

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.

Bank deposit rate drops to all-time low

- The weighted average deposit rate in the country's banking sector in September dropped to an all-time low of 4.79%, much below the current inflation rate, leaving savers including pensioners and fixed-income group of people in trouble. Though the weighted average deposit rate dropped to 4.79%, many banks are offering around 2% interest against their deposit products that may result in capital erosion given the inflation rate of 6.44% in October, the highest in seven years.
- Excess liquidity in the banking system and the enforcement of the 9-per cent ceiling on lending rate by the government on April 1 have resulted in a sharp decline in deposit rate, said economists and bankers. Because of the 9-per cent lending rate enforced by the government, there was no option for the banks but to lower the cost of fund, the deposit rate, to comply with the government's instruction. Policy relaxations by the central bank amid the coronavirus outbreak have resulted in increased liquidity in the banks. At the end of August this year, excess liquidity in the country's banking system increased to BDT 1.61 trillion while the volume of excess liquidity was BDT 605.5 billion at the end of May last year.

<https://www.newagebd.net/article/120917/bank-deposit-rate-drops-to-all-time-low>

Bangladesh cement sector starts recovering

- The local cement industry is rebounding after a drastic fall in demand amid the pandemic, especially during a hard lockdown in April and May, insiders have said. With the resumption of mega infrastructure projects, real estate and individual house building, the cement sector has also witnessed a rising trend. Due to the pandemic and super-cyclone Amphan, the sector lost a substantial sales volume, said the vice-chairman of Crown Cement Group. The sector is crisis-ridden for the imposition of 3.0-per cent advance income tax on cement in the 2020-21 fiscal budget, he added.
- As of 2019, the BCMA said, Bangladesh's cement market size is estimated at approximately BDT 270 billion, and the annual demand is around 33.65-million tonnes. Thirty-seven companies are operating in the country with the installed capacity of 71.75-million tonnes per year, even if half the capacity is utilised. Despite double-digit growth in the past two decades, Bangladesh is still one of the lowest per-capita cement consumers in the world. It logged 178-kilogram per-capita cement consumption in contrast with the global average of 563 kg.

<https://today.thefinancialexpress.com.bd/trade-market/bd-cement-sector-starts-recovering-1604676119>

Government to convert USD bonds into multi-currency ones

- The government is considering converting the existing dollar bonds into multi-currency investment tools to attract more non-resident Bangladeshis (NRBs) to the state-run investment scheme, officials said. Currently, the NRBs can only invest in the US Dollar Premium Bond (UDPB) and the US Dollar Investment Bond (USIB) through the US Dollar. Besides, they are entitled to invest in the existing Wage Earner Development Bond (WEDB) through BDT. The Finance Division, the Bangladesh Bank (BB) and the Department of National Savings (DNS) are working to convert the existing dollar bonds into multi-currency ones, including pound sterling and Euro.

<https://today.thefinancialexpress.com.bd/last-page/govt-to-convert-us-bonds-into-multi-currency-ones-1604685096>

Top bidders of Walton, Mir Akhter IPOs asked to give explanations

- The Bangladesh Securities and Exchange Commission has asked for explanations from the top five bidders who took part in the initial public offerings of Walton Hi-Tech Industries and Mir Akhter Hossain Limited for aggressive share pricing. BSEC officials said that the top five bidders who bid for each share of Walton at BDT 628-765 were asked for explanations in regards with the pricing. In addition, the top five institutional investors who bid for each share of Mir Akhter Hossain Limited at BDT 80-98 were also asked to provide explanations for their biddings. Earlier, the BSEC asked the investors who had bid for more than BDT 60 for each Energypac share to explain if they had complied with the regulator's directives issued in February 2018.

<https://www.newagebd.net/article/120915/top-bidders-of-walton-mir-akhter-ipos-asked-to-give-explanations>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$37.14	(\$24.49)	-39.74%
Crude Oil (Brent)*	\$39.45	(\$28.99)	-42.36%
Gold Spot*	\$1,951.35	\$429.88	28.25%
DSEX	4,942.12	489.19	10.99%
S&P 500	3,509.44	278.66	8.63%
FTSE 100	5,910.02	(1,677.03)	-22.10%
BSE SENSEX	41,893.06	250.92	0.60%
KSE-100	40,731.61	(3.47)	-0.01%
CSEALL	6,080.09	(49.12)	-0.80%

Exchange Rates

USD 1 = BDT 84.79*

GBP 1 = BDT 111.54*

EUR 1 = BDT 100.66*

INR 1 = BDT 1.15*

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

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