

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.

Business up for MNCs, but not like last year

- Business for most listed multinational companies (MNCs) has bounced back in the July-September period compared to what was during the April-May lockdown, which aimed at curbing the spread of the novel coronavirus. However, the development has been low when a year-on-year analysis is carried out. On the bright side, in context to the preceding quarter of April to June, all 11 of the listed companies operating in Bangladesh witnessed higher sales and earnings. The government announced a general leave from March 26, which was extended to May 30. Afterwards it decided to reopen the economy and subsequently, companies started to reopen their operations.
- Of the listed 11 multinational companies, five witnessed lower sales in the last July-September quarter compared to that in the same period the previous year. For three it was higher whereas the rest are yet to publish their quarterly financial reports. The biggest hit came in the April-June quarter, but businesses have bounced back in the July-September period, he said. Despite disruptions emanating from Covid-19, Bangladesh, with its strong record of growth and sound economic policies, will make a rebound on its growth trajectory, said CEO and country representative for LafargeHolcim Bangladesh.
- The recent stimulus packages introduced by the government coupled with improvements in inward remittance will aid the resurgence of rural demand, he added. Whatever was sold once the general leave was lifted and the economy reopened emanated from demand which had been put on hold for the pandemic, Marico Bangladesh Managing Director said.

<https://www.thedailystar.net/business/news/business-mncs-not-last-year-1984889>

Battery market swells riding on fast-expanding easy-bikes

- The rapid expansion of electric three-wheelers, popularly known as easy bike, has opened up huge business opportunities for battery manufacturers and traders in Bangladesh. The annual market for batteries is BDT 80.00 billion and easy bikes consume more than 60% of the market, two leading industry operators said. Automobiles and solar home systems use the rest. It is huge. Battery demand has more than doubled in rural areas than metro areas. The segment has expanded in the last six to seven years," said the president of the Accumulator Battery Manufacturers and Exporters Association of Bangladesh.
- The market for rechargeable lead-acid battery had been stagnant or sluggish for years owing to the slow expansion of the use of cars and other vehicles in the country, said a senior official of one manufacturer. A director of Rahimafrooz, one of the leading battery manufacturers, said there are around 1.0 million electric three-wheelers and they require nearly 2.5-3.0 million batteries annually. Because of the requirement for replacement and the increase in the number of electric vehicles, the demand for batteries will grow.
- It appears the market would double in the next five years, said the chief operating officer for the battery unit of Panna Group, adding that the market is growing by 15% annually. To tap the new market, existing manufacturers have expanded their production capacity.

<https://www.thedailystar.net/business/news/battery-market-swells-riding-fast-expanding-easy-bikes-1984857>

Four launch interoperable MFS today

- Interoperable transactions among mobile financial service (MFS) providers and between them and banks are set to be launched today (Tuesday) on a pilot basis, reports UNB. According to official sources, only four MFS providers, including bKash of Brac Bank, mCash of Islami Bank, U-cash and Al Arafah Islami Bank's Islamic Wallet, will launch the interoperable service today while others will gradually introduce the service later. As per directives issued by the Bangladesh Bank's Payment System Department on October 22, all MFS providers and banks have to mandatorily introduce such interoperable transactions within March 31.
- According to an expert in the banking industry, once such a system is fully launched, any MFS account holder or bank account holder will be able to transfer money from and to each other's account. The central bank also directed the MFS and banks not to introduce any new charges on their customers for the new service. The Bangladesh Bank circular said that in case of P2P money transfer from an MFS to another MFS, the receiving MFS will pay a charge at 0.8% on the total amount to the sending MFS. In case of transferring money from MFS to banks or banks to MFS, the MFS will pay a charge of 0.45% on the total amount to the concerned bank and it will take place in both the case of sending and receiving money, said the BB circular.

<https://today.thefinancialexpress.com.bd/last-page/four-launch-interoperable-mfs-today-1603733556>
<https://www.dhakatribune.com/business/2020/10/26/interoperable-mfs-transaction-to-be-launched-from-tuesday>

Top listed companies paint rosy picture in earnings amid Covid-19

- Amid the devastating impact of the pandemic, a good number of publicly traded companies have recorded better earnings. The companies, which manufacture pharmaceutical products, Covid-19 related products and provide telecommunication services, saw better earnings and surge in demands for their products rose amid the pandemic. Reckitt Benckiser Bangladesh, a multinational company listed with Dhaka and Chittagong Stock Exchanges, witnessed sharp rise in profits due to strong revenue growth driven by increased demand of personal hygiene products during the pandemic. Square Pharmaceuticals, the local giant in medicine production, posted a 4% growth in its consolidated revenue of BDT 52.93 billion for the year ending 30 June 2020.
- Meanwhile, a telecom operator and service provider also saw better growth in earnings as people used more internet and took services to remain connected with the people while remaining at home. On top of that, multinational companies also recorded better earnings due to their efforts in maintaining supply chain and better corporate practices. Grameenphone is reporting a recovering top line in the Jul-Sep'20 period as the economic activity of Bangladesh gradually resumes following the initial months of Covid-19 pandemic," said Grameenphone CEO Yasir Azman

<https://www.dhakatribune.com/business/stock/2020/10/26/top-listed-companies-paint-rosy-picture-in-earnings-amid-covid-19>

Baraka Power solves innocent non-compliance with 4 new institutions aboard

- Baraka Power Ltd has announced the appointment of four new institutional directors, alongside the appointment of a qualified independent director, to comply with securities regulations, demanding 30% shareholding by sponsors and directors collectively. Baraka Power's kind of innocent non-compliance went back to 2012 when it went off-compliance to abide by another part of the securities regulation that says any shareholder director must hold at least 2% shares at a listed company. The same regulation also said sponsors and directors will have to hold at least 30% shares collectively.
- However, the former directors are still with the company as sponsor shareholders, and recently they have transferred their shares to four holding companies, each of which now has more than 2% shares at Baraka Power, according to the company secretary of Baraka Power. Four representatives of the holding companies will be on Baraka Power Board after the BSEC's approval, he added. He declined to name the institutional shareholders being onboarded as the list is yet to be communicated with the BSEC.

<https://tbsnews.net/economy/stock/baraka-power-solves-innocent-non-compliance-4-new-institutions-aboard-150097>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$38.66	(\$22.97)	-37.27%
Crude Oil (Brent)*	\$40.56	(\$27.88)	-40.74%
Gold Spot*	\$1,907.06	\$385.59	25.34%
DSEX	4,892.01	439.08	9.86%
S&P 500	3,400.97	170.19	5.27%
FTSE 100	5,792.01	(1,795.04)	-23.66%
BSE SENSEX	40,145.50	(1,496.64)	-3.59%
KSE-100	41,850.47	1,115.39	2.74%
CSEALL	5,669.33	(459.88)	-7.50%

Exchange Rates

USD 1 = BDT 84.78*
 GBP 1 = BDT 110.47*
 EUR 1 = BDT 100.21*
 INR 1 = BDT 1.15*

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

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