

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.

Economy making uneven recovery

- Bangladesh's economy is making an uneven recovery with larger firms at a faster pace and small and medium enterprises (SMEs) falling behind, said the Centre for Policy Dialogue (CPD) yesterday. Smaller firms, people belonging to the low-income category and the poor (people) in general have been affected disproportionately and have not received adequate government support, said a CPD Senior Research Fellow. The independent think tank said globally, the possibility of a K-shaped recovery, when a segment of the economy pulls out of a recession while others stagnate, was being widely discussed.
- The CPD said stimulus packages and liquidity support would help large industries and public organisations recover at a faster pace while the SMEs would lag behind. The CPD said the SMEs were important sources of employment and the slow recovery of these small and medium businesses could lead to a further rise in inequality.

<https://www.thedailystar.net/business/news/economy-making-uneven-recovery-2045509>
<https://tbsnews.net/economy/k-shaped-recovery-202303>

Credit card-based transactions rise by 23% in July-Dec

- The amount of credit card-based transactions increased by 23.43% or BDT 15.94 billion year-on-year in July-December of 2020 as a section of people used the financial product as a last resort for purchasing essential goods due to income erosion amid the COVID-19 outbreak. Bankers said that people were also becoming more used to online transactions after the coronavirus outbreak. Bangladesh Bank data showed that the amount of credit card-based transactions rose to BDT 84.00 billion in the July-December period of 2020 against BDT 68.06 billion in the same period of 2019.
- The number of transactions through credit cards also reached a record high in December 2020. In December 2020, users made 2.62 million transactions by using credit cards while the number of transactions was 2.54 million in the same month of 2019, showed the BB data. Though the credit card usage increased significantly, the number of cards issued by banks and non-bank financial institutions grew by 9.08% or 1,39614 year-on-year in December 2020. The number of credit card users increased to 1.67 million at the end of December 2020 from 1.53 million a year ago.
- The credit card business of banks and NBFIs improved in the second half of 2020 but the situation was dismal in the first half when economic activities had remained almost suspended in the country for around two months due to the COVID-19 outbreak. Mutual Trust Bank managing director and chief executive officer said that the increase in transactions through credit cards was largely because of income erosion of people during the coronavirus outbreak. He also said that people were also becoming more used to online transactions after the outbreak of coronavirus.

<https://www.newagebd.net/article/130290/credit-card-based-transactions-rise-by-23pc-in-july-dec>

Bangladeshi apparel sees sharper fall in prices than Vietnamese

- Bangladeshi apparel items have witnessed a sharper fall in prices compared to the Vietnamese products in the European Union and US markets, according to a study by the Centre for Policy Dialogue (CPD). The price of 100 kilogrammes of made-in-Bangladesh cotton fibre T-shirt declined by 1% year-on-year to 1,091.5 euros in 2020. However, the same product manufactured in Vietnam saw a 3% price rise, reaching 2,157.9 euros last year, the study found. Bangladesh's export performance was driven by both volume and value factors, according to the CPD study. Exchange rate management is emerging as a key factor, driving export competitiveness, it said.
- The CPD also said the export target set for fiscal 2021 to achieve 21% growth over fiscal 2020 will not be achieved. It will take some time to even reach the pre-Covid export level of USD 40.5 billion. Given the effect of lockdowns in Europe and the USA and their impact on retail and demand, the worst ever Christmas sales the world has seen, and most of all the effect of price decline, which is around 5% since September 2020, it was a dark year for the industry, the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said.

<https://www.thedailystar.net/business/news/bangladeshi-apparel-sees-sharper-fall-prices-vietnamese-2045521>

BSEC to consider 'adjusted' share price as the revised floor price

- The securities regulator has decided to consider the 'adjusted' share price as the revised floor price of any listed securities. The Bangladesh Securities and Exchange Commission (BSEC) took the decision on Monday at a meeting held at the BSEC office. The share prices adjusted after the record date for the rights or bonus issues will be considered as the revised floor price, a BSEC officials said.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-consider-adjusted-share-price-as-the-revised-floor-price-1613403987>

<https://www.thedailystar.net/business/news/floor-price-stocks-can-be-revised-corporate-declaration-2045501>

<https://tbsnews.net/economy/stock/floor-price-be-lowered-if-number-shares-increases-202225>

<https://www.dhakatribune.com/business/2021/02/16/bsec-resets-floor-price-of-shares>

UCB gets licence for MFS subsidiary

- Bangladesh Bank has provided a licence to UCB Fintech Company, a subsidiary of United Commercial Bank (UCB), to offer mobile financial services (MFS) replacing its existing "Ucash" brand. The UCB, one of the country's oldest private banks, now provides MFS to over a million customers through Ucash. The fintech is expected to launch the replacement MFS, "Upay", by mid-March this year.
- It obtained the licence on the last week of December 2020. This is the second such subsidiary MFS company in the country after bKash, which introduced its operation in 2011. With a nationwide agent and merchant network, initial Upay services will include mobile transactions, QR code, inward remittance, salary disbursement, airtime recharge and utility bill, e-commerce, Indian visa fee and traffic prosecution fee payment.

<https://www.thedailystar.net/business/news/ucb-gets-licence-mfs-subsidiary-2045497>

DSE seeks instructions on changing categories of 12 firms

- The Dhaka Stock Exchange (DSE) has sought instructions from the securities regulator on changing the categories of companies that have failed to hold their annual general meetings (AGMs). Usually a company is transferred to Category Z if it fails to hold an AGM for two consecutive years. At present, 12 companies are in Category A and B on the stock exchange, but they have not been able to hold AGMs for one or two consecutive years. The companies are: Aman Cotton Fibrous, Alif Industries, Alif Manufacturing Company, Aman Feed, Ambee Pharmaceuticals, Confidence Cement, Delta Life Insurance, Libra Infusion, Ring Sign Textile, Shurwid Industries, Active Fine, and Appollo Ispat Complex limited.
- Now the country's premier bourse needs a BSEC decision because the regulator, in September last year, issued a directive to overhaul the companies under Category Z, calling for a number of initiatives, including restructuring their boards. Meanwhile, fiscal year 2019-2020 is over but many of the companies have yet to hold their annual general meetings. The DSE has deemed that the companies have lost their eligibility to stay in their existing categories because they have not held their AGMs within the stipulated time as per the law. As a result, the DSE says the companies need to be transferred to Category Z.

<https://tbsnews.net/economy/stock/dse-seeks-instructions-changing-categories-12-firms-202264>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$60.18	\$11.66	24.03%
Crude Oil (Brent)*	\$63.51	\$11.71	22.61%
Gold Spot*	\$1,824.90	(\$70.20)	-3.70%
DSEX	5,545.09	143.02	2.65%
S&P 500	3,934.83	178.76	4.76%
FTSE 100	6,756.11	295.59	4.58%
BSE SENSEX	52,154.13	4,402.80	9.22%
KSE-100	46,375.59	2,620.21	5.99%
CSEALL	7,907.27	1,133.05	16.73%

Exchange Rates

USD 1 = BDT 84.76*

GBP 1 = BDT 118.23*

EUR 1 = BDT 102.95*

INR 1 = BDT 1.17*

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

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