

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.

Higher freight deepens apparel exporters' woes

- The rising air and sea shipment costs have landed apparel makers in deeper trouble, as they reel under the lingering effects of Covid-19, industry people say. Freight forwarders attributed the rise in shipment costs to the capacity constraints, lengthy loading and unloading activities due to coronavirus-linked operational suspensions and growing demand. The new concern for the factories was highlighted in a new study. According to the survey, 61.97% out of 610 factories reported that their shipping cost is higher than the pre-pandemic period.

- According to industry people, the average rate to carry goods to the European airports in November and December was USD 3.0 to USD 3.20 per kg. The rate was USD 7.50-USD 8.0 per kg for the USA, they said. Local exporters shipped goods by nearly 40 airlines before the pandemic, but half of them suspended flights or drastically reduced frequency. On the other hand, the number of containers carrying exportable goods has drastically fallen due to lockdown in major importing countries, longer loading and unloading operations caused by Covid-19 movement restrictions and the growing demand, they added.

<https://today.thefinancialexpress.com.bd/first-page/higher-freight-deepens-apparel-exporters-woes-1611420705>

Economy reopens, but poverty rises

- Bangladesh had made a consistent progress in reducing the poverty rate until the pandemic pushed it back up to double the number of poor people and triple the number of extreme poor. Inequality has gone up too, according to the findings of a study done by South Asian Network on Economic Modeling (Sanem), a network of economists and policymakers. The research was done to analyze the impact of the pandemic on income, expenditure, employment, education, health and social safety net. A nationwide survey was conducted for the research through telephonic interviews of 5,600 households from 2 November 2020 to 17 December 2020.

- About 42% of the population now live below the poverty line. The figure was 21.6% in 2018, according to a survey by Sanem and General Economics Division of the Planning Commission. The Bangladesh Bureau of Statistics (BBS) estimated the poverty rate at 24.3% in 2016. The poverty rate doubled last year both in rural and urban areas to 45.3% and 35.4% respectively, said Sanem's Executive Director Selim Raihan. In 2018, 24.5% people living in villages and 16.3% in cities were poor. The rate of extreme poor increased to 33.2% in rural areas and 19% in urban areas. Overall, the extreme poverty rate went up to 28.5% from 9.4%.

<https://tbsnews.net/economy/economy-reopens-poverty-rises-190528>

<https://www.dhakatribune.com/business/economy/2021/01/24/extreme-poverty-trebled-in-2020>

<https://www.newagebd.net/article/128071/poverty-inequality-surge-survey>

General investors to get 70% IPO shares

- To put an end to market manipulation, the regulator has finalised its rules, allowing general investors to buy 70% shares of any initial public offerings (IPOs), up from the previous 50% and 60% in two separate categories. As a result, general investors' IPO quota will increase by 10% in fixed price and 20% in book building methods. Consequently, institutional investors' quota in primary shares will come down by 10% and 20% in fixed price and book building processes respectively. Of the 70% shares set aside for general investors, the regulator fixed 65% for resident Bangladeshis and only 5% for non-resident Bangladeshis.

- In other words, institutional investors will get 20% IPO shares in fixed price and 30% in the book building systems. Mutual funds will get only 10% primary shares in the fixed price method while they will be treated as institutional investors in the book building system.

<https://tbsnews.net/economy/stock/general-investors-get-70-ipo-shares-190480>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$52.27	\$3.75	7.73%
Crude Oil (Brent)*	\$55.41	\$3.61	6.97%
Gold Spot*	\$1,855.62	(\$39.48)	-2.08%
DSEX	5,836.18	434.11	8.04%
S&P 500	3,841.47	85.40	2.27%
FTSE 100	6,695.07	234.55	3.63%
BSE SENSEX	48,878.54	1,127.21	2.36%
KSE-100	45,868.04	2,112.66	4.83%
CSEALL	8,463.43	1,689.21	24.94%

Exchange Rates

USD 1 = BDT 84.77*
GBP 1 = BDT 115.99*
EUR 1 = BDT 103.18*
INR 1 = BDT 1.16*

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

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