

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.

Low provisioning main driver for rise in profits by listed banks

- Most of the listed banks witnessed rise in EPS (earnings per share) for July-September 2020 compared to same period of the previous year. Officials said the banks' EPS rose following the central bank's policy support provided for not classifying any loans till December to cope with the COVID-19 situation. Many of 30 listed banks saw significant or moderate rise in EPS for July-September, while some banks reported positive earnings for July-September 2020 against the loss incurred for same period of previous year.
- According to the managing director of Pubali Bank, the banks were not required to classify any loans following the central bank's policy support. That is why the EPS rose as they did not keep provision against the loans. The payments of bad loans were deferred following the central bank's instruction for not classifying loans till December this year, added the president of Bangladesh Association of Publicly Listed Companies (BAPLC).

<https://today.thefinancialexpress.com.bd/stock-corporate/low-provisioning-main-driver-for-rise-in-profits-by-listed-banks-1604762002>
<https://tbsnews.net/economy/banking/banks-find-their-income-different-way-154423>

Small and Medium Enterprises (SMEs) in need of 2nd stimulus

- According to the businessmen and academicians, the local small and medium enterprises (SMEs), battered by the Covid pandemic, deserved increased official support. They felt that the government should introduce a second stimulus package for the most-affected sectors, including the SMEs. The SANEM in alliance with The Asia Foundation unveiled the findings of their survey styled, 'Covid-19 and Business Confidence in Bangladesh: Towards Economic Recovery'.
- According to the latest survey, only 8.0% micro and small firms, 20% medium and 41% large firms received funds. Around 71% of the firms believe Bangladesh is already on its road to economic recovery from the Covid-19 fallout, said SANEM executive director. Only 4.0% firms consider it as a strong recovery and 41% and 26% think it as moderate and weak recovery respectively, he further added. The survey also finds that major areas of challenges for the surveyed firms include a lack of package, lengthy procedure, difficulty in bank-related services and difficulty in accessing information.

<https://today.thefinancialexpress.com.bd/first-page/smes-in-need-of-2nd-stimulus-1604770025>
<https://www.dhakatribune.com/business/2020/11/08/economic-recovery-in-sight>

Bangladesh's apparel market share to US grows 1.0 point

- Bangladesh's share in the United States (US) apparel market has increased by one point to 8.10% in the first nine months of this year when other major apparel suppliers have faced lower exports by a quarter during this period. However, during January-September 2020, Bangladesh suffered an over 13% lower export year-on-year. The country exported apparel goods worth about USD 4 billion last year, according to data of the Office of Textiles and Apparel (OTEXA). At this time, China's apparel exports to the US fell by over 45% while that of Vietnam by 9%, India by around 30% and Pakistan by 13%, according to the OTEXA. The data also mentioned Bangladesh exported an additional 4 million square metres of apparel in September, up from 157 million square meters last year.
- The country's apparel export earnings were more than 2% lower in September compared to that year-on-year. It exported USD 485 million in September last year. On the other hand, Bangladesh outperformed Mexico and China to become the largest denim exporter to the US in the first half of this year though export proceeds dropped from the sum a year ago, owing to the Covid-19 pandemic.

<https://tbsnews.net/economy/rmg/bangladeshs-apparel-market-share-us-grows-1-point-155056>

Frozen food industry emerges as a bright spot amid pandemic gloom

- The demand for ready-to-eat chicken and beef products has grown over the past several years as the middle-class and working families increasingly seek convenience. Encouraged by the rising demand, around 30 companies signed up to make frozen foods and snacks. As a result, rapid growth took place over the last three to four years.
- According to the Managing Director of Golden Harvest Agro Industries (DSE: GHAIL), a leading frozen food manufacturer, the overall market for frozen foods, including meat products, currently stands at about Tk 10.0-12.0 billion thanks to 20% annual growth on average for the past five years. But this figure is likely to double to Tk 25.0 billion by 2025. The pandemic has changed a lot of our habits, we do not act the same as we did in February as Covid-19 created awareness about hygiene, he added.

<https://www.thedailystar.net/business/news/frozen-food-industry-emerges-bright-spot-amid-pandemic-gloom-1991217>

Motorola to make its entry to Bangladesh after a 10-year hiatus

- Motorola, the American handset maker that used to rule the roost in the earlier part of the century and has since faded from consumers' reckoning. Now, under the ownership of Chinese Lenovo, Motorola is looking to regain its lost glittering glory, targeting the mid- to low-range smartphone market. The company is set to re-enter Bangladesh after a gap of 10 years with its Moto G8 Power Lite model, a smartphone that got great ratings globally for its long battery life, aesthetics and affordability.
- According to the Managing Director of Saalextra, they are committed to ensuring that Bangladesh gets a taste of the latest and global standard products from Motorola, who are the pioneers in mobile technology and one of the leading smartphone brands globally. Although entry barriers have reduced from previous times, fierce competition exists among the current manufacturers. The other factors such as affordability also remains a key role in market penetration.
- Currently, the government imposes 57% tax on smartphone imports and 32% on basic and feature phones. On the other hand, the tax on locally assembled and manufactured handsets is 18% and 13% respectively.

<https://www.dhakatribune.com/business/2020/11/08/motorola-to-make-its-entry-to-bangladesh-after-a-10-year-hiatus-can-it-make-its-presence-felt>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 37.14	(USD 24.49)	-39.74%
Crude Oil (Brent)*	USD 39.45	(USD 28.99)	-42.36%
Gold Spot*	USD 1,951.35	USD 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 84.83*
 GBP 1 = BDT 111.57*
 EUR 1 = BDT 100.74*
 INR 1 = BDT 1.15*

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

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