

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.

Bangladesh to overtake India in per capita GDP: International Monetary Fund

• Bangladesh is set to overtake India in terms of per capita Gross Domestic Product (GDP) in 2020-21, reports BSS. According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) report, India's per capita GDP is likely to fall 10.5% to USD 1,877 -- the lowest in four years -- due to the sharp economic contraction following the strictest nationwide lockdown in the world due to the Novel Coronavirus (COVID-19) pandemic. Bangladesh, on the other hand, is expected to see its per capita GDP to grow by 4% to USD 1,888.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-overtake-india-in-per-capita-gdp-imf-1602696677>

<https://www.thedailystar.net/business/news/bangladesh-set-surpass-india-capita-gdp-1978285>

<https://tbsnews.net/economy/bangladesh-overtakes-india-capita-gdp-144988>

E-banking loses steam in August

• E-commerce transactions fell by BDT 1.52 billion in August, 2020 over July last. Mobile financial service transactions also dropped by more than 34% in the month compared with July, the central bank statistics show. Transactions through ATMs dropped to BDT 128.3 billion in August against BDT 173.4 billion in July, point of sale or POS dealings stood at BDT 11.8 billion, down by 16% from July 2020, according to the statistics

• The EFT transactions fell to BDT 216.4 billion in August from BDT 271.8 billion in July, and the real time gross settlement (RTGS) fell to BDT 1.71 trillion in August over BDT 1.76 trillion in July. Only internet banking transactions surged to BDT 68 billion in August against BDT 62.5 billion in July last.

<https://today.thefinancialexpress.com.bd/first-page/e-banking-loses-steam-in-aug-1602695481>

Government now to ease capital repatriation for foreign investors

• After granting facilities to foreign investors to send home profits and dividends from Bangladesh, the government is now moving to ease the process of remitting their capital too. The lock-in period for foreign investors in the capital market is also going to be reduced from three years to one year, including the introduction of e-signature to facilitate the process of share transfers for foreigners in non-listed companies. In addition, the Bangladesh Bank will ease the transfer and repatriation of the money earned from sales of shares where foreigners have not invested through the Non-Resident Investors' Taka Account.

• The central bank will also allow foreign investors to send their share dividends back home or shift them to other countries. In the case of money repatriation by foreigners, the central bank will have the firms determine the share prices too. All these decisions were taken recently at a high-level meeting chaired by the Prime Minister's Private Industry and Investment Adviser. He also said that although the process of remitting dividends and profits from Bangladesh has been simplified, there are some problems in the repatriation of foreigners' capital. Initiatives are being taken to ease those issues.

<https://tbsnews.net/economy/stock/govt-now-ease-capital-repatriation-foreign-investors-145240>

Two global firms seek to supply spot LNG to BD

• Two global firms -- Vitol Asia and AOT Trading AG of Switzerland -- are keen to supply the second LNG cargo to Bangladesh from the international spot market. According to a senior energy ministry official, state-run Rupantarita Prakritik Gas Company Ltd, or RPGCL, received bids from these two suppliers to supply LNG, or liquefied natural gas, to Bangladesh in November from the spot market. Bangladesh could save around BDT 300 million in purchasing LNG from the spot market from the first cargo compared to regular LNG market.

• Vitol Asia Pte delivered the first-ever spot LNG cargo carrying around 138,000 cubic metres of LNG from the spot market last month. Vitol Asia had offered the best bid at USD 3.8321 per million British thermal unit, or MMBtu, to bag the deal to supply its first LNG cargo to Bangladesh. Currently, the country's LNG import price under long-term deal with Qatar's Qatargas and Oman's Oman Trading International, or OTI, ranges between USD 5.50 and USD 6.0 per MMBtu, RPGCL official said.

<https://today.thefinancialexpress.com.bd/last-page/two-global-firms-seek-to-supply-spot-lng-to-bd-1602696166>

NRBC applies for IPO with 'non-compliant' directors

• NRB Commercial Bank is in trouble in getting its IPO (Initial Public Offering) proposal approved by the stock regulator

due to its non-compliant directors in terms of holding required shares. The bank has filed its documents with Bangladesh Securities Exchange Commission (BSEC) mentioning 11 directors. Of them, two directors hold less than 2% shares. According to BSEC rules, a director of a company must hold a minimum 2% shares for IPO approval. However, NRB Bank's two directors Mohammed Manzurul Islam and Dr Nuran Nabi hold only 0.23% and 0.45% shares of the company, respectively.

- The bank wants to raise BDT 1.20 billion from the capital market following the fixed price method. The bank will use BDT 1.10 billion of this fund in government securities, BDT 60.5 million for investing in the secondary market and BDT 39.5 million as IPO expenses. Meanwhile, a sponsor shareholder has filed a complaint with the BSEC and the Ministry Of Finance, seeking immediate initiative to prevent IPO approval keeping these two individuals as directors.
- Sources at the BSEC said the bank must comply with the 2% minimum shareholding rule. The commission will seek explanation in this regard, they added. The managing director of Asian Tiger Capital Partners Investments Limited and also the issue manager of the bank that the two directors holding less than 2% shares resigned from the bank in its last board meeting.

<https://tbsnews.net/economy/stock/nrbc-applies-ipo-non-compliant-directors-145207>

KDS Accessories to invest BDT 144.5 million to boost production

- KDS Accessories Ltd, a sister concern of Chattogram-based KDS Group, will install automation technologies at a cost of BDT 144.5 million to increase its production capacity. According to sources at the company, after automation, the overall capacity utilisation can be increased by 15% per year. The company, which manufactures cartons, buttons, elastics, labels, and papers, may generate an approximate additional sales revenue of BDT 250 million annually. This project will be financed through a combination of bank loan and the company's own source.
- The chief financial officer (CFO) of the company said that almost 77% of revenue comes from the selling of cartons yearly. And its demand is increasing day by day. So, the company has opted for the latest technology to enhance its competitive ability. Earlier in 2019, the company had upgraded its factory machines by using its own resources, and without the help of any bank loan financing.

<https://tbsnews.net/economy/stock/kds-accessories-invest-BDT-1445cr-boost-production-145201>

Digitisation spurs Agrani Bank's business growth

- Agrani Bank has topped in deposit growth among its peer state-owned banks in 2019 mainly due to improvement in its client services. Its deposit growth surged to a new high at 11.3% in 2019, while Rupali Bank at 6.4%, Sonali Bank at 5.6% and Janata Bank at 2.3%, according to official statistics. Its loans and advances also edged up by nearly 18% in the year under review. Consequently, its net interest income increased in 2019 at BDT . 6.32 billion and profit after tax at BDT 1.07 billion.
- The Agrani Bank Limited is the biggest bank in foreign remittance transactions among the state-owned banks. And it is the second biggest bank in terms of transacting remittances among all banks in operation in Bangladesh. Its foreign remittance transaction has upped by over 17% than that of 2018. The chairman at the Board of Directors of the Agrani Bank Limited (ABL) told We've installed mobile app for the expatriates, especially in big market like Singapore, so that they can send money home sitting in their own place at abroad

<https://today.thefinancialexpress.com.bd/stock-corporate/digitisation-spurs-agrani-banks-business-growth-1602691412>

Outdated costly banking software puts Agrani in trouble

- Installation of an outdated core banking software at an exorbitant price has exposed the state- owned Agrani Bank to high cyber security risks. The lack of upgrading of the software may cause severe operational problems and put depositors at risk in the long run, said concerned bank officials. The core banking software (CBS) is typically used to run the core banking activities of banks, provides real time banking services to clients while protecting banks from cyber threats.
- Flora Telecom Limited, the local agent of Temenos, took the responsibility of implementation, monitoring and upgrading of the software. But FTL tried to misappropriate huge amounts of money from the bank without upgrading the software and without maintaining it properly, sources alleged. In doing so, FTL forged the signature of a Deputy General Manager of Agrani Bank Limited to secure the rights to handle the upgrading and the next round of investment that the bank would have to make to upgrade.

<https://www.dhakatribune.com/business/banks/2020/10/14/outdated-costly-banking-software-puts-agrani-in-trouble>

BSEC extends Zeal Bangla's trading suspension

- The Bangladesh Securities and Exchange Commission (BSEC) has extended the suspension of share trading of Zeal Bangla Sugar Mills Ltd - a state-owned junk company - for 15 more days. The suspension order issued by the securities regulator would be effective from 15 October this year. Earlier on 14 September, the securities regulator suspended the company's share trading for 30 days on charges of unusual transactions and increasing of share prices in the Dhaka Stock Exchange (DSE).

- On 31 August 2020, the commission directed the DSE for an inquiry into the unusual price hike of the company's shares. BSEC asked DSE to submit the probe report within 20 working days, but DSE sought another 15 days for submitting the report. The company failed to pay any dividend to its shareholders for the last 29 years. As a result, the company's loss is getting heavier year after year. According to its officials, production cost of Zeal Bangla's sugar is higher than the price of imported sugar. That is why the company is forced to sell its sugar at a discounted rate to survive in the market.

<https://tbsnews.net/economy/stock/bsec-extends-zeal-banglas-trading-suspension-145210>

<https://www.dhakatribune.com/business/stock/2020/10/14/zeal-bangla-share-trading-suspension-extended-to-october-29>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$40.28	(\$21.35)	-34.64%
Crude Oil (Brent)*	\$42.48	(\$25.96)	-37.93%
Gold Spot*	\$1,893.94	\$372.47	24.48%
DSEX	4,839.86	386.93	8.69%
S&P 500	3,511.93	281.15	8.70%
FTSE 100	5,969.71	(1,617.34)	-21.32%
BSE SENSEX	40,625.51	(1,016.63)	-2.44%
KSE-100	40,006.67	(728.41)	-1.79%
CSEALL	5,802.97	(326.24)	-5.32%

Exchange Rates

USD 1 = BDT 84.77*

GBP 1 = BDT 109.65*

EUR 1 = BDT 99.56*

INR 1 = BDT 1.15*

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

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