel inflationary pressure on the economy in the near future if the regulators failed to adopt proper policies for balancing between the money supply and price stability. They also recommended the central bank strengthen its monitoring, saying the proper use of money should be ensured. The central bank injected BDT 222.77 billion into the market through buying USD 2.63 billion from the banks in the July-September period of FY'21.

<https://today.thefinancialexpress.com.bd/first-page/economy-averts-recession-but-inflation-threat-looms-1603473922>

### **Mobile money transfer to get easier**

- All banks and mobile financial service (MFS) providers will have to introduce the financial interoperability system by March 31 to help clients transfer money within the financial institutions. Interoperability means clients will be allowed to send money from their respective accounts with MFS providers to banks. Similarly, clients will be allowed to deposit money from their accounts with banks to MFS providers. Clients will also be able to transfer funds between MFS providers.
- The interoperability service, however, will go live on October 28 and it will be applicable for the banks and MFS providers that have successfully completed their pilot testing. But, other banks, which are yet to complete their preparations, will have to run the programme by March 31.
- As per a Bangladesh Bank notice, clients will have to pay a maximum of 0.8% of their fund to be transferred from one MFS provider to another as fee. Clients, however, will have to count 0.45% per transaction from banks to MFS providers, added the notice.

<https://www.thedailystar.net/frontpage/news/mobile-money-transfer-get-easier-1983261>

<https://tbsnews.net/economy/banking/customers-enjoy-mobile-banking-interoperability-27-oct-148657>

<https://www.dhakatribune.com/business/banks/2020/10/23/bangladesh-bank-interoperable-mfs-fund-transfer-by-march-2021>

### **Use of credit cards soars 50% in a year**

- The use of credit cards of the commercial banks and financial institutions (FIs) in Bangladesh has gone up sharply,

as their month-on-month transactions boosted by 50% within a year, officials and experts said on Wednesday. The volume of their transactions increased to BDT 15.52 billion in this August, from that of BDT 10.35 billion in August 2019, the Bangladesh Bank (BB) statistics showed. A senior central bank official told the FE that since people completed their shopping and banking transactions without going to bank branches during the pandemic period, the use of credit cards increased significantly. He said during this time, e-commerce boosted in the country notably, prompting use of credit cards by the customers.

<https://today.thefinancialexpress.com.bd/public/first-page/use-of-credit-cards-soars-50pc-in-a-year-1603387469>

### **Leather exports shrink in Q1**

- The country's export earnings from leather and leather goods contracted during the first quarter of current fiscal year. Bangladesh fetched USD 225.15 million from leather and leather goods exports during the July-September period of FY 2020-21 posted a 19.49% negative growth over the corresponding period of the last fiscal. Shipment of the sector was USD 1.23 billion in FY2016-17 and since then it has continued falling and stood at USD 797.6 million in FY 2019-20, according to official data of the Export Promotion Bureau (EPB). Exporters attributed the fall in export earnings to the failure in using local raw materials due to compliance issues, sluggish global demand and a shift in synthetic items. The pandemic is the latest blow to the industry.

<https://today.thefinancialexpress.com.bd/public/last-page/leather-exports-shrink-in-q1-1603388097>

### **Regulator okays IPOs of Energypac, eGeneration**

- The stock market regulator has approved the initial public offerings (IPOs) of Energypac and eGeneration, which will raise BDT 1.50 billion and BDT 150 million respectively from the capital market. Energypac will issue 40.2 million shares, of which 20.2 million are allocated for bidding among eligible investors while the rest will go to the general investors. With the IPO proceeds, the local power engineering company will expand its business, repay bank loans and meet IPO expenses. Energypac has already completed the bidding process and set a cut-off price of BDT 35 for its shares. General investors can purchase the stock at BDT 31 per share, which is a 10% discount from the cut-off price.

- Meanwhile, eGeneration will issue 15 million shares. With the IPO proceeds, the local ICT firm will buy office space, repay bank loans, develop a digital healthcare platform and meet IPO expenses.

<https://www.thedailystar.net/business/news/regulator-okays-ipos-energypac-egeneration-1982877>

### **BSEC forms body to probe Aman Feed's irregularities**

- The stock market regulator on Thursday set up an inquiry committee to unearth alleged irregularities in the financial statements and corporate governance of Aman Feed Limited. The Bangladesh Securities and Exchange Commission (BSEC) came up with the move after it had found different anomalies in the activities of the company, which manufactures and distributes poultry feed, fish feed, shrimp feed, and cattle feed.

- The issue came to the fore after AB Bank had arranged an auction for the sale of the company's land and factory in September. Meanwhile, Aman Feed secured a stay order from the High Court, which asked the company to pay BDT 600 million – BDT 200 million per month – to the lender by December 2020. According to AB Bank, the company owed around BDT 2.68 billion – including loans and their interest – to the lender till 31 July this year. But, the value of the company's factory and land in Sirajganj is BDT 700 million.

<https://tbsnews.net/economy/stock/bsec-forms-body-probe-aman-feeds-irregularities-148579>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$39.85	(\$21.78)	-35.34%
Crude Oil (Brent)*	\$41.77	(\$26.67)	-38.97%
Gold Spot*	\$1,902.05	\$380.58	25.01%
DSEX	4,914.04	461.11	10.36%
S&P 500	3,465.39	234.61	7.26%
FTSE 100	5,860.28	(1,726.77)	-22.76%
BSE SENSEX	40,685.50	(956.64)	-2.30%
KSE-100	41,266.00	530.92	1.30%
CSEALL	5,768.94	(360.27)	-5.88%

**Exchange Rates**

**USD 1 = BDT 84.77\***

**GBP 1 = BDT 110.55\***

**EUR 1 = BDT 100.54\***

**INR 1 = BDT 1.15\***

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

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