

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.

T-bonds' listing with bourses soon

- Treasury bonds will be listed with exchanges soon to diversify the share market from the conventional equity-based one, said PM's private industry and investment adviser. Treasury bonds were, however, listed with the prime bourse in 2003, but those were de-listed in 2011 as Bangladesh Bank started its own secondary market operations named 'MI Module market'. Currently, there are 269 treasury bonds invested by the country's financial institution and individuals. People at the central bank told the FE that they have been in the process of re-listing the fixed-income tools with the bourses.

- Sukuk issuance can create opportunities for investors from Malaysia to look into Bangladesh as another potential investment destination. BMCCI chief said sukuk is becoming an important asset class for investors from both conventional and Islamic backgrounds. He further added that the attention of sovereign, multilateral and corporate issuers worldwide is also attracting. But Bangladesh being one of the largest Islamic nations is yet to develop a sukuk market.

<https://today.thefinancialexpress.com.bd/first-page/t-bonds-listing-with-bourses-soon-1607450598>
<https://www.dhakatribune.com/business/economy/2020/12/09/sukuk-bond-coming-soon>

Bumpy road awaits exporters

- The rise of mega trading blocs, potential adverse consequences of LDC graduation, growing competition in key markets and a weakened multilateral system will make Bangladesh's trade journey challenging during the eighth five-year plan period, a think-tank said yesterday. Average tariffs facing Bangladesh's export are set to rise by 9%, and potential shipment loss could be to the tune of 14% following the graduation to a developing nation in 2024, the Centre for Policy Dialogue (CPD) said. Following graduation, Bangladesh will lose 1% to 4% of its annual exports amounting to USD 7 billion, said a member of the General Economics Division of the Planning Commission.

- While presenting the keynote paper, the executive director of the CPD, said if the ills of the banking sector were not cured, the economy would not fare well in the future. The CPD paper said the loss of preferential market access as an LDC in major export markets, particularly in the European Union, would have an adverse impact on the price advantages of Bangladeshi products.

<https://www.thedailystar.net/business/news/bumpy-road-awaits-exporters-2008221>
<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/covid-vaccination-should-be-among-top-priorities-8th-fyp>

Bank deposits no longer yield profit

- Customers can no longer expect profits after depositing money to banks. Rather, they are counting losses given the real interest rate compared to the inflation situation in the country. An analysis of the central bank's "quarterly report on currency and exchange rates" for the July-September period will explain the reckoning. At the end of September this year, the average interest rate on deposits fell to 4.79% while the average point-to-point inflation for the same month was 5.97%, according to the report.

- Considering inflation, the real interest rate on deposits stands at negative (-) 1.18%, meaning that if a customer deposits BDT 100 in a bank for a certain period, the actual amount will be BDT 98.82. A former chairman of the Association of Bankers Bangladesh (ABB) said that pensioners are the biggest losers in this situation. This former banker called for launching alternative savings instruments for depositors, citing that the reduction in lending rates is a right decision. The central bank report confirmed, in the third quarter of this year (July-September), interest rates on deposits compared to lending rates fell more than that in the second quarter (April-June).

- It has increased the "bank spread" or the difference between lending rates and interest rates on deposits. The average spread at the end of June this year was 2.89, which rose slightly to 3% at the end of September. Although the bank borrowing rate was fixed at 9%, the average rate at the end of September was 7.79%, thanks to low demand amid the Covid-19 pandemic. Despite the decline in deposit interest rates, the demand and time deposits have increased by more than 4.5% at the end of September this year as compared to June last.

<https://tbsnews.net/economy/banking/bank-deposits-no-longer-yield-profit-169138>

Robi's IPO lottery draw tomorrow

- The initial public offering (IPO) lottery draw of Robi Axiata, the largest ever IPO in Bangladesh's capital market

history, will be held tomorrow (Thursday). The lottery draw will begin at 10:30am through a digital platform, the company said in a statement. The investors are eagerly waiting for the lottery draw as every three-IPO applications has a chance of winning one lot of Robi shares, at least five times easier than as usual subscription, market operators said.

- Around 1.28 million general investors applied for Robi's IPO shares out of total 2.4 million BO accounts, according to brokerage house and Central Depository Bangladesh sources. The company offered roughly 523 million shares with par value BDT 10 each and raised a fund worth more than BDT 5.23 billion from a wide range of investors including its own employees under the fixed-price method.
- Of the total fund, BDT 1.36 billion collected from its own employees under the employee share purchase plan (ESPP) and nearly BDT 3.88 billion through initial public offerings. According to the company's statement, applications for Robi's IPO shares have been oversubscribed by 5.74 times against the public offering of nearly BDT 3.88 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/robis-ipo-lottery-draw-tomorrow-1607442490>

PIFIC rolls out USD 40m fund for four sectors today

- A USD 40 million worth of fund will be made available for the country's four targeted sectors to address their infrastructure constraints to help diversify the export basket and create fresh and quality jobs. The USD 40 million PIFIC facility is expected to cover 15-20 infrastructure projects within industrial clusters of the selected sectors across the country, said EC4J project director. About USD 0.5 million to USD 2.0 million grant will be given to each small works while USD 2.0 million to USD 10 million will be provided for larger ones, the project director said, adding that a feasibility study must be conducted for larger works.
- The PIFIC grants will be given for the projects like access roads to reduce transport costs, upgrade water and wastewater services, water and wastewater treatment plants, upgrade water connections, waste management facility/recycling centers, last mile power transmission of electric power, enhance telecom connectivity, common technical services facilities like labs and specialized warehouse facilities.

<https://today.thefinancialexpress.com.bd/trade-market/pific-rolls-out-40m-fund-for-four-sectors-today-1607444944>

BSEC asks police to bar MDs of three listed companies from leaving country

- The stock market regulator has urged the Bangladesh Police to prohibit six directors including three managing directors of three listed companies from leaving the country as the regulator was in the process of taking action against them. The three managing directors are: Azimul Islam of Alif Manufacturing Company, Mohammad Ali of Imam Button Industries and Tasbirul Ahmed Chowdhury of United Airways.
- The BSEC in the letter said that the directors raised funds through initial public offerings, repeated public offerings and right offers and sold a significant number of shares in the secondary market where the commission found various rules violations.

<https://www.dhakatribune.com/business/stock/2020/12/09/bsec-asks-police-to-bar-mds-of-united-air-imam-button-and-alif-manufacturing-from-leaving-country>

Islami Bank to sell stakes in mutual fund after price rockets

- Islami Bank on Tuesday announced its intent to sell a portion of its holdings in a mutual fund in which it is the main sponsor. The country's largest private bank will sell 0.5 million units of its total holding of 50 million units in the closed-end CAPM IBBL Islamic Mutual Fund, it said in a posting on the website of the Dhaka Stock Exchange. The timing of Islami Bank's announcement though appears rather suspect. The fund's price more than doubled in three months to close at BDT 21 on Tuesday, which is above its net asset value, which is the total value of its assets minus its liabilities. On December 6, the CAPM IBBL Islamic Mutual Fund's NAV stood at BDT 10.33 on December 6.

<https://www.dhakatribune.com/business/stock/2020/12/09/islami-bank-to-sell-stakes-in-mutual-fund-after-price-rockets>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$45.49	(\$16.14)	-26.19%
Crude Oil (Brent)*	\$48.74	(\$19.70)	-28.78%
Gold Spot*	\$1,868.44	\$346.97	22.80%
DSEX	5,049.80	596.87	13.40%
S&P 500	3,702.25	471.47	14.59%
FTSE 100	6,558.82	(1,028.23)	-13.55%
BSE SENSEX	45,608.51	3,966.37	9.52%
KSE-100	42,101.78	1,366.70	3.36%
CSEALL	6,564.00	434.79	7.09%

Exchange Rates

USD 1 = BDT 84.68*

GBP 1 = BDT 113.21*

EUR 1 = BDT 102.56*

INR 1 = BDT 1.15*

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

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