

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.

Trade deficit narrows by 21% in six months of FY21

- Trade deficit narrowed by 21% in the first six months of the current fiscal year, compared to a year earlier, riding on a decline in imports, a worrying sign for a growing economy like Bangladesh. A narrowing trade deficit indicates a slump in consumption during the pandemic even after economic activities resumed in full swing in recent months. From July through December 2020, the trade balance improved to negative USD 6.46 billion from negative USD 8.22 billion in the same period of the previous year. The import growth fell 6.80% year-on-year in the July-December period of the current fiscal year when the export growth was negative 0.44%.
- Following a strong growth in export and remittances, the foreign exchange reserves are expected to continue its uptrend. Cargo handled by the Chattogram port started increasing sharply after May 2020 and came back to the pre-pandemic level in November 2020. The private sector credit growth in trade and commerce and consumer finance increased significantly during the first quarter of FY21.

<https://tbsnews.net/economy/trade/trade-deficit-narrows-21-six-months-fy21-192760>
<https://www.thedailystar.net/business/news/trade-deficit-narrows-falling-imports-2035181>

Mobile money transactions grew by 30% in 2020

- Mobile money transactions have been gaining popularity in the country amid the contagion, with a 30% growth in 2020 to BDT 5.60 trillion compared to the previous year. The nationwide shutdown and the practice of social distancing have increased the demand for digital money transfer, according to industry people. The demand for mobile banking jumped in the middle of last year when the virus curve was climbing to its peak, resulting in a significant rise in the number of service recipients and transactions. In July 2020, the number of active clients rose to 427 million. That same month the total mobile money transactions went up to BDT 630.00 billion, which was higher than at any other time of the year.
- As money transfer by the government to the poor slowed down, the number of active clients came down to 31.6 million in November, but again rose to 32.3 million the next month. The number of registered MFS subscribers was, however, close to 100 million. The number of transactions and other services through mobile banking was also higher in December last year than in the previous month. There was also a 15.5% jump in remittance inflow in December through mobile banking compared to November.

<https://tbsnews.net/economy/banking/mobile-money-transactions-grew-30-2020-192718>
<https://www.newagebd.net/article/128493/mfs-transactions-rise-by-BDT-127-lakh-cr-in-2020>

BB renews call to exhaust stimulus packages by Mar

- The central bank has asked the banks to exhaust all stimulus packages by March to help revive the economy, battered by Covid-19. They've advised the bankers to disburse the stimulus packages within the deadline for revamping the country's economic activities, the central bank's spokesperson said. An executive director of the central bank, said that the BB also gave a 'strong message' to clear both local and foreign unsettled import bills immediately. The private sector credit growth will be increased in the coming months if the banks implement the financial packages fully by March 31, the spokesperson said.

<https://today.thefinancialexpress.com.bd/first-page/bb-renews-call-to-exhaust-stimulus-packages-by-mar-1611767527>
<https://www.thedailystar.net/business/news/enhanced-credit-limit-apparel-stay-until-june-2035177>

Samsung starts manufacturing ACs in Bangladesh

- South Korean tech giant Samsung has started its first air conditioner (AC) manufacturing plant in Bangladesh with a goal to manufacture 30,000 units annually. AC units manufactured in the plant – owned by Samsung's country distributor Fair Electronics and located in Narsingdi – will have a 30% value addition, and the retail price is expected to drop by 25%-30% as a result, Fair Electronics Chairman said. They will increase the annual production target of Samsung AC units to 100,000 in the next five years, he said adding that Fair Electronics has previously been assembling Samsung ACs, but it will now manufacture them.
- Bangladesh currently has an annual market demand for 500,000 AC units, and a large portion of the units are being imported. Along with Samsung, Walton is among the only two companies that manufacture AC units in the country. The market leader in AC unit sales is Walton, followed by General from the UK.

<https://tbsnews.net/economy/industry/samsung-starts-manufacturing-ac-s-bangladesh-192748>

<https://www.thedailystar.net/business/news/local-production-cools-down-ac-prices-2035185>

Brokerages have until 30 Jun to adjust margin loans

• Stockbrokers and merchant banks now have until 30 June to adjust the margin loan rate at 12%. Bangladesh Securities and Exchange Commission (BSEC) said it would not enforce compliance on stockbrokers and merchant banks until then. But no directive would be issued in this regard, said a BSEC official. On 13 January, the commission set 12% as the maximum interest rate on margin loans. It was supposed to be adjusted within February. Previously, there was no fixed interest rate on margin loans. Stockbrokers and merchant banks used to charge interest as they wished, causing it to rise to 14-18%.

<https://tbsnews.net/economy/stock/brokerages-have-until-30-jun-adjust-margin-loans-192736>

Shurwid Industries to face the music for lying about paying dividends

• The Bangladesh Securities and Exchange Commission (BSEC) on Wednesday formed an inquiry committee to investigate Shurwid Industries for lying about its dividend disbursements. In July last year, the stock market regulator froze the beneficiary owners (BO) accounts of sponsor-directors of Shurwid Industries in this regard. The commission had also asked the Central Depository of Bangladesh and depository participants to freeze all types of securities directly or indirectly held by the company's sponsors shareholders, directors, chief financial officer and company secretary until further order, BSEC officials said.

• Earlier on January 29, the company informed the BSEC that it had disbursed dividends to all of its shareholders, but some complained to the commission that they did not receive dividends from the company. The company had recommended a 10% cash dividend for the year ended on June 30, 2019 and held annual general meeting on December 30, 2019. The commission also asked Dhaka Stock Exchange to investigate the affairs of Shurwid Industries, including all its offices and factory premises.

<https://www.dhakatribune.com/business/stock/2021/01/28/shurwid-industries-to-face-the-music-for-lying-about-paying-dividends>

<https://www.newagebd.net/article/128497/bsec-probes-shurwids-deceiving-dividend-declaration>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$52.70	\$4.18	8.62%
Crude Oil (Brent)*	\$55.61	\$3.81	7.36%
Gold Spot*	\$1,847.38	(\$47.72)	-2.52%
DSEX	5,714.75	312.68	5.79%
S&P 500	3,750.77	(5.30)	-0.14%
FTSE 100	6,567.37	106.85	1.65%
BSE SENSEX	47,409.93	(341.40)	-0.71%
KSE-100	46,458.13	2,702.75	6.18%
CSEALL	8,812.01	2,037.79	30.08%

Exchange Rates

USD 1 = BDT 84.70*

GBP 1 = BDT 115.88*

EUR 1 = BDT 102.52*

INR 1 = BDT 1.16*

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

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