

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.

Amazing growth in bank deposits

- The deposit growth in the country's banking sector increased by a record 13% to approximately BDT 12.5 trillion in October last year, even as interest rate is at historic low. The latest data of the Bangladesh Bank said time deposit expanded to over BDT 11.1 trillion in October, while the demand deposit to BDT 1.3 trillion. The deposit growth was registered in October, 2019 was 12.2%. This surge took place at a time when the interest rate on deposits remained significantly low after the government's implementation of single-digit interest rate.
- Bankers said that this rise is due to the adequate liquidity in the money market, driven by stimulus packages. They said this may facilitate lending, although the demand for lending remained poor as the fallout of COVID-19, which has been hitting the economy since March 2020. The managing director and CEO at the privately-owned Mutual Trust Bank, said the formal channel money transfer has boosted in recent times, especially remittances. Meanwhile, the interest on the fixed deposit ranges from 4.0 to 5.0% while the savings interest rate is between 2.0 to 3.0%.

<https://today.thefinancialexpress.com.bd/first-page/amazing-growth-in-bank-deposits-1609955882>

World Bank revises up GDP growth projection

- The World Bank has revised its GDP growth projection upwards for Bangladesh to 2% for the last fiscal year, although the figure is still far lower than the government's estimate. In June, the Washington-based lender had said that Bangladesh's economy would grow by 1.6% in FY20 as the coronavirus pandemic battered the country. It had also forecast the economy to expand by 1% in the current fiscal year. Yesterday, the lender said in Bangladesh, which had been one of the fastest-growing emerging market and developing economies prior to the pandemic, growth was estimated to have decelerated to 2% in the last fiscal year.
- It also revised the growth forecast upwards for the next fiscal year to 1.6%, according to the Global Economic Prospects Update. The government may revise down its GDP growth target to 7.4% for the current fiscal year, as suggested in the documents of the Eighth Five-Year Plan, from 8.2% set in June. In economies that rely on external sources of growth such as manufacturing exports (Bangladesh) and tourism (Bhutan, the Maldives, Nepal and Sri Lanka), the recovery is likely to be particularly modest, the WB said. The region is projected to grow by 3.3% in 2021.

<https://today.thefinancialexpress.com.bd/first-page/bd-economy-not-in-middle-of-the-pack-1609956000>
<https://www.thedailystar.net/business/news/world-bank-revises-gdp-growth-projection-2023713>
<https://tbsnews.net/economy/world-bank-keeps-bangladeshs-growth-forecast-unchanged-16-181846>

Housing sector sees almost complete rebound

- The real estate and housing industry passed a relatively good year thanks to policy support for purchasing property with untaxed income as well as cheap bank loans. In the budget of the current fiscal year, the government allowed the use of untaxed income to purchase property, land and apartments in certain areas, without having to answer for the source. Besides, banks provide home loans at very cheap interest rates of below 10% as a secured investment for the lenders, according to industry players. With this backdrop, the real estate industry enjoyed a quick rebound from the Covid-19 fallout.
- The relief is that the ongoing pandemic did not cause as much damage as we had expected for the country's housing sector as apartment sales witnessed a rising trend during July to December last year, said the president of the Real Estate and Housing Association of Bangladesh (REHAB). According to the REHAB president, around BDT 35.0 billion in untaxed income was invested in the sector over the last six months. Regarding the sector's future, he said if any investor wants to keep their business running in the coming days, they have to maintain good communication with the banks.

<https://www.thedailystar.net/business/news/housing-sector-sees-almost-complete-rebound-2023725>

BB moves to boost cashless transactions

- Bangladesh Bank yesterday rolled out an interoperable QR code as a part of its efforts to boost cashless transactions across the country, particularly in rural areas. The uniform digital payment method named 'Bangla QR', will help clients pay their bills for purchased goods and services through any mobile banking application, mobile financial service (MFS) or payment service provider (PSP).
- And the pandemic has given a further push to cashless transaction as people from all walks of life are increasingly embracing the different digital financial payment tools to avoid cash in order to keep the coronavirus at bay. For

instance, transaction through MFS rose 41% year-on-year to BDT 532.59 billion in October last year. The issuance of credit cards stood at 1.6 million as of October, up 8.73% year-on-year, when debit cards grew 8.70% to 21.0 million. The new digital payment method will quickly gain popularity in the remote area as the central bank relaxed the rules for opening personal retail accounts for micro and underprivileged businesses on November 16. Clients will be encouraged to use the QR code as well.

<https://www.thedailystar.net/business/news/bb-moves-boost-cashless-transactions-2023721>

BSEC to form BDT 210.00 billion market stabilisation fund

- The Bangladesh Securities and Exchange Commission will create a Capital Market Stabilisation Fund worth more than BDT 210.00 billion with unclaimed dividends of listed companies through issuing a notification today. As per the data of Dhaka and Chittagong stock exchanges, 335 listed companies have unclaimed cash dividends worth BDT 9.56 billion and unclaimed or unsettled stock dividends worth BDT 199.86 billion, BSEC officials said. Thirty-six companies were yet to provide information to the stock exchanges on the amount of unclaimed dividends their companies had, they said.
- They also said that the regulator had framed the draft rules which would be finalised through a notification to be issued regarding the matter today. Any amount of cash or stock dividend remained as unpaid or unclaimed or unsettled, including accrued interest income thereon, within three years from the date of declaration or approval must be transferred to the “Capital Market Stabilisation Fund” of the BSEC, the rules said. British American Tobacco Bangladesh Company has the highest amount of unclaimed dividends in its account. The company has unclaimed or unpaid shares worth BDT 84.03 billion and cash dividends of BDT 64.4 million.

<https://www.newagebd.net/article/126464/bsec-to-form-BDT-21000-crore-market-stabilisation-fund>
<https://www.dhakatribune.com/business/2021/01/07/there-is-BDT-21-000cr-of-dividend-begging-to-be-claimed>

BSEC move to improve operational performance of Delta Spinners

- The securities regulator has asked Delta Spinners to take necessary steps for improving its operational performance so that it can come out of 'Z' category for the sake of general investors, the officials said. The Bangladesh Securities and Exchange Commission (BSEC) issued the order through a letter sent to the board and managing director of Delta Spinners on December 27 last. The regulatory order came in line with its recent directive issued to inject life into the operations of 'Z' category companies by restructuring their boards, among other measures.
- In its letter, the securities regulator said the board of directors of Delta Spinners failed to improve the company's performance after the company was shifted to 'Z' category two years ago. The securities regulator has asked the Delta Spinners to comply with the directive issued on September 1, 2020 regarding restructuring board and holding AGM, among others. The company's sponsor-directors hold 18% shares, institutes 15% and general shareholders 67% as on November 30, 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-move-to-improve-operational-performance-of-delta-spinners-1609950097>
<https://www.thedailystar.net/business/news/delta-spinners-asked-reconstitute-board-2023693>
<https://tbsnews.net/economy/stock/bsec-asks-delta-spinners-reconstruct-board-181831>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$50.61	\$2.09	4.31%
Crude Oil (Brent)*	\$54.30	\$2.50	4.83%
Gold Spot*	\$1,919.39	\$24.29	1.28%
DSEX	5,640.19	238.12	4.41%
S&P 500	3,748.14	(7.93)	-0.21%
FTSE 100	6,841.86	381.34	5.90%
BSE SENSEX	48,174.06	422.73	0.89%
KSE-100	45,153.42	1,398.04	3.20%
CSEALL	7,036.76	262.54	3.88%

Exchange Rates

USD 1 = BDT 84.79*

GBP 1 = BDT 115.47*

EUR 1 = BDT 104.56*

INR 1 = BDT 1.16*

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

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