

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.

Macro:**Bangladesh, IMF reach initial deal for USD 4.5 Bn loans**

- Bangladesh and the International Monetary Fund (IMF) have reached a staff-level agreement that would see the country receive a total USD 4.5 Bn in loan support amid global economic uncertainty due to the Russia-Ukraine war. The 42-month agreement says that funds will be divided between the Extended Credit Facility (ECF), the Extended Fund Facility (EFF), and the Resilience and Sustainability Facility.
- “The Bangladesh authorities and the IMF team have reached a staff-level agreement to support the authorities’ reform policies under a new 42-month ECF/EFF arrangement of about USD 3.2 Bn, and a concurrent RSF arrangement of about USD 1.3 Bn,” said Rahul Anand, who led the IMF team mission to visit Dhaka from Oct 26 to Nov 9.

<https://thefinancialexpress.com.bd/economy/bangladesh-imf-reach-initial-deal-for-45b-loans-1667989046>

Banks will get till December 2023 to adjust excess stock investments

- Banks will now get till the end of 2023 to adjust their additional investments in the stock market as the Financial Institutions Division has consented in its favor. The Division has agreed to allow the time upon a 12 October letter from the Bangladesh Bank to this end. In its letter, the Financial Institutions Division also said that banks' excess stock investments until 31 August 2022 cannot be increased in any way.

<https://www.tbsnews.net/economy/banking/banks-will-get-till-december-2023-adjust-excess-stock-investments-528922>

Digital means can halve remittance sending costs

- Bangladeshi expatriates would be immensely benefitted if they send remittance through digital platforms as it cuts that cost of sending money from overseas by roughly half, according to a recent study. The global average transaction cost of sending funds from one mobile wallet to another in different countries stood at 3.5% in the third quarter of 2020 compared to 6.75% for other channels.

<https://www.thedailystar.net/business/economy/news/digital-means-can-halve-remittance-sending-costs-3165101>

Apparel exporters seek to use 3 land ports to import raw materials

- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the National Board of Revenue to allow the import of all types of raw materials, including yarns, through the Bhomra, Sona Masjid, and Darshana land ports.
- BGMEA President Faruque Hassan in a letter on 3 November made the request to the NBR chairman for providing such permission by the customs houses concerned.
- The letter also said in a meeting, headed by the NBR chairman, on October 17 decided to allow imports of those goods through these three ports but till date there is no order (Statutory Regulatory Order) issued in this regard, which is a matter of regret.

<https://www.tbsnews.net/economy/rmg/apparel-exporters-seek-use-3-land-ports-import-raw-materials-528914>

Economy paying the price of cheap funds

- The current lending rate, which equals the inflation rate, has brought about major challenges for the economy as a negative interest rate has prompted many large clients to borrow hugely despite subdued demand, giving them the leeway to divert funds to the unproductive sector.
- Inflation, driven by higher commodity prices globally, surged to a 10-year high of 9.52% in August and stood at 9.10% in September before falling slightly to 8.91% in October.

<https://www.thedailystar.net/business/economy/news/economy-paying-the-price-cheap-funds-3164106>

Wheat flour prices keep rising

- The price of wheat flour has kept rising in the retail market of Bangladesh due to a decrease in imports amid higher costs of the staple in the global markets, handing a fresh blow to the consumers already struggling to make ends meet.
- Consumers in three markets in Dhaka had to pay BDT 65-66 for each kg of loose flour on Thursday. It was BDT 55-58 last Sunday. A two-kg packet of branded flour was selling at BDT130-132, up from BDT 120-125. Loose flour retailed at BDT 52 to BDT 55 per kg a month ago, while the packaged ones at BDT 58 to BDT 60, with the latter up 10.28%, data from the Trading Corporation of Bangladesh showed.

<https://www.thedailystar.net/business/economy/news/wheat-flour-prices-keep-rising-3164096>

Lack of cargo flights to Ctg hurting traders

- The lack of warehousing facilities at Chattogram airport has led to a decline in inbound cargo flights, putting port city traders in a quandary. Importers are now forced to bring in essential items, including RMG raw materials, motor and computer parts, through Dhaka airport, spending more time and money while the export of vegetables through Shah Amanat International Airport has also decreased.
- Other items being imported through the capital's Hazrat Shahjalal International Airport are accessories, motor parts and computer parts, say businessmen.

<https://www.tbsnews.net/economy/lack-cargo-flights-ctg-hurting-traders-528622>

BBS data shows inflation further down in Oct

- The rate of inflation (point-to-point) dropped further by 0.19% to 8.91% for the second consecutive month in October 2022 thanks to a fall in food prices in the domestic market. In September last year the rate declined to 9.10% from its peak 9.50% in August, official data showed. In October last year, the inflation rate was much lower at 5.70%.
- The food inflation dropped 0.58% to 8.50% in the last month from 9.08% in September, according to Bangladesh Bureau of Statistics (BBS) data released on Tuesday. The non-food inflation, however, increased by 0.45% to 9.58% in the last month from 9.13% in September.

<https://thefinancialexpress.com.bd/economy/bbs-data-shows-inflation-further-down-in-oct-1667964312>

Stocks:

BRACBANK | Brac Bank brings digital loan app

- Brac Bank has launched the country's first end-to-end digital loan app Shubidha. The app will enable customers to apply for digital retail loans from anywhere in Bangladesh and will get approval instantly, said the private commercial bank in a press release yesterday. Moreover, they can purchase products and services from the bank's partner outlets using the app and the loan will be disbursed digitally into the partners' accounts in a few moments.
- "The bank's vision is to make the app a one-stop platform for loan-related solutions for valued customers," said Brac Bank. 'Shubidha' App has two variants: one to be used by customers and another by business partners of Brac Bank.

<https://www.thedailystar.net/business/economy/banks/news/brac-bank-brings-digital-loan-app-3165066>

PADMAOIL | Padma Oil posts 25% profit growth

- State-owned Padma Oil Company Limited posted a 25% year-on-year growth in profit in the first quarter of this fiscal year as its gross earnings from petroleum trading increased by 17%. During the July-September period, the product handling volume increased by 29% to 679,365 tonnes, from 526,400 tonnes in the same time of the previous fiscal year. Its income from fixed deposits in banks increased by 14% to BDT 759.6 Mn.
- At the end of the quarter, the company registered a profit of BDT 707.5 Mn, up from BDT 564.8 Mn in July-September of FY21. The company has recommended a 125% cash dividend for fiscal 2021-22. That means its shareholders will get BDT12.50 for each share.

<https://www.tbsnews.net/economy/stocks/padma-oil-posts-25-profit-growth-528918>

BEXIMCO | Should you convert Beximco Sukuk into equity?

- If Sukuk holders opt for converting all the one-fifth eligible Sukuk units this year, the number of Beximco shares would increase by around 9%. Beximco Green Sukuk unitholders have been offered with Beximco Ltd shares against up to 20% of their Sukuk investments at the end of the first year of the largest corporate Sukuk in the country.
- The most common question among Sukuk investors seems to be if the conversion will be profitable for them. "Mathematically speaking, the answer is yes," said bond expert Ershad Hossain, the managing director of City Bank Capital Resources Ltd that worked as the issue manager and arranger of the BDT 30 Bn five-year Sukuk issued in December last year.

<https://www.tbsnews.net/economy/stocks/should-you-convert-beximco-sukuk-equity-528938>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 85.83	USD 10.62	14.12%
Crude Oil (Brent)*	USD 92.65	USD 14.87	19.12%
Gold Spot*	USD 1,705.77	(USD 123.43)	-6.75%
DSEX	6,350.14	-406.52	-6.02%
S&P 500	3,748.57	-1,017.61	-21.35%
FTSE 100	7,296.25	-88.29	-1.20%
BSE SENSEX	61,033.55	2,779.73	4.77%
KSE-100	42,265.36	-2,330.71	-5.23%
CSEALL	8,293.50	-3,932.51	-32.17%

Exchange Rates**1 US Dollar = 101.30 BDT****1 GBP = 115.03 BDT****1 Euro = 101.32 BDT****1 INR = 1.24 BDT**

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