

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.

Forex reserves hit all-time high to USD 43 billion

- The country's foreign exchange reserves on Wednesday touched a new record of USD 43 billion-mark amid the coronavirus crisis. The upward trend of remittance and lower import payments were the drivers behind the all-time high reserves, the Ministry of Finance said in a media release. The reserves, one of the major macroeconomic indicators of an economy, touched the USD 41 billion mark on October 28 and rose to USD 42 billion on December 15.
- Bangladesh started to receive surprising remittance earnings from May this year despite pandemic crisis, as per bank data. It got USD 19.6 billion as remittance during January to November, which surpassed last year's full-year receipts of USD 18.3 billion. The remittance had hit the record mainly due to the 2% cash incentive on inflows through the official channel and a collapse in the hundi system, an illicit cross-border transaction network, experts believe.

<https://www.dhakatribune.com/business/banks/2020/12/31/forex-reserves-hit-all-time-high-to-43bn>
<https://www.thedailystar.net/business/news/forex-reserve-crosses-43b-2019997>

FDI falls over 30% in Jul-Nov of FY21

- Foreign direct investment (FDI) in the first five months of the current fiscal year declined by more than 30% compared to the same period of the previous financial year. The gross FDI, during July-November, was USD 950 million, down from USD 1.36 billion in the same period of the previous fiscal year. A senior research fellow at the Centre for Policy Dialogue, attributed the fall in FDI solely to the ongoing Covid-19 pandemic. He said it is normal that there was no investment in setting up new industries during the pandemic.
- Meanwhile, foreign investment in the capital market decreased as well. It was USD 44 million from July to November in the fiscal 2019-20. During the same period of this fiscal year, foreigners bagged USD 164 million by selling shares. But investments by expatriate Bangladeshis increased. In July-November of this fiscal year, their investment amounted to USD 116 million, up about 21% from the same period of the previous financial year. The current account balance surplus exceeded USD 4.1 billion from July to November because the trade deficit had fallen. This was caused by a reduction in import costs and a decline in export growth due to the impacts of the pandemic.

<https://tbsnews.net/economy/fdi-falls-over-30-jul-nov-fy21-178762>

Remittance growth slows in December, forex reserves cross USD 43 billion

- The remittance inflow growth that remained high in the first five months of the current financial year (July-November) even amid the ongoing pandemic situation has started to fall. In December, the year-on-year growth in remittance inflow slowed to about 20% in contrast to a whopping 62% recorded in July this year. However, in the first six months of the current fiscal, 67% more remittances came to the country as compared to the same period of the previous year. Money sent home by expatriate Bangladeshis in the July-December period of this year stands at 12.81 billion, up from USD 9.41 billion in the same period of last year.
- The research director of the Bangladesh Institute of International and Strategic Studies (BISS) said that economic activities in many countries, including those in the Middle East, began to stagnate again due to the second wave of the novel coronavirus, resulting in the drop in remittance inflow in December. He, however, said the situation would improve once the coronavirus vaccine is introduced. A former lead economist at the World Bank's Dhaka office, said remittance flows in the banking channels have increased due to the closure of illegal channels amid the pandemic. The 2% incentive given by the government is also one of the reasons for the increase in remittances, he added.
- He also predicted that the high growth of remittance flows will continue in the future as informal channels are closed due to the second wave of Covid-19. Meanwhile, foreign exchange reserves of the country have crossed USD 43 billion thanks to high inflow of remittance. As of 29 December, the forex reserves stand at USD 43.17 billion.

<https://tbsnews.net/bangladesh/forex-reserve-crosses-record-43bn-mark-178687>

Defaulters with down payment will not be classified too

- Loan defaulters who availed loan rescheduling with 2% down payment and one-time exit facility in 2019 will not be classified if they fail to pay the installments this year. The central bank in May 2019 allowed defaulters to regularise their bad loans with 2% down payment and offered a "one time exit" by clearing all dues by 360 days. According to the latest circular, the loan classification facility on those defaulters will be applicable on installment failure in 1 January 2020 to 31 December 2020 – considering the coronavirus fallout on business.
- In the 2019 circular, the central bank said clients whose loans have gone bad on 31 December 2018 will qualify for

rescheduling with 2% down payment and one time exit. The central bank then allowed the defaulters a 10-year repayment period with 9% interest. The circular referred to the bank-client relationship in implementing the facility. According to the circular, a bank could waive the interest before loan rescheduling if it wished. The special facility said defaulters who would reschedule loans or repay the dues at one go would also qualify for new loans.

<https://tbsnews.net/economy/banking/defaulters-down-payment-will-not-be-classified-too-178807>

All borrowers now can enjoy loan moratorium

- Borrowers who rescheduled their defaulted loans under the Bangladesh Bank's (BB) relaxed policy in 2019 are now allowed to enjoy loan moratorium facilities like other clients, officials said. Besides, customers who have availed the 'One Time Exit' facility are now entitled to get a maximum of 180 days more to adjust their dues, according to a clarification issued by the central bank on Wednesday.
- The central bank has already suspended the rules for classification of loans from January 01 to December 31 this year to help the businesses overcome the damaging effects of the pandemic. On May16 last year, the central bank offered a special facility to loan defaulters, allowing them to reschedule loans by paying 2.0% down payment for a maximum period of 10 years.

<https://today.thefinancialexpress.com.bd/last-page/all-borrowers-now-can-enjoy-loan-moratorium-1609349807>
<https://www.dhakatribune.com/business/banks/2020/12/31/rescheduled-loans-eligible-for-moratorium-facility>
<https://www.thedailystar.net/business/news/loan-moratorium-also-those-enjoying-easy-rescheduling-bb-2019993>
<https://www.newagebd.net/article/125815/special-loan-rescheduling-beneficiaries-to-get-moratorium-facility>

UK clearance to Oxford vaccine paves way for Bangladesh

- The Oxford-AstraZeneca Covid-19 vaccine got the go-ahead for use in the United Kingdom on Wednesday, marking the first approval worldwide for a jab that faced so many questions but will play a crucial role in mass immunisations. With the Oxford vaccine's approval, Bangladesh's vaccine hope has neared fulfilment. This vaccine is deemed a game-changer as it can be stored, transported and handled at normal refrigerated conditions. So it came as good news for many developing countries such as Bangladesh and India.
- Bangladesh has so far entered into an agreement with the Serum Institute of India through Beximco to get the Oxford vaccine only. Now, if the vaccine is approved in India, Beximco will seek approval to implement the vaccine in Bangladesh. Bangladesh's health minister hopes that the vaccine will arrive in the country by January. The vaccine has become the second coronavirus shot to be approved for UK use after Pfizer Inc and BioNTech SE's in early December. The UK's Medicines and Healthcare products Regulatory Agency (MHRA) has given clearance to it for emergency use.

<https://tbsnews.net/coronavirus-chronicle/uk-clearance-oxford-vaccine-paves-way-bangladesh-178612>

Islamic finance moved further into mainstream

- This year, Islamic finance made much headway in Bangladesh, one of the Muslim-majority nations: three more banks, Standard, NRB Global and Jamuna -- became Shariah-compliant while the Sukuk made its debut. With the three new banks, the number of fully-fledged Islamic banks will be 11. Then last month, the Bangladesh Bank allowed Reliance Finance to rename itself as Aviva Finance, as the non-banking financial institution requested to change its identity and branding as an Islamic finance company.
- Moreover, The huge response the central bank got from the investors for the Sukuk, the Islamic bond, suggests the future of Islamic finance is bright in Bangladesh. Banks and individuals placed 39 bids worth BDT 151.5 billion in the auction for Sukuk against the targeted amount of BDT 40 billion. Bankers said that the Islamic bank progressively seems attractive to conventional banks given their lower statutory liquidity ratio (SLR) and higher loan-deposit ceiling of 90%, said a BB high official.

<https://www.dhakatribune.com/business/banks/2020/12/31/islamic-finance-moved-further-into-mainstream>

Now Trust Bank also joins the MFS wagon

- A new mobile financial service (MFS) provider, Trust Axiata Pay (TAP), was unveiled yesterday in the capital. Trust Bank and Malaysian telecommunications conglomerate Axiata Group Berhad are behind the new venture. The existing digital wallet service of Trust Bank, T-Cash, will be merged with the MFS. The bank, as a regulatory requirement, has a 51% stake in the new venture, while Axiata holds the remaining 49%. Under the new MFS, users will be able to deposit/withdraw their money, pay utility bills, academic fees, armed forces-related recruitment fees, merchant payments, receive remittance from abroad, as well as recharge balances from all the mobile operators.
- TAP officials said that only the scan of one's national identity card (NID) and a selfie will be enough to register for the app. Its users will also be able to avail T-Cash's unique facilities such as pay academic fees of 56 institutions, NID and passport-related fees. In October, person-to-person (P2P) transfers on the MFS platform stood at BDT 165.7 billion,

accounting for the biggest share of the total transactions made during the month, according to data from the Bangladesh Bank.

<https://www.dhakatribune.com/business/banks/2020/12/31/now-trust-bank-also-joins-the-mfs-wagon>

Drug-makers stay strong in a tough year

- Most of the industries in Bangladesh witnessed drastic fall in profits in the outgoing year due to the protracted pandemic. The pharmaceuticals industry was an exception. Complete and credible data are yet to be released, but industry leaders say the domestic market saw a handsome growth in 2020. The industry clocked 17.36% higher export growth during the July to November, bringing home USD 69.82 million. The pharmaceuticals industry achieved good growth as patients have started to visit hospitals again to receive treatment and doctors are seeing patients, said the chief operating officer of Beximco Pharmaceuticals Ltd.

- Despite the pandemic, pharmaceutical firms tried to keep their regular operation up and running to supply essential drugs to the markets both at home and abroad. Reza believes the industry achieved more than 10% growth in 2020. Incepta's Chairman and Managing Director said that drug-makers were comparatively in a better position in 2020 than others because it deals with an essential product. From April to June, the industry was impacted. Since then, drug-makers have made a turnaround, said the entrepreneur, adding that the industry may post a 5% growth at the end of the year.

<https://www.thedailystar.net/business/news/drug-makers-stay-strong-tough-year-2020013>

Bangladesh Securities and Exchange Commission (BSEC) allows brokerage firms to open new branch offices

- The stock market regulator has allowed brokerage firms to open new branch offices across the country after nine years following the long-standing demand of the stockbrokers. The commission withdrew the earlier suspension order issued on February 22, 2011 regarding opening new branch offices of the brokerage firms. Recently, the securities regulator has also allowed stockbrokers to open digital booths at home and abroad in order to reach out to a wider population of investors. The booth can be opened in business areas in union to district level.

- After the stock market crash of 2010-11, the stock market regulator put a bar on opening brokerage house branch offices on February 22, 2011. However, in November, 2019, the securities regulator allowed opening of brokerage house branches within the areas of the two Dhaka city corporations which had no branch offices. According to the recent DSE data, 250 members of the bourse operate 691 branch offices in 28 districts in the country. The number of branches was 388 in 2008. Of the 691 branch offices, 398 branches are located in Dhaka, 73 in Chattogram, 39 in Sylhet, 15 in Narayanganj, 14 in Khulna and nine each in Cumilla, Rajshahi and Rangpur.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-allows-brokerage-firms-to-open-new-branch-offices-1609344741>

<https://www.dhakatribune.com/business/stock/2020/12/31/brokerage-houses-can-now-open-branch-offices>

<https://www.newagebd.net/article/125816/bsec-allows-stockbrokers-to-open-branch-after-10yrs>

Dhaka Bank, ICB want to be market makers in stock market

- Four companies, including Dhaka Bank Limited and state-run Investment Corporation Bangladesh Limited, have applied to be market makers in the capital market. They have recently made the application with the Bangladesh Securities and Exchange Commission. Apart from Dhaka Bank and ICB, two Chittagong Stock Exchange stock brokers -Be Rich Limited and Kabir Securities Limited have also applied for market-maker license. Market makers are entitled to keep the prices of shares within a certain range through buying and selling securities based on companies fundamentals.

- The Commission framed the market maker rules in 2000 and amended it on June 13, 2017, to encourage the good companies to be enrolled as market makers. As per the rules, the minimum capital requirement for becoming a market maker is BDT 100 million. To be a market maker for more than one listed securities, stockbrokers or stock dealers will have to increase their paid-up capital by BDT 100 million for each security. An entity with a BDT 500-million capital would be allowed to act as a market marker for three authorised securities.

<https://www.newagebd.net/article/125778/dhaka-bank-icb-want-to-be-market-makers-in-stock-market>

BSEC to appoint observer, special auditor to Al-Haj Textiles

- The Bangladesh Securities and Exchange Commission on Wednesday decided to appoint an observer committee and a special auditor to non-performing Al-Haj Textiles Limited to monitor and assess the company's business affairs. The BSEC on Wednesday issued a directive asking Al-Haj Textiles to allow the committee and the special auditor to examine its business. As per the directive, a committee consisting of a BSEC executive director, a senior Dhaka Stock Exchange official and an independent director as appointed by the commission will oversee the whole affairs of the

company.

- The committee will also evaluate the company's last two fiscal years' annual general meetings held on Wednesday. The special auditor will also conduct audit on the company's whole affairs, including the last two financial years and the cost of the issuer company and the issuer company must assist the auditor as per the auditor's requirements, the directive said. Besides, the company must not sell and transfer or dispose of any assets without prior approval of the commission.

<https://www.newagebd.net/article/125817/bsec-to-appoint-observer-special-auditor-to-al-haj-textiles>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$48.28	(\$13.35)	-21.66%
Crude Oil (Brent)*	\$51.34	(\$17.10)	-24.99%
Gold Spot*	\$1,898.08	\$376.61	24.75%
DSEX	5,402.07	949.14	21.31%
S&P 500	3,732.04	501.26	15.52%
FTSE 100	6,555.82	(1,031.23)	-13.59%
BSE SENSEX	47,746.22	6,104.08	14.66%
KSE-100	43,694.76	2,959.68	7.27%
CSEALL	6,748.01	618.80	10.10%

Exchange Rates

USD 1 = BDT 84.72*
GBP 1 = BDT 115.61*
EUR 1 = BDT 104.23*
INR 1 = BDT 1.15*

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

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