

News Blaze of the Week

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Editorial Panel

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Quotation Corner

**“You only live once, but if you do it right,
once is enough.”**

– Mae West

**“If you want to live a happy life, tie it to a
goal, not to people or things.”**

– Albert Einstein

**“Money and success don’t change people; they
merely amplify what is already there.”**

– Will Smith

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Inflation rises to 5yr high

- Inflation rose to 6.44 per cent in October, the highest in at least five years, driven by a sharp increase in the price of food items, official figures showed yesterday. The average Consumer Price Index climbed 47 basis points from September's 5.97 per cent, data from the state-run Bangladesh Bureau of Statistics (BBS) showed. The price of medium quality rice edged up to Tk 49.25 each kilogram in October from Tk 48.19 in the same month a year ago.
- The price of coarse grain remained almost unchanged at Tk 43.58 per kg last month from Tk 44 the previous month, according to data from the Food and Agriculture Organisation. Non-food inflation declined 12 points to 5 per cent last month. Rural inflation jumped by 71 points to 6.67 per cent from 5.96 per cent a month ago. Food inflation surged 1.12 percentage points to 7.73 per cent from 6.61 per cent in September.
- Inflation in the urban areas edged up five basis points to 6.03 per cent. Food inflation rose 22 basis points to 6.48 per cent but non-food inflation dropped 14 basis points to 5.51 per cent.

Source: <https://www.thedailystar.net/business/news/inflation-rises-5yr-high-1989653>



Central Bank Update

BB extends time for implementation of the stimulus package until Nov 30

- The central bank has extended further the deadline for implementation of the stimulus package for the cottage, micro, small and medium enterprises (CMSMEs) by one more month, from October 31 to November 30. The BB's latest move came against the backdrop of slow progress in loan disbursement under the package for the CMSMEs until October 22. The banks and NBFIs disbursed Tk 56.74 billion of the stimulus package by then.
- The disbursed amount is 28.37 per cent of the total Tk 200 billion financial support for the sector. Loans amounting to Tk 75.88 billion were approved for nearly 38,000 Covid-19-affected CMSMEs across the country during the period, according to the central bank's latest statistics. On August 17, the central bank extended the deadline for execution of the package for the CMSMEs by two months, from August 31 to October 31.
- The circular, issued by SME and Special Programmes Department, said that it was found in the analysis of information that some banks and financial institutions have failed to achieve the targets of implementing the Prime Minister's announced Tk 20,000 crore loan package by the deadline of October 31. The deadline of the loan distribution has been further extended until November 30 from October 31 to properly implement the stimulus package for the CMSME by banks and financial institutions.

Source: <https://today.thefinancialexpress.com.bd/first-page/bb-extends-time-until-nov-30-1604253537>

Banks and Financial Institutions

IFC supports businesses in poorest countries with \$4.0 billion

- The International Finance Corporation (IFC) has said it has so far extended \$4.0 billion to private sector businesses in the poorest countries to help fight the coronavirus pandemic, reports BSS. The IFC, which is the largest global development institution focused on the private sector in emerging markets, in March committed \$8.0 billion in fast track financing to help pandemic-hit private sector companies. Of the \$8.0 billion in IFC Covid-19 fast-track financing approved by the IFC Board in March 2020, \$4.0 billion has been committed to date, of which close to half is expected to benefit people in the poorest countries and fragile states, with the remainder helping to support the fight against Covid-19 across other developing countries and emerging markets.
- IFC's Board in March approved \$8.0 billion in financing to help companies affected by the outbreak. IFC, the largest global development institution focused on the private sector in emerging markets, has since fully deployed the \$2.0 billion allocated under the trade-finance envelope of the fast-track facility. IFC has committed an additional \$2.0 billion under the facility, benefiting every region in which IFC operates. This financing is being used for a range of purposes, from bolstering healthcare providers to helping the battered tourism sector and keeping viable businesses afloat, thus saving jobs.
- Another \$623 million has been mobilised for these clients from private sector partners. In Bangladesh, IFC supported Mymensingh Agro Limited, a company within the PRAN Group, to expand its capacity to manufacture affordable and quality food products with a \$25 million investment. In Vietnam, IFC offered relief to businesses, including more than 300 SMEs, by providing \$75 million to the Phu My Hung Development Corporation.

Source: <https://today.thefinancialexpress.com.bd/trade-market/ifc-supports-businesses-in-poorest-countries-with-40-billion-1604156308>

Banks and Financial Institutions

HSBC executes country's first cross-border blockchain LC transaction

- HSBC Bangladesh has executed the first-ever cross-border blockchain letter of credit transaction in Bangladesh, in a development that would reduce LC processing time from the standard 5-10 days to under 24 hours. The first transaction involved the import of 20,000 tonnes of fuel oil by United Mymensingh Power Ltd from Singapore for its power plant. The transaction was completed under the Contour platform which is built using R3's Corda blockchain technology, connecting a global network of banks, corporates and digital solutions.
- Fuel oil LCs are highly time-sensitive where every second counts and United Group believes the blockchain technology will help manage time efficiently and ensure increased efficiency and better cost management, he said. For the first half of 2020, Bangladesh's trade under LCs was more than \$34 billion, according to the SWIFT, a global provider of secure financial messaging services. The bank serves customers worldwide from offices in 64 countries and territories with assets of \$2.92 trillion as of 30 June, making it one of the world's largest banking and financial services.

Source: <https://www.thedailystar.net/business/news/hsbc-executes-countrys-first-cross-border-blockchain-lc-transaction-1987393>

BRAC Bank Wins Global SME Finance Awards

- BRAC Bank has received the Global SME Finance Awards in the Silver Category of SME Bank of the Year - Asia. This is the second consecutive year that BRAC Bank has been awarded with this accolade, said a statement. IFC, a member of the World Bank Group, and the SME Finance Forum jointly organised the 2020 Global SME Finance Awards on a virtual platform. They announced the winners on October 27, 2020.
- Commenting on the win BRAC Bank's Managing Director and CEO, Selim RF Hussain, said: "Our SME team has delivered yet again, and this award is an acknowledgment of their tireless efforts and strive for excellence. With its network of 456 SME unit offices, BRAC Bank's focus has always been on SMEs and it will remain there for a long time. The bank takes financing solutions to the doorsteps of the SME entrepreneurs in both rural and semi-urban Bangladesh."

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/brac-bank-wins-global-sme-finance-awards-1604156029>



Banks and Financial Institutions

EBL wins three awards from VISA

- Eastern Bank Ltd (EBL) has won three awards from VISA for its performance in product innovation and cards business. The award ceremony was held at a webinar recently, said a statement. Awards were given in three categories - Excellence in Product Innovation, Excellence in E-commerce Acquiring Business and Excellence in Cross-Border Business for the year 2019-2020.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/ebel-wins-three-awards-from-visa-1604247926>

Md Zaminur Rahman joins Karmasangsthan Bank as DMD

- SK Md Zaminur Rahman joined Karmasangsthan Bank as its Deputy Managing Director (DMD) on October 28. Earlier, he was promoted to Deputy Managing Director at Janata Bank on October 4. He also served as the general manager of the information technology (ICT) division of Janata Bank.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/zaminur-joins-karmasangsthan-bank-as-dmd-1604247968>

Brac Bank receives Global SME Finance Awards

- Brac Bank has received a Global SME Finance Awards in the silver category of SME Bank of the Year – Asia. This is the second consecutive year that Brac Bank has been awarded with this accolade, says a press release. International Finance Corporation (IFC), a member of World Bank Group, and the SME Finance Forum jointly organised the 2020 Global SME Finance Awards through a virtual platform recently.
- Endorsed by the G20's Global Partnership for Financial Inclusion (GPFI), the Global SME Finance Awards celebrate the outstanding achievements of financial institutions and fintech companies in delivering exceptional products and services to their SME clients. The awards also provide an opportunity for institutions to showcase and share their practices and experience and for the wider SME finance community to learn from their examples.

Source: <https://www.thedailystar.net/business/news/brac-bank-receives-global-sme-finance-awards-1988441>

Banks and Financial Institutions

City Bank earnings rise in Q3

- Earnings of The City Bank rose significantly for July-September (Q3), 2020 compared to same period of the previous year. The bank has reported its consolidated EPS (earnings per share) of Tk 1.99 for July-September 2020 as against Tk. 0.76 for July-September 2019. The company's consolidated EPS was Tk. 3.04 for January-September, 2020 as against Tk. 2.58 for January-September, 2019.
- The first generation PCB has also reported its consolidated NOCFPS (net operating cash flow per share) of Tk 0.96 for January-September 2020 as against Tk. (3.67), a negative value, for January-September 2019. The company's consolidated NAV (net asset value) per share was Tk. 26.91 as on September 30, 2020 and Tk. 24.14 as on December 31, 2019. The company's sponsor-directors hold 27.92 per cent shares, institutes 23.38 per cent, foreigners 9.16 per cent and general investors 39.54 per cent as on September 30, 2020.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/city-bank-earnings-rise-in-q3-1604337762>

Mercantile Bank organises virtual session on cyber security awareness

- Mercantile Bank Training Institute organised a virtual session on cyber security awareness as part of global cyber security awareness month of October recently. Head of respective divisions of head office and branch heads of Mercantile Bank Limited participated in the virtual session. A total number of seventy officials attended the online programme. Md. Quamrul Islam Chowdhury, Managing Director & CEO of the bank, inaugurated the virtual session.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/mercantile-bank-organises-virtual-session-on-cyber-security-awareness-1604337639>

Banks and Financial Institutions

IBBL opens Senpara sub-branch at Mirpur

- Islami Bank Bangladesh Limited inaugurated Senpara Sub-branch under its Mirpur Branch in Dhaka on Monday. Mohammed Monirul Moula, Additional Managing Director of the bank, inaugurated the sub-branch as the chief guest. Presided over by Md. Altaf Hossain, Head of Dhaka Central Zone.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/ibbl-opens-senpara-sub-branch-at-mirpur-1604418968>

IPDC, BSCMS launch 'Bangladesh Supply Chain Excellence Awards 2020'

- IPDC Finance Limited in collaboration with Bangladesh Supply Chain Management Society (BSCMS), International Supply Chain Education Alliance (ISCEA) Bangladesh as knowledge partner, launched Bangladesh Supply Chain Excellence Awards (BSCEA) 2020 on Tuesday live from the official IPDC Facebook page. In its continuation, BSCEA 2020 will be recognizing outstanding individuals and organizations for their exceptional contributions in advancing supply chain knowledge and practices across the industries that operate in Bangladesh, and encourage Supply Chain Management (SCM) professionals, who play a significant role in the supply chain ecosystem.
- BSCEA 2020 will be divided into seven different categories, which are: Collaborative Supply Chain, Supply Chain Talent Development, Manufacturing Excellence, Supply Chain Finance Management, Excellence in Logistics, Distribution, Transportation, Warehouse Management, Planning, Sustainability, Technology, Young Supply Chain Talent of the Year and Supply Chain Professional of the Year.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/ipdc-bscms-launch-bangladesh-supply-chain-excellence-awards-2020-1604418851>

Banks and Financial Institutions

Most listed banks see rise in profits

- Most of the listed banks logged higher profits in the first nine months of 2020 despite a lower net interest income amid the business slowdown caused by the coronavirus pandemic. Lower provisioning was the main driver behind the higher profits. All the 30 banks listed with the Dhaka Stock Exchange declared their third quarterly earnings. The financial report of 27 lenders is available on their website. Eighteen out of the 27 posted a year-on-year rise in profits during the January to September period.
- They logged 3.49 per cent higher profits of Tk 4,888 crore in the nine months. Their combined net interest income, the biggest source of revenue, dropped 25 per cent to Tk 10,301 crore thanks to two steps introduced by the central bank -- 9 per cent interest cap in April and a payment holiday after the Covid-19 outbreak. Banks usually keep aside 0.5 per cent to 100 per cent in provisioning. They keep lower provisioning for regular loans but 20 to 100 per cent for default loans. As the central bank has granted the payment holiday, banks are not compelled to set aside funds to cover future losses although new lending has not come to a halt and there is also non-payment of instalments.
- Trust Bank has the highest annualised return on equity of 21.1 per cent, followed by Jamuna Bank's 16.9 per cent and Dutch-Bangla Bank's 16 per cent, data showed. Islami Bank Bangladesh posted the highest net profit of Tk 369 crore. Dutch-Bangla Bank took home Tk 345 crore and City Bank Tk 308 crore in the first nine months of the year. City Bank had the highest year-to-date loan growth of 20.1 per cent, followed by Exim Bank's 12.4 per cent and First Security Islami Bank's 10.8 per cent. State-run Rupali Bank registered the highest deposit growth of 17.5 per cent, followed by Dutch-Bangla Bank's 15.7 per cent and Islami Bank's 15.6 per cent.

Source: <https://www.thedailystar.net/business/news/most-listed-banks-see-rise-profits-1989665>

Stock Market Update

DSEX exceeds 4,900-mark again

- The benchmark index of the Dhaka Stock Exchange (DSE) exceeded the 4,900 points threshold again on Monday as bargain hunters continued their buying binge on sector-wise issues based on latest corporate declarations. DSEX, the key index of the DSE, went up by 21.69 points or 0.44 per cent to settle at 4,918. The core index crossed the 4,900-mark after five trading days. The benchmark index added more than 80 points in the past three straight sessions. The DSE Shariah Index also advanced 1.31 points to close at 1,112.
- However, the DS30 index, comprising blue chips, lost 1.03 points to finish at 1,698. Turnover, a crucial indicator of the market, stood at Tk 8.92 billion, which was 14 per cent higher than the previous day's turnover of Tk 7.85 billion. The investors' activity was mostly centered on general insurance, grabbing 34 per cent of the day's total turnover, followed by pharma with 12 per cent and engineering 8.0 per cent. Among the major sectors- financial institutions, banking and textile sector witnessed highest gain, gaining 2.5 per cent, 1.60 per cent and 1.10 per cent respectively. The general insurance, mutual fund, engineering and telecom sectors lost 3.3 per cent, 2.9 per cent, 0.50 per cent and 0.20 per cent respectively.
- Gainers took a modest lead over the losers as out of 357 issues traded, 159 ended higher, 144 closed lower while 54 issues remained unchanged on the DSE trading floor. A total number of 180,146 trades were executed in the day's trading session with a trading volume of 337.32 million shares and mutual fund units. The market capitalisation of DSE rose to Tk 3,956 billion on Monday, from Tk 3,950 billion in the previous day. The Chittagong Stock Exchange also edged higher with its All Shares Price Index (CASPI)-gaining 85 points to close at 14,067 while the Selective Categories Index - CSCX advancing 50 points to close at 8,460. Of the issues traded, 132 advanced, 89 declined and 39 remained unchanged on the CSE.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/dsex-exceeds-4900-mark-again-1604337490>



Stock Market Update

Tax receipts from DSE slump 21pc in October

- The government's revenue earnings from the Dhaka Stock Exchange (DSE) fell 21 per cent month-on-month in October as trading volume was on the decline. Market analysts said declining trading activities coupled with lower share sales by sponsor-directors affected the government's earnings from the main bourse in October this year. The government bagged revenue worth Tk 216 million in October this year which was Tk 275 million a month ago in September, according to data from the DSE.
- The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05 per cent and 5.0 per cent respectively and deposits the amount to the government exchequer.
- The government's revenue earnings from the DSE hit more than 10 years low to Tk 1.04 billion in the last FY 2019-20 due to bearish market trend and suspension of trading activities for more than two months due to Covid-19 outbreak. The DSE paid tax worth Tk 2.72 billion in FY 2011-12, Tk 1.27 billion in FY 2012-13, Tk 1.54 billion in FY 2013-14, Tk 1.74 billion in FY 2014-15, Tk 1.58 billion in FY 2015-16, Tk 2.46 billion in FY 2016-17, Tk 2.33 billion in FY 2017-18 and Tk 2.51 billion in FY 2018-2019 on TREC holders' commission and share sales by sponsor-directors and placement holders.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-slump-21pc-in-october-1604418685>

Robi IPO subscription begins on Nov 17

- Robi Axiata is set to hit the market with the country's biggest ever initial public offering this month and the leading telecom operator has urged eligible investors to participate in its subscription process. The IPO subscription will start on November 17 and will continue till November 23. To become an eligible investor for the IPO, one has to show that he or she has at least Tk 1 crore investment in market value as of November 9. During this period, general investors and non-resident Bangladeshis will also be allowed to subscribe to get the IPO. T
- he country's second largest mobile phone operator will raise Tk 523.79 crore by issuing 52.37 crore ordinary shares at face value. Of the amount, Tk 387.74 crore would be raised from stock investors and the rest Tk 136 crore from its officials. The IPO proceeds will be used to expand the network. The company's per share net asset value was Tk 12.64 as of December 31, 2019, while its earnings per share was Tk 0.04 for the year. The carrier started its journey in 1997 under the brand name of Aktel. It changed its name to Axiata (Bangladesh) in 2009 and took the present name Robi Axiata in 2010. **Page | 14**

Source: <https://www.thedailystar.net/business/news/robi-ipo-subscription-begins-nov-17-1989669>



Stock Market Update

Stocks keep gaining for fourth straight day

- Stocks extended the gaining streak for the fourth straight sessions on Tuesday as bargain hunters continued their buying binge on sector-wise issues based on corporate declarations. DSEX, the key index of the Dhaka Stock Exchange, went up by 9.63 points or 0.19 per cent to settle at 4,928. The key market barometer added nearly 90 points in the past four consecutive sessions. Two other indices also edged higher.
- The DS30 index, comprising blue chips, gained 3.38 points to finish at 1,702 and the DSE Shariah Index advanced 3.33 points to close at 1,115. According to EBL Securities, some investors remained watchful on their investment decision fearing another shock in the coming months as the Covid-19 infection has already hit the second wave in major export destinations of the country. Turnover, a crucial indicator of the market, stood at Tk 7.95 billion, which was nearly 11 per cent lower than the previous day's turnover of Tk 8.92 billion. Losers, however, took a modest lead over the gainer, as out of 356 issues traded, 170 ended lower, 110 closed higher while 76 issues remained unchanged on the prime bourse. A total number of 163,572 trades were executed in the day's trading session with a trading volume
- of 334.22 million shares and mutual fund units. The market capitalisation of DSE fell to Tk 3,950 billion on Tuesday, from Tk 3,956 billion in the previous day. The Chittagong Stock Exchange also edged higher with its All Shares Price Index (CASPI)-gaining 58 points to close at 14,126 while the Selective Categories Index - CSCX advancing 35 points to close at 8,495. Of the issues traded, 123 declined, 97 advanced and 45 issues remained unchanged on the CSE. The port city bourse traded 11.81 million shares and mutual fund units with turnover value of Tk 285 million.

Source: <https://today.thefinancialexpress.com.bd/stock-corporate/stocks-keep-gaining-for-fourth-straight-day-1604419000>

Bashundhara bitumen goes into production this month

- Bangladesh's first dedicated bitumen plant established by Bashundhara Group at a cost of around \$143.7 million is all set to begin commercial production at the end of this month to meet the domestic demand for asphalt. The plant has the capacity to produce a whopping 9 lakh tonnes of bitumen a year. However, the factory established on a 65-acre plot at Pangaon in Keraniganj will produce around 2.75 lakh tonnes in the initial phase.
- Currently, 90 per cent of Bangladesh's annual demand for 5 lakh tonnes of bitumen—a hydrocarbon-based substance used to build roads and highways—is met through imports, which have questionable quality, he said. The prospects for the plant, which is a subsidiary of Bashundhara Oil and Gas Company, are bright given Bangladesh's development goals. With the major construction and repair projects for about 22,000 kilometres of roads and highways under the RHD, local demand for bitumen is on the rise.
- Of the 354,000 kilometres of undeveloped roads under the Local Government Engineering Department (LGED), 105,000 kilometres have already been upgraded to paved streets. Jiangsu Liyang Yunlong Equipment Manufacturing Co. Ltd, which has experience with establishing this type of heavy industry, implemented the plant on a turnkey basis. In 2019, around Tk 1,721 crore was spent to import bitumen and the value has increased by about 20 per cent annually.

Source: <https://www.thedailystar.net/business/news/bashundhara-bitumen-goes-production-month-1987901>

Berger to set up second metal container plant

- Jenson & Nicholson (Bangladesh), a wholly owned subsidiary of Berger Paints Bangladesh, plans to invest Tk 91.48 crore to set up its second unit to produce metal containers at Savar to meet the growing demand. The project is expected to be completed in 2022 and the company disclosed the info yesterday in a post on the Dhaka Stock Exchange (DSE) website. The company has been producing tin-containers and prints on tin sheets since 1995.
- The multinational paint maker announced its second quarter earnings. Its consolidated earnings per share (EPS) stood at Tk 14.26 for July-September quarter, up from Tk 9.49 in the same period the previous year. Berger Paints Bangladesh has a paid-up capital of Tk 46 crore and has a reserve of Tk 900 crore, according to the DSE data. Its stock rose 2.82 per cent to Tk 1,360 yesterday compared to the previous day. Berger Paints Bangladesh has two other subsidiaries named Berger Becker Bangladesh and Berger Fosroc Bangladesh. It holds 49 per cent stakes in the first company and 50 per cent in the second.

Source: <https://www.thedailystar.net/business/news/berger-set-second-metal-container-plant-1987905>



Meghna Group setting up Tk 400cr ceramics factory

- Meghna Group of Industries (MGI) is investing Tk 400 crore to set up a ceramics factory at the Meghna Economic Zone in Narayanganj as the conglomerate looks to establish its footprint in the country's burgeoning sector. The factory was supposed to begin operations in July but there were delays in developing physical infrastructure and installing equipment as the project's technical experts from Europe, Taiwan and China returned homes following the coronavirus outbreak. The new factory will generate at least 1,500 jobs, the entrepreneur said.
- The market value for ceramic products was around Tk 35,000 crore in 2019, BCMEA data showed. Ceramics is a capital-intensive product and setting up of a factory takes about Tk 150 crore to Tk 200 crore. The industry's total production capacity has tripled in the last 11 years and Bangladesh currently holds 0.14 per cent of the global market for ceramic products. Local suppliers cater to around 80 per cent of the domestic demand.
- MGI invested about Tk 4,000 crore to set up the new manufacturing facilities, which directly employ about 8,400 workers. The group, which grew out of a trading company set up in 1976, has 48 operational industrial units. Currently, it has 35,000 employees. MGI's annual turnover stood at \$2.5 billion, according to the group's website. It exports products to 25 countries.

Source: <https://www.thedailystar.net/business/news/meghna-group-setting-tk-400cr-ceramics-factory-1988997>

Brac to buy 2.5cr Brac Bank shares

- The current low price of Brac Bank shares in the stock market has prompted Bangladesh Rural Advancement Committee (Brac), a leading non-governmental development organisation, to decide on purchasing 2.5 crore of those before November 30. According to the bank, its corporate sponsor already holds 58.70 crore shares, in other words, 44.27 per cent of its shares. Yesterday, the stock traded at Tk 42.90. Considering the price, the 2.5 crore shares would be valued at Tk 107 crore.
- In the commission meeting, the premium of the initial public offering (IPO) of Mir Akhter Hossain was approved for raising a fund of Tk 125 crore. The cut-off price of the share would be Tk 60 so general shareholders will pay Tk 54 for each share in the IPO. The company will issue 2.07 crore shares to raise its desired fund, the BSEC said in a press release. The commission also approved the digital booth (stock broker/TREC holder), 2020 rules.

Source: <https://www.thedailystar.net/business/news/brac-buy-25cr-brac-bank-shares-1989657>

Remittance Inflow

Remittances to reach \$20b by Dec

- Bangladesh's remittance inflow is projected to grow by 8.0 per cent this year, bucking the falling trend in the world and the region. The country's external income from the migrant workers could reach US\$20 billion by December this year from the current level of \$16 billion, the WB report on "Migration and Development Brief," released on Friday, said. In contrast, the Washington-based lender has said the global remittance flow to low and middle-income countries is projected to fall by 7.0 per cent to \$508 billion in 2020, followed by a further decline of 7.5 per cent, to \$470 billion in 2021.
- Although the remittances inflow to South Asia is projected to suffer a protracted decline of around 4.0 per cent in 2020 and 11 per cent in 2021, Bangladesh's foreign exchange income will be in a better position, the bank said. A more important reason for a stunning 53.5 per cent year-on-year increase in remittance flows in Q3 (Jul-Sep) could be the damage from the floods, affecting nearly 1.0 million homes and 4.7 million people, the WB said. It said the remittances are projected to fall by about 9.0 percent in India, to \$76 billion in 2020, 12 per cent in Nepal and 9.0 per cent in Sri Lanka.
- However, the external income for Pakistan would grow at about 9.0 per cent rate, totalling to about \$24 billion in the current calendar year. According to the Bureau of Manpower, Employment, and Training in Bangladesh, the number of migrants was 181,218 for January to May 2020 compared to 700,159 in the same period last year. The WB, in its Migration and Development Brief report, said since the COVID-19 pandemic and economic crisis continue to spread, the amount of money migrant workers send home is projected to decline 14 per cent by 2021 compared to the pre COVID-19 levels in 2019.

Source: <https://today.thefinancialexpress.com.bd/first-page/remittances-to-reach-20b-by-dec-says-wb-1604164274>



Remittance Inflow

Remittance on a roll

- Bangladesh received 28.62 per cent more remittance in October as the money sent by the country's migrant workers toiling abroad kept its scintillating growth defying grim predictions. Migrant workers remitted \$2.11 billion last month, which was way higher than \$1.64 billion flown to the country in the same month a year ago, data from the central bank showed yesterday. October's receipts were the third-highest monthly flow in history, behind July's \$2.59 billion and September's \$2.15 billion. Between July and October, remittance hit \$8.82 billion, up from 43.24 per cent year-on-year.
- Diversion of remittances from informal to formal channels due to the difficulty of carrying money under travel restrictions amid the pandemic and damages inflicted by the recent floods helped Bangladesh bring the remittance flow back to the positive territory in 2020, according to a recent statement of the World Bank. In April, the multinational lender had said money sent by the migrant workers to Bangladesh is projected at \$14 billion for 2020, a fall likely of about 22 per cent because of the fallouts of the pandemic.
- The rising flow from May led the WB to forecast on Friday that inbound remittance would accelerate by about 8 per cent to \$19.8 billion this year. Emranul Huq, managing director of Dhaka Bank, said the London Interbank Offered Rate (Libor) has declined drastically soon after the recession hit the world. "This has put a positive impact on remittance as well." The six-month Libor rate stood at 0.25 per cent yesterday in contrast to 1.93 per cent a year ago.

Source: <https://www.thedailystar.net/business/news/remittance-roll-1987909>



10pc discount on Nagad payment for online shopping

- Postal Department's Digital Financial Services Nagad has announced an 'Online Shopping Festival' for November and December months of this year, where customers will get five to 10 per cent discount if they make merchant payment through Nagad for purchases from certain online shops, said manager of the Public Relations Department of Nagad Md. Lutforzaman Sarker.
- In the announced campaign, five per cent discount has been announced for all home appliances, accessories and small appliances including television and AV for Fair Distribution, which assembles Samsung branded products in the country. Five per cent discounts also declared for purchasing any air ticket through Flight Expert, a popular tourism entity of the country. A customer can get a maximum discount of Tk 2,000 from a Nagad account at a specified time under this campaign.
- This discount offer does not apply to direct payments from Nagad app or using the USSD payment method. In addition, a customer can participate in this campaign more than once to enjoy a discount. To find out more about the campaign, customers can check out Nagad's official Facebook page and website, and they can find out the details by calling Nagad customer service on 16167.

Source: <https://today.thefinancialexpress.com.bd/trade-market/10pc-discount-on-nagad-payment-for-online-shopping-1604419689>



FX Reserve

Forex reserves to hit \$50b in next 14 months

- Bangladesh's foreign exchange reserve will hit \$50 billion within the next 14 months, Finance Minister AHM Mustafa Kamal said yesterday. Besides, the reserve which is now more than \$40 billion is expected to increase further, according to the minister. Asked about the country's economic recovery amid the Covid-19 fallout, Kamal said Bangladesh has handled the situation well. As a result, both the International Monetary Fund and the World Bank have praised the country's indicators for recovery.
- Kamal said the \$14 billion stimulus package announced by Prime Minister Sheik Hasina helped the economy bounce back at a pace which was previously unimaginable. During the meeting, chaired by Kamal, the purchase committee approved eight proposals involving Tk 5,664.68 crore. Of the sum, Tk 224.27 crore will come from the government coffer and the remaining Tk 5,440.40 crore will be funded by the Islamic Trade Finance Corporation and local banks. As per the proposals, 30,000 tonnes of bagged granular urea will be procured from Karnaphuli Fertilizer Company Limited (KAFCO) at a cost of Tk 63.74 crore and 25,000 tonnes of bagged granular urea fertilizer form Muntajat (Qatar Chemical and Petrochemical Marketing and Distribution Company) at cost of Tk 58.88 crore. It will buy another 25,000 tonnes of bulk prilled (optional) urea fertilizer at a cost of Tk 56.54 crore and 25,000 tonnes of bulk granular urea fertilizer at a cost of Tk 56.49 crore.
- Bangladesh Petroleum Corporation will purchase 13 lakh tonnes of crude oil for Eastern Refinery Ltd for Tk 5,204.74 crore from ADNOC of Abu Dhabi, and Saudi Aramco of Saudi Arabia. The purchase committee also approved a proposal to appoint Computer Network System (CNS) to supply the necessary machinery, hardware, installation, and maintenance, involving Tk 105.22 crore. The appointment proposal involving Tk 55.54 crore of Padma Association and Engineers was approved as well. Under the proposal, one residential building will be constructed at the Sylhet police line.

Source: <https://www.thedailystar.net/business/news/forex-reserves-hit-50b-next-14-months-1989661>



Foreign Exchange Reserves

UK extends 80pc wage subsidies as England goes back into lockdown

- Britain's government will extend by a month its costly coronavirus wage subsidies to ensure workers who are temporarily laid off receive 80 per cent of their pay, Prime Minister Boris Johnson said. Britain introduced the 80 per cent wage subsidy scheme in March and it had been due to expire on Saturday to be replaced with a more targeted and less generous support.
- The scheme supported 8.9 million jobs at its peak, and had been forecast to cost around 52 billion pounds (\$67.28 billion) over its eight-month lifespan. Firms will have to contribute 5 per cent of the employment costs for workers covered by the extension, the finance ministry said. It also said a mortgage payment holiday scheme would be extended for households and business premises which are required to close because of coronavirus restrictions would get grants of up to 3,000 pounds (\$3,881) a month.

Source: <https://www.thedailystar.net/business/news/uk-extends-80pc-wage-subsidies-england-goes-back-lockdown-1987861>

Oil prices extend rally on US election day

- Oil prices extended their rally on US election day with a 3per cent gain as financial markets staged a broad recovery, but concerns over surging coronavirus cases around the world capped further gains.
- Brent crude futures rose \$1.13, or 2.9per cent to \$40.10 a barrel at 1138 GMT on Tuesday, while US West Texas Intermediate (WTI) crude futures were up \$1.13, or 3.1per cent, to \$37.94 a barrel. Both benchmarks gained nearly 3per cent on Monday. Benchmark prices, down sharply over the last week, had a brief reprieve on Monday after Russia's oil minister held talks with domestic oil companies on a possible extension of oil output restrictions into the first quarter of 2021.
- The Organization of the Petroleum Exporting Countries and allies including Russia, a group called OPEC+, cut oil output from May to support prices and reduced the reduction to 7.7 million barrels per day (bpd) in August. They are due to shrink the cuts by 2 million bpd in January.

Source: <https://www.thedailystar.net/business/news/oil-prices-extend-rally-us-election-day-1988869>

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