

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.

Private sector in a sorry state

- Bangladesh's private sector has long been in stagnation because of the coronavirus pandemic, and this was again on display during the auction for sukuk last week. The government earlier said it would mobilise BDT 40.00 billion from the second and final round of the auction of the Shariah-based tool. But investors placed bids for a record BDT 327.26-billion on June 9, in a sign of the weak credit demand in the private sector. No auction of treasury bills and bonds have observed such massive bids. The final round has broken all previous records of auctions of government securities, said several officials of the Bangladesh Bank (BB), who have direct knowledge about the auction of government securities.
- On December 28, the first sukuk auction in the country's history took place. Banks and individuals placed bids worth BDT 151.53 billion against the targeted amount of BDT 40.00 billion. As the economy is facing a protracted slowdown, banks are exploring various options to invest their idle funds to maximize profits amid the lower credit demand. Banks flocked to T-bills and bonds since the second quarter of last year after the pandemic hit the country, bringing the economy to its knees. The executive director of the Policy Research Institute of Bangladesh said that the higher bid for sukuk auction was not a good sign for the economy.

<https://www.thedailystar.net/business/economy/news/private-sector-sorry-state-2109921>

Digital transactions – the new normal

- In Bangladesh, there are 59 scheduled banks with more than 10,000 branches. Yet 40% of the population is still unbanked – a situation has given rise to the mobile financial service (MFS). On the back of its wide network, bKash has acquired a huge number of users. Since March 2020, it has added 14.4mn new customers. Other MFS providers have also had significant customer acquisition.
- This financial technology has been highly beneficial in reaching out the government's initial stimulus package of BDT 50.00 billion to the workers of export-oriented garments industries last year. About 45% of it was channelled through bKash, 29% through Rocket, and the rest by other MFS providers. It is a matter of genuine concern that the government is likely to hike the corporate tax of MFS up to 40% from the existing 32.5%. This may be a significant blow for the budding MFS industry, where providers need to make a massive investment in technological innovations to ensure customer-centricity. None of them has made a mentionable profit yet.

<https://www.thedailystar.net/business/economy/news/digital-transactions-the-new-normal-2109813>

ACs, fans selling like hotcakes this heatwave

- Air conditioning (AC) systems and fan sales have increased to almost 30% this heatwave. Compared to previous year's sales, this year's sale is quite as high as last year, said a retail trader who operates Lalbagh Electronics. A buyer said that they want to buy an AC. The temperature is increasing, so buying an AC is becoming a must. A member of Bangladesh Electronics Merchants Association said that urbanization, climate change, and the purchasing capacity of the middle class are key reasons behind surge in AC and fan sales.

<https://www.dhakatribune.com/business/commerce/2021/06/12/acs-fans-selling-like-hotcakes-this-heatwave>

30 new DSE TRECs to begin operation soon

- Dhaka bourse is ready to handover 30 new TRECs (trading right entitlement certificates) very soon as the process of issuing such trading licenses has already been completed. The officials of Dhaka Stock Exchange (DSE) said the new TRECs are likely to be distributed within two weeks to the companies which got the regulatory consent to start trading operations in the capital market. The number of existing brokerage firms on the premier bourse is 250. The DSE found no claimants of four firms, while another eight firms are not active in operations. As a result, 238 firm presently are active in operations.

<https://today.thefinancialexpress.com.bd/stock-corporate/30-new-dse-trecs-to-begin-operation-soon-1623511098>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$70.91	\$22.39	46.15%
Crude Oil (Brent)*	\$72.69	\$20.89	40.33%
Gold Spot*	\$1,877.53	(\$17.57)	-0.93%
DSEX	6,066.64	664.57	12.30%
S&P 500	4,247.44	491.37	13.08%
FTSE 100	7,134.06	673.54	10.43%
BSE SENSEX	52,474.76	4,723.43	9.89%
KSE-100	48,304.72	4,549.34	10.40%
CSEALL	7,610.30	836.08	12.34%

Exchange Rates

USD 1 = BDT 84.83*

GBP 1 = BDT 119.66*

EUR 1 = BDT 102.72*

INR 1 = BDT 1.16*

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

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