

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.

Annual Development Programme (ADP) spending dips in August

- Development expenditure dropped 10.18% year-on-year to BDT 50.97 billion in August as activities are yet to pick up because of the lingering coronavirus pandemic. August's spending from the government's annual development programme (ADP) was, however, 56.63% higher than what it was in July. Ministries and divisions managed to expend only BDT 32.54 billion in the first month of the fiscal year. ADP spending in August last year was BDT 56.75 billion. The combined development expenditure in the July and August period stood at BDT 83.51 billion, accounting for 3.89% of the BDT 2.14 trillion set aside to carry out development activities in 2020-21.
- Despite the significant reopening of the economy from the two-month long countrywide lockdown in June, development activities have not yet gained momentum as the deadly virus is not showing any signs of abating. The power division was the top performer in the first two months of the fiscal year as it spent BDT 13.22 billion.

<https://www.thedailystar.net/business/news/adp-spending-dips-august-1962673>

Cards triumph amid pandemic

- Debit card users transacted a record BDT 181.23 billion in July as they opted for the digital money over cash to keep the coronavirus at bay. The transaction is the highest at least since December 2018, Bangladesh Bank data showed. July's figure is 29.08% higher than BDT 140.40 billion transacted in the same month a year ago and 44.66% up from BDT 125.28 billion in June this year. In the first month of the fiscal year, credit card-holders spent BDT 12.52 billion, which was the highest in six months and up 19.49% year-on-year.
- Their spending stood at BDT 8.98 billion in June this year and BDT 10.48 billion in July last year. Though restrictions have been easing off since June, both debit and credit card-holders have still been relying on digital money to pay for goods and services owing to the persisting coronavirus pandemic. July was a good month. Eid was a factor as the religious festival was celebrated at the end of the month, said the country manager for Mastercard. For the card business, April was the worst month. It recovered a bit in May and made a moderate comeback in June.
- For the card business, April was the worst month. It recovered a bit in May and made a moderate comeback in June. In July, the card business has returned to almost the February-level. It can be said it was a turning point, the country manager for Mastercard added. A significant portion of the card business is international transaction but that has been largely non-existent since April because of the pandemic.

<https://www.thedailystar.net/business/news/cards-triumph-amid-pandemic-1962681>

United Power Co to acquire two plants

- United Power Generation & Distribution Company Ltd has decided to acquire two power plants of the United Group subject to compliance of all related regulatory requirements. The board of directors of United Power has taken the decision to acquire 99% shares of United Anwara Power (UAnPL), a 300 MW HFO fired power plant located at Anwara, Chattogram, at net asset value (NAV) based on the financial statements as on June 30, 2020 of (UAnPL), effective on July 1, 2020.
- The board has also decided to acquire 99% shares of United Jamalpur Power (UJPL), a 115 MW HFO fired power plant located at Jamalpur, at net asset value (NAV) based on the financial statements as on 30th June 2020 of (UJPL), also effective on July 1, 2020. These acquisitions are subject to compliance of all related regulatory requirements, including approval of the shareholders, according to an official disclosure on Wednesday. The company will hold an extraordinary general meeting (EGM) on October 28 at 11:00am through digital platform for getting shareholders approval. The record date for EGM is on October 6.
- The United Power also acquired majority shares of United Ashuganj Energy (UAEL), a company having generation capacity of 195 MW power and 53 MW power generation plant (gas based) located at Ashuganj belonging to the United Energy Ltd. (UEL) last year. The United Power's consolidated earnings per share (EPS) stood at BDT 8.94 in nine months for July 2019-March 2020 which was BDT 11.71 for July 2018-March 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/united-power-co-to-acquire-two-plants-1600271739>
<https://www.thedailystar.net/business/news/united-power-acquire-two-sister-concerns-1962661>
<https://www.dhakatribune.com/business/stock/2020/09/16/united-power-generation-to-acquire-two-more-plants>
<https://tbsnews.net/economy/stock/united-power-acquire-2-power-plants-united-group-133942>

Runner, Bajaj to set up 3-wheeler plant in Bangladesh

• Runner Automobiles is going to set up a three-wheeler manufacturing plant in Bangladesh with the association of Indian automobile giant Bajaj Auto Ltd. The board of directors of Runner Automobiles is set to sign an agreement with the Indian company to set up the plant with a cost of BDT 3.0 billion. Under the agreement, Runner will manufacture and distribute Bajaj's RE 4S 3-wheeler in Bangladesh and will take necessary technical support for localisation of parts and components, assembling and manufacturing of vehicles from Bajaj Auto. This will be the first ever three-wheeler manufacturing set-up of a globally known brand in Bangladesh, according to an announcement Dhaka Stock Exchange (DSE) website on Wednesday.

<https://today.thefinancialexpress.com.bd/stock-corporate/runner-bajaj-to-set-up-3-wheeler-plant-in-bangladesh-1600272100>

<https://www.thedailystar.net/business/news/runner-ties-bajaj-make-three-wheelers-1962685>

<https://www.dhakatribune.com/business/stock/2020/09/16/runner-bajaj-to-build-3-wheeler-manufacturing-plant-in-bangladesh>

<https://tbsnews.net/companies/runner-invest-BDT300cr-manufacture-bajaj-three-wheelers-133948>

<https://www.newagebd.net/article/116442/runner-bajaj-tie-up-to-manufacture-3-wheelers-in-bangladesh>

Mobile handset assembling in country rises by 7 million units in FY20

• Mobile handset assembling in the country increased by 87% or around 70 lakh units in the last fiscal year of 2019-2020 compared with that in the previous fiscal year. According to the government data, 1.5 crore mobile handsets were assembled locally in FY20 against 80 lakh handsets in FY19. Officials of mobile handset assembling entities said that the government's policy support along with growing public appetite for using handsets was the major reason for the increased mobile handset assembling.

• The Bangladesh Telecommunication Regulatory Commission has so far granted registration to 11 entities to assemble and manufacture handsets in the country. Of the entities, 10 companies have already started assembling handsets. In FY20, the entities manufactured 9.47 million units of bar phone also known as feature phone, 0.92 million units of 3G-enabled smartphone and rest 5.75 million units of 4G-enabled smartphone. At present, imported handsets are subject to 32% tax while the tax rate is 17% on locally assembled ones and 5% on locally manufactured handsets.

<https://www.newagebd.net/article/116440/mobile-handset-assembling-in-country-rises-by-70-lakh-units-in-fy20>

Bangladesh Securities and Exchange Commission (BSEC) approves AFC Health's initial public offering

• The Bangladesh Securities and Exchange Commission (BSEC) has approved the proposal of AFC Health Ltd for an Initial Public Offering (IPO) to raise BDT17 crore by issuing 1.70 crore shares. AFC Health Ltd aims to bring healthcare facilities to the people of Bangladesh. The company provides Cardiology, Cardiothoracic Surgery, Dialysis, Psychiatry, Dietetics & Nutrition, Pharmacy and Ambulance services.

<https://tbsnews.net/economy/stock/bsec-approves-afc-healths-initial-public-offering-133936>

<https://www.newagebd.net/article/116441/bsec-okays-afc-healths-BDT-17cr-ipo>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$39.87	(\$21.76)	-35.31%
Crude Oil (Brent)*	\$42.00	(\$26.44)	-38.63%
Gold Spot*	\$1,946.44	\$424.97	27.93%
DSEX	5,116.81	663.88	14.91%
S&P 500	3,385.49	154.71	4.79%
FTSE 100	6,078.48	(1,508.57)	-19.88%
BSE SENSEX	39,302.85	(2,339.29)	-5.62%
KSE-100	42,282.28	1,547.20	3.80%
CSEALL	5,585.40	(543.81)	-8.87%

Exchange Rates

USD 1 = BDT 85.31*
GBP 1 = BDT 110.27*
EUR 1 = BDT 100.40*
INR 1 = BDT 1.16*

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

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