

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.

Exports drop on faltering recovery of apparel

- Bangladesh's merchandise exports declined 4.08% year-on-year to USD 2.94 billion in October because of the faltering recovery of garment shipment from the coronavirus pandemic. Last month's receipts are also 6.03% shy of the monthly target of USD 3.13 billion, according to data of the Export Promotion Bureau (EPB). The shipment from July to October, the first four months of the current fiscal year, rose 0.97% year-on-year to USD 12.84 billion. Apparel shipment, which typically contributes more than 84% to the national exports, declined by 1.2% year-on-year to USD 10.45 billion in the four-month period.
- Knitwear exports fetched USD 5.80 billion, registering 4.76% year-on-year growth from July to October. The shipment of woven was down 7.76% to USD 4.64 billion. After recording a historic decline of 18.12% in export growth in FY2019-20 and the seven consecutive months of falling growth, shipments edged up to the positive territory in August and September, said the president of the Bangladesh Garment Manufacturers and Exporters Association. She said garment exports posted 7.78% negative growth in October highlighting the faltering recovery in global demand and trade.
- It is quite alarming that this decline in exports is predominantly caused by the fall in woven garment export, she added. Though country-wise export data is not available yet for October, the July-September data shows that export to non-traditional markets suffered the most, while shipment to the EU and the US maintained stable growth and helped Bangladesh turn around in exports, she said. Since Europe has entered into a fresh wave of Covid-19 infection, lockdowns are being declared in many countries, it would be difficult for us to cope up if the EU's demand for clothing and its sourcing is troubled further.

<https://www.thedailystar.net/business/news/exports-drop-faltering-recovery-apparel-1988477>

<https://tbsnews.net/economy/trade/exports-suddenly-dip-oct-153004>

<https://today.thefinancialexpress.com.bd/first-page/oct-export-data-trigger-worries-1604340456>

<https://www.dhakatribune.com/business/economy/2020/11/02/exports-hitting-the-bumpy-road>

Current account posts USD 3.53 billion surplus amid downturn

- The country's current account balance posted a surplus of USD 3.53 billion in the first quarter of the fiscal year on the back of a sharp decline in the trade deficit. This contrasts to a deficit of USD 715 million in the same quarter a year ago, according to data from the central bank. The first quarter's current account balance is the highest in the same quarter in the last six years. The upward trend of the current account balance is a good sign, but there is no scope to be complacent, said experts. The current account surplus is a reflection of lower domestic consumption, production and investment and an indication of weak economic growth as a whole, they said.
- The ongoing economic slowdown brought on by the coronavirus pandemic is mainly responsible for the record balance of the current account. The surplus in the first quarter was largely caused by a reduction in the trade deficit, which occurs when a country's imports exceed its exports, to USD 2.03 billion driven by a steep descend in imports against dwindling exports. It stood at USD 3.84 billion in the first quarter of FY20. Also, strong growth in remittances in recent months has pushed up the surplus of the current account. Between July and October, remittance hit USD 8.82 billion, up 43.24% year-on-year.
- Import of capital machinery and intermediate goods has dropped alarmingly, shrinking the trade deficit significantly in the first quarter, said a former lead economist of the World Bank's Dhaka office. The lower import of the items hinted that the country's economic activity has almost stagnated, he said.

<https://www.thedailystar.net/business/news/current-account-posts-353b-surplus-amid-downturn-1988457>

Remittance inflow increased by 10.87% in FY20

- Bangladesh witnessed the highest ever remittance inflow in fiscal 2019-20 which was 10.87% higher than the previous year. Country received a total of USD 18205.01 million remittance in FY20 which was USD 16419.63 million in fiscal 2018-19.

Besides, foreign currency reserve in the fiscal stood at USD 36.04 billion while revenue collection was BDT 2.62 trillion even after the Covid-19 outbreak. In FY20, the growth reached at 5.24% which was quite more than many other development countries in Asia as well as across the world, said the cabinet secretary. He said the growth rate is a remarkable achievement in the Covid-19 pandemic gripped situation.

- To deal with the impacts of Covid-19 and rejuvenate country's economy, Prime Minister announced 21 stimulus packages of BDT 1.20 trillion which was 4.30% of GDP, he further added. Of the total, BDT 577.85 billion has been disbursed so far from the stimulus packages, he said. Poverty rate in FY20 reduced to 20.5% from 21.8% while the

rate of extreme poverty declined to 10.5% from 12.9%. The per capita income stood at USD 2,064 in FY20 from USD 1,909.

<https://www.dhakatribune.com/business/2020/11/02/remittance-inflow-increased-by-10-87-in-fy20>

Best Electronics to go public for BDT 1.00 billion

- Best Electronics Ltd, one of the fast-growing electronics retailers of the country, wants to raise BDT 1.00 billion on the stock market to expand its business. The company will issue an initial public offering (IPO) using the book-building method. With the IPO proceeds, the company, a sister concern of Zaman Group, says it will modernise all four units of its two factories in Gazipur and Chuadanga. Last year the company's annual revenue was around BDT 2.50 billion, with paid-up capital of BDT 450 million.

- The retailer began its journey in 2013 with an objective of delivering the home appliances of all major global brands to the high-end consumer group of Bangladesh. Best Electronics, which had just 12 showrooms initially, has managed to open more than 120 showrooms across the country. Over the years, it has secured authorised distributorship of almost all major brands of home appliances around the world, including: Hitachi, Sharp, Panasonic, Whirlpool, Philips, V-Guard, Toshiba, and Midea.

- Best Electronics uses Conion as the brand name for its products. It produces fans, air conditioners, refrigerators, and other home appliances. The demand for Conion products is increasing on the market every day. Best Electronics and Prime Bank Investment, issue manager for the company, have provided all the information. The size of the fast-moving consumer goods industry is around BDT 267.00 billion and the market is growing at 11% plus annually.

<https://tbsnews.net/economy/stock/best-electronics-go-public- BDT 100cr-152998>

Hygiene obsession propels Reckitt Benckiser's profit in Q3

- Reckitt Benckiser, the maker of Dettol and Lysol disinfectants, saw its profit leap 10.6% to BDT 154 million in the third quarter, as enthusiasm for hygiene products is showing no sign of dimming. This takes the British hygiene, health and nutrition product manufacturer's profit in the nine months of 2020 to BDT 432 million, up 34.6% year-on-year, it said. Its products in Bangladesh include Finish, Lysol, Veet, Dettol, Air Wick, Durex, Mortein, Strepsils, Vanish, Trix, Mr Brasso, DermiCool and Harpic -- saw its sales soar about 23% year-on-year to BDT 1.45 billion between July and September.

- The third quarter performance of the British multinational company's Bangladesh subsidiary is in line with its global performance: last week, Reckitt Benckiser upgraded its full-year sales forecast to low double-digit growth from high single digits previously forecast. Chief executive officer of Reckitt Benckiser, expects consumers to continue to pay greater attention to their personal hygiene beyond the pandemic.

<https://www.dhakatribune.com/business/stock/2020/11/02/hygiene-obsession-propels-reckitt-benckiser-s-profit-in-q3>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$36.77	(\$24.86)	-40.34%
Crude Oil (Brent)*	\$38.88	(\$29.56)	-43.19%
Gold Spot*	\$1,894.22	\$372.75	24.50%
DSEX	4,918.38	465.45	10.45%
S&P 500	3,310.24	79.46	2.46%
FTSE 100	5,654.97	(1,932.08)	-25.47%
BSE SENSEX	39,757.58	(1,884.56)	-4.53%
KSE-100	39,112.18	(1,622.90)	-3.98%
CSEALL	5,713.58	(415.63)	-6.78%

Exchange Rates

USD 1 = BDT 84.83*
 GBP 1 = BDT 109.60*
 EUR 1 = BDT 98.78*
 INR 1 = BDT 1.14*

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

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