

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.

Call money rate above 5% in more than a month

- The inter-bank weighted average rate of call money has remained above 5% for more than one month as the government is offering high interest against treasury bills and bonds. The highest rate in the call money market was 5.5% and the lowest 4.5% on September 25 this year, making the weighted average interest rate 5.06%. On Wednesday, banks borrowed BDT 52.56 billion through the inter-bank money market, a short-term borrowing facility for the scheduled banks offered by the central bank.
- The weighted average interest rate in the call money market exceeded 5% for the first time on August 22 this year, hitting 5.02%, for the first time after October, 2015. Since then, the rate has been hovering at above 5%. It hit 5.09% on August 26. Officials of the central bank said that the increase in lending rate for the call money might be an outcome of higher rate of interest against the treasury bills and bonds.
- The cut-off yield rate of 91-days treasury bills increased to 7.77% on September 23 this year while the rate of yield of same treasury bills was 2.4% on January 1, 2019 that prompted banks to supply funds to the government. Association of Bankers, Bangladesh chairman said that the banks might have preferred giving fund to the government against treasury bills and bonds, thus creating lower flow of fund to the call money market and subsequent increase in interest rate at the market. Bankers and experts, however, said the high volume of borrowing by the state through the banking system might impact adversely on the private sector credit. The private sector credit growth hit a fresh six-year low at 11.26% in July this year against the central bank's monetary policy projection of attaining 16.5% growth.

<http://www.newagebd.net/article/85782/call-money-rate-above-5pc-in-more-than-a-month>

Tyre manufacturing awaits a boom with BDT 30 billion investment

- Apex Husain Tyre and Gazi Tyre currently meet 5% demand for tyres of big buses and trucks in the country while imports meet the rest. Now Jamuna Group, Meghna Group and CEAT are all set to enter the market with huge investments and produce more tyres than what the country needs. Their entry will help Bangladesh save around BDT 30 billion a year that it spends for tyre imports and create employment for over 5,000 people, industry players said. GPH Ispat and a few other companies are also planning to go for tyre production. Jamuna Tyres and Rubber Industries Ltd, a concern of Jamuna Group, has invested over BDT 20 billion to produce tyres for big bus, truck, passenger car and motorcycle.
- Annually, Jamuna will produce 2.5 million units of tyres, almost enough to meet the country's total demand. Meghna Rubber Industries Ltd, a wing of Bangladesh's largest bicycle tyre and tube manufacturer Meghna Group, is setting up a new BDT 5 billion plant to produce tyres for big buses and trucks.

<https://www.thedailystar.net/business/export/news/tyre-manufacturing-awaits-boom-BDT-3000cr-investment-1806757>

Investment Corporation of Bangladesh (ICB) seeks BDT 10 billion from Bangladesh Bank (BB)

- The Investment Corporation of Bangladesh has sought BDT 10 billion in financial support from Bangladesh Bank on an emergency basis to inject liquidity into the ailing capital market as part of its concerted efforts to bring back investor confidence.

<https://www.thedailystar.net/business/banking/news/icb-seeks-BDT-1000cr-bb-1806754>

Eastern Bank Limited (EBL) expands wings to China

- The bank in a statement yesterday said this was the first footprint of any Bangladeshi financial institution in China.
- The EBL has recently opened a renminbi account (Chinese currency Nostro account with the Bank of China) as the Bangladeshi bank has started LC (letter of credit) business in the yuan. The EBL has recently partnered with China UnionPay and has opened a "China desk" to deal with business originating in China.

<https://www.thedailystar.net/business/banking/news/eb1-expands-wings-china-1806730>

Bangladesh among top 20 improvers

- Bangladesh is among the top-20 "Improvers in Doing Business 2020" as the country has implemented various reform initiatives to make a business-friendly environment, according to a World Bank (WB) report. The report, available on the WB website, says Bangladesh made it easier for entrepreneurs to start a business, obtain an electrical connection

and access credit. Among other initiatives, Bangladesh lowered the name clearance fee for new company registration, abolished digital certification fees and reduced registration fee calculations based on share capital. In Dhaka, the electricity supplier cut the security deposit for a new connection by half and undertook major investments to expand its staffing and digitization of processes; licensing times by the Office of Electrical Adviser and Chief Electrical Inspector were also reduced, the report said. Bangladesh's credit information bureau improved access to credit by expanding its coverage to include five years of records and data on loans of any amount.

<https://www.thedailystar.net/backpage/news/bangladesh-among-top-20-improvers-1806280>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$55.91	-0.50	-0.89%
Crude Oil (Brent)*	\$61.91	-0.83	-1.32%
Gold Spot*	\$1,497.01	-7.77	-0.52%
DSEX	4,968.47	+16.73	+0.34%
Dow Jones Industrial Average	26,820.25	-70.87	-0.26%
FTSE 100	7,426.21	+75.13	+1.02%
Nikkei 225	21,878.90	-169.34	-0.77%
BSE SENSEX	38,822.57	-167.17	-0.43%

Exchange Rates

USD 1 = BDT 84.40*

GBP 1 = BDT 103.74*

EUR 1 = BDT 92.34*

INR 1 = BDT 1.20*

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

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