

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.

Government net bank borrowing drops by 74.13%

- The government's net borrowing from the country's banking system dropped by 74.13% or BDT 199.44 billion year-on-year till September 14 of the current fiscal year 2020-2021 due mainly to a rebound in the sales of national savings certificates. Besides the NSC sales issue, the inflow of budgetary assistance from multinational lenders in the first couple of months of the current fiscal year was another reason for a drop in the government's net borrowing from the banking system, Bangladesh Bank officials said.
- Even though the tax revenue collection by the government was dismal in the first two months of FY21, the improved NSC sales situation and foreign loans and grants helped the government keep bank borrowing low during the period, they said. As per the central bank data, the government's net bank borrowing dropped to BDT 69.58 billion till September 14 of FY21 against BDT 269.02 billion in the same period last fiscal year. Though the government's net borrowing from the banking system was not that high, its borrowing from the scheduled banks increased by BDT 211.10 billion in two and a half months of FY21.
- The net borrowing from scheduled bank increased to BDT 1.54 trillion on September 14 from BDT 1.33 trillion at the end of June this year. Bankers said that they had witnessed an increased demand for NSCs in the first couple of months of the fiscal year as savers, who were eligible to invest in the NSCs, had started diverting their funds from banks to NSCs as the banks had started lowering deposit rates further since April 1 this year when the 9-per cent regulatory maximum limit on lending rate came into force.

<https://www.newagebd.net/article/116823/government-net-bank-borrowing-drops-by-7413pc>

Mobile phone users rise to four-month high

- The number of mobile phone users rose to a four-month high in July while internet connections continued to soar in another signal that the country's economic recovery is gaining pace. Mobile phone users totalled 164.3 million in July, the highest since April, the first month that started to witness the full impacts of the coronavirus pandemic. The figure is 1.36% higher than 162.1 million customers the country's four mobile phone operators had combined in the same month a year ago, data from the Bangladesh Telecommunication Regulatory Commission (BTRC) showed.
- At the end of the first month of the ongoing fiscal year, market leader Grameenphone had 76 million mobile phone subscribers, up 0.86% year-on-year. The largest mobile phone operator had returned to almost pre-pandemic levels of 75.86 million it posted in February. Robi Axiata's customer base expanded by 2.85% year-on-year to 49.1 million in July. It had 49.6 million subscribers in February. Banglalink's number of customers fell by 0.86% to 34.4 million in July. It had 35.8 million customers in February.
- Following a devastating blow of the coronavirus pandemic on our business, it is very encouraging to see a positive picture on customer acquisition in July, said the chief corporate and regulatory officer of Robi Axiata. However, they think it is too late to conclude that they have left the pandemic behind us as the rate of churn is also very high at this moment. They don't see the situation stabilising somewhat before the end of the year, he added.

<https://www.thedailystar.net/business/news/mobile-phone-users-rise-four-month-high-1964797>

Banks get 3 more months to disburse farm credit stimulus

- The Bangladesh Bank on Sunday extended the deadline for disbursement of the BDT 50 billion stimulus fund for the agriculture sector by three months. The central bank extended the deadline for smooth implementation of the stimulus amid slow progress in disbursement, says a central bank circular issued on the same day. The deadline for the disbursement of loans, from the stimulus package, has been extended to December 31 from September 30, reads the circular. Although the agricultural sector has taken a twin blow of protracted pandemic and prolonged flooding, six banks have not yet disbursed any fund from the BDT 50 billion package. Also, other banks have disbursed only BDT 11.14 billion farm credit among 46,815 farmers from the package till August, according to the latest Bangladesh Bank data.

<https://tbsnews.net/economy/banking/banks-get-3-more-months-disburse-farm-credit-stimulus-135463>

<https://www.dhakatribune.com/business/banks/2020/09/20/farm-credit-stimulus-disbursement-deadline-extended-to-december>

Weak banks need merger: Prime Minister

- Expressing apprehension that the Covid-19 situation may worsen during the upcoming winter, the Prime Minister

asked everyone to bolster preparation to fight the pandemic in wintertime. Talking about the banks, she hinted that the weak banks will be merged following proper assessments, if necessary. The Prime Minister requested the Bangladesh Association of Banks (BAB) to give special attention so that the banks could operate in a proper manner. There are some banks which become very weak. In that case, merging (of banks) is required very often. But a proper scrutiny is necessary on which banks are functioning properly and which are not. Keep faith (in me), nothing would be done to this end without any assessment, she said.

<https://today.thefinancialexpress.com.bd/first-page/weak-banks-need-merger-pm-1600623610>

Demand for paints picking up again

- The stage was all set for Kansai Nerolac Paints Bangladesh, as it was annually growing at 25% since acquiring majority stakes of another high-performing paint maker RAK Paints in 2018. Foolproof strategies were also in place to become the best in the business. But suddenly the Covid-19 came to the scene and slowed the momentum. The contagion started its run by hitting the revenue first and reducing the quarterly sales by almost a half, said the CEO of Kansai Nerolac Paints Bangladesh. They were actually doing really great before the Covid-19 outbreak. But the pandemic caused a complete pause in the whole supply chain, he added.

- People's intention to avoid being infected with the microscopic virus by postponing all kinds of paint jobs eventually dented the financial health of all paint makers, he said. However, the sector started slowly recovering with the reopening of the economy in early July, from when Kansai Bangladesh once again started growing faster than its competitors, he said. The demand for paint, the number of paint jobs and the overall sales figures all began increasing, he said.

<https://www.thedailystar.net/business/news/demand-paints-picking-up-again-1964793>

Walton says demand for its ACs rising globally

- Bangladeshi electronics brand Walton is registering remarkable success in expanding the export market of its locally produced inverter technology's air conditioner, said a press release issued by the brand. Walton AC executive director and chief executive officer said that the 'Made in Bangladesh' labelled and Walton produced Inverter ACs were luring buyers in exporting countries and the export demand for Walton ACs was rising. With the resumption of import-export activities after lifting of lockdowns in different countries following the Covid-19 outbreak, he said that Walton had shipped out several consignments of AC exports to Yemen, East Timor, Nepal and India.

- Walton is manufacturing air conditioners in the names of renowned electronics brands of different countries in accordance with their requirements under the Original Equipment Manufacturer system. Walton Group IBU president said that Walton saw a promising international market as it had great competitiveness in terms of products' technology, global standard and price compared to other global brands. He also said that as many global players were recently trying to shift their sourcing place from China to other countries, Walton in Bangladesh had significantly emerged as a very important and sustainable business partner for them in Bangladesh.

<https://www.newagebd.net/article/116828/walton-says-demand-for-its-ac-s-rising-globally>

Energypac Power's share bidding begins today

- Energypac Power Generation's bidding to fix the cut-off price of shares commences today (Monday). As per the regulatory approval, the power generation company will raise a capital worth BDT 1.50 billion from the capital market to expand the LPG business and repay bank loans. As per the regulatory approval, the power generation company will raise a capital worth BDT 1.50 billion from the capital market to expand the LPG business and repay bank loans.

- Price-bidding for eligible investors (EIs) to fix the cut-off price of shares of Mir Akhter Hossain Ltd, a construction company, will commence from September 27. Each eligible investor who intends to participate in the electronic bidding for the company's shares shall maintain a minimum investment of BDT 10 million in listed securities as on the end of September 17 as per Public Issue Rules, 2015.

<https://today.thefinancialexpress.com.bd/stock-corporate/energypac-powers-share-bidding-begins-today-1600615137>
<https://www.dhakatribune.com/business/stock/2020/09/20/energypac-share-bidding-begins-monday>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$41.16	(\$20.47)	-33.21%
Crude Oil (Brent)*	\$43.19	(\$25.25)	-36.89%
Gold Spot*	\$1,952.17	\$430.70	28.31%
DSEX	5,088.87	635.94	14.28%
S&P 500	3,319.47	88.69	2.75%
FTSE 100	6,007.05	(1,580.00)	-20.82%
BSE SENSEX	38,845.82	(2,796.32)	-6.72%
KSE-100	42,504.76	1,769.68	4.34%
CSEALL	5,720.67	(408.54)	-6.67%

Exchange Rates

USD 1 = BDT 84.95*

GBP 1 = BDT 110.03*

EUR 1 = BDT 100.75*

INR 1 = BDT 1.16*

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

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