

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.

Inflation surges in 2020

- Bangladesh's average inflation rate in the just concluded calendar year (2020) increased by 0.10% points to 5.69% due to some volatilities in the country's commodity markets. The 12-month average inflation rate was 5.69% in 2020 as against 5.59% in the previous calendar year. Meanwhile, the point-to-point inflation fell for the second consecutive month in December after a peak in October 2020. The BBS data showed that the inflation rate on point-to-point basis decreased by 0.23% points to 5.29% in December, compared to 5.52% in November.
- In October 2020, the inflation rate picked up to 6.44%, showing the highest monthly figure in 2020. The point-to-point inflation rate in December 2019 was recorded at 5.75%, the BBS statistics showed. It's a good news for the economy that the inflation in December has dropped. He hope inflation will be in a comfortable level in 2021.

<https://today.thefinancialexpress.com.bd/last-page/inflation-surges-in-2020-1609869821>
<https://today.thefinancialexpress.com.bd/last-page/infection-rate-falls-1609869884>
<https://www.thedailystar.net/business/news/inflation-averages-569pc-2020-3yr-high-2023165>
<https://tbsnews.net/economy/inflation-eases-529-december-181204>
<https://www.newagebd.net/article/126382/dec-inflation-eases-to-529pc>
<https://www.dhakatribune.com/business/economy/2021/01/05/relief-as-inflation-edges-down-in-december>

Exports slip slightly

- Merchandise shipment declined 0.36% year-on-year to USD 19.23 billion in July-December 2020 as Bangladesh's major export destinations continued to struggle to tame the rising coronavirus infections. Earnings from the apparel shipment, which typically contributes 84% to the national exports, dropped 2.99% to USD 15.54 billion. Of the export receipts, USD 8.52 billion came from knitwear shipment, up 3.9% from a year ago. Woven exports declined 10.22% to USD 7.01 billion. Despite the pandemic, the knitwear shipment rose as people mostly wear casual dresses as they stay indoors and work from home because of the health crisis.
- Garment export was down 9.64% in December as the pandemic continues to batter the global economy. Overall, the garment export witnessed an unprecedented 16.94% year-on-year decline in 2020, according to exporters. As the uncertainties and stresses caused by the second wave persist coupled with the relatively poor administration and unavailability of vaccines, and the impact on global economy it would leave, this downtrend in exports will probably continue until April. said the president of the Bangladesh Garment Manufacturers and Exporters Association.

<https://www.thedailystar.net/business/news/exports-slip-slightly-2023169>
<https://tbsnews.net/economy/trade/export-falls-1h-181294>
<https://www.newagebd.net/article/126269/bangladesh-exports-fall-by-1457pc-in-2020>
<https://www.dhakatribune.com/business/2021/01/05/exports-shrink-to-a-five-year-low-in-2020>

BB clarifies addl. 1.0% general provisioning

- All the scheduled banks will have to keep additional 1.0% general provisioning against loans, which have enjoyed deferral/ time extension facilities, instead of all unclassified loans earlier. Banks as well as their stakeholders will be benefited from the BB's latest clarification, a senior executive of a leading private commercial bank said. He also said the banks would be able to offer higher dividends to their shareholders following the clarification. Earlier on December 28, the BAB urged the central bank to exempt provisions for loans, against which instalments are being paid regularly, from the latest BB's directive on keeping an additional 1.0% provisioning for all unclassified loans.
- Earlier on December 10, the central bank asked the banks to increase provisioning for unclassified loans and loans in special mention accounts (SMA) by 1.0% of performing loans, and incorporate these provisions in their balance sheets of 2020. The amount of unclassified loans in the banking sector stood at about BDT 9.7 trillion as of September 30 last which was 91.12% of total outstanding loans, the BB data showed. A continuous loan, demand loan or term loan, which will remain overdue for a period of 02 (two) months or more, will be put into the SMA that will have to be reported to the Credit Information Bureau (CIB) of the central bank.

<https://today.thefinancialexpress.com.bd/first-page/bb-clarifies-addl-10pc-general-provisioning-1609869447>

Hyundai cars to be assembled locally

- Fair Technology yesterday came one step closer to realising its plans to assemble Hyundai vehicles in Bangladesh to catch up with the demand from a burgeoning middle class. The concern of Fair Group signed a contract with Bangladesh Hi-Tech Park Authority (BHTPA) to establish a plant on six acres of land. They hope to invest USD 125

million in the next three to five years to develop facilities. Their target is to start commercial production by the second quarter of 2022, said the Chief Marketing Officer.

- The plant will be able to annually churn out 5,000 vehicles. Plans are to initially assemble 1,000 vehicles, he said. Fair Technology is going to be the fourth firm to make a foray into the realm of personal vehicle assembly, thanks to value-added tax and supplementary duty exemptions by the revenue authority on the import of raw materials and components from July 2019.

<https://www.thedailystar.net/business/news/hyundai-cars-be-assembled-locally-2023177>
<https://www.newagebd.net/article/126381/fair-technology-to-make-hyundai-cars-in-bangladesh>

DSE sees highest turnover in a decade

- Despite interruptions in trading due to software problems, turnover of the Dhaka Stock Exchange (DSE) was the highest in a decade at the end of Tuesday's session. DSE turnover was BDT 25.46 billion, which was 16% higher than the previous day. The previous highest transaction, BDT 27.11 billion, took place on 6 December, 2010. On 28 June last year, turnover reached BDT 25.43 billion when Unilever bought GlaxoSmithKline shares in a block transaction.

<https://tbsnews.net/economy/stock/dse-sees-highest-turnover-decade-181273>
<https://www.dhakatribune.com/business/2021/01/05/dse-turnover-hits-a-10-year-high>

Baraka Patenga Power gets nod to find cut-off price

- The Bangladesh Securities and Exchange Commission (BSEC) yesterday gave approval for Baraka Patenga Power to find a cut-off price through bidding for its initial public offering (IPO) to raise BDT 2.25 billion in funds from the stock market. The power producer intends to use the IPO proceeds in making investments on its subsidiaries, Karnaphuli Power and Shikalbaha Power, and repay bank loans. The company's consolidated per share net asset value was BDT 23 as of June 30, 2020. The consolidated earnings per share was BDT 4.37 while weighted average EPS BDT 3.30. LankaBangla Investments is its issue manager.

<https://www.thedailystar.net/business/news/baraka-patenga-power-gets-nod-find-cut-price-2023121>
<https://tbsnews.net/economy/stock/baraka-patenga-power-gets-nod-BDT-225-crore-ipo-181324>
<https://www.newagebd.net/article/126383/baraka-patenga-allowed-to-find-ipo-cut-off-price>
<https://www.dhakatribune.com/business/stock/2021/01/05/baraka-patenga-power-s-ipo-gets-bsec-nod>

Hoda Vasi appointed spl auditor to Ring Shine

- The Bangladesh Securities and Exchange Commission on Tuesday appointed chartered accountant Hoda Vasi Chowdhury and Co as special auditor to Ring Shine Textiles Limited to scrutinise the financial documents of the non-performing company. The regulator is worried over the fact that the company suddenly turned non-performing right after being listed on the stock exchanges. Ring Shine made its debut on the stock exchanges on December 12, 2019. It declared factory lay-off on September 27, 2020 and is yet to resume operations.

- The company's key management members, who are Singaporean nationals, left Bangladesh in January 2020 amid alleged domination of one group over the company management. The sudden departure of the company's foreign directors has damaged its reputation, which has also weighed on its revenues. Bankers of Ring Shine said that the company now faced a shortage of working capital due to irregularities in the company. The company's sales declined significantly and led to losses in the third quarter of the last financial year.

<https://www.newagebd.net/article/126385/hoda-vasi-appointed-spl-auditor-to-ring-shine>
<https://www.dhakatribune.com/business/stock/2021/01/05/bsec-sends-auditor-to-ring-shine-textiles>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$49.89	\$1.37	2.82%
Crude Oil (Brent)*	\$53.67	\$1.87	3.61%
Gold Spot*	\$1,947.93	\$52.83	2.79%
DSEX	5,609.71	207.64	3.84%
S&P 500	3,726.86	(29.21)	-0.78%
FTSE 100	6,612.25	151.73	2.35%
BSE SENSEX	48,437.78	686.45	1.44%
KSE-100	44,650.43	895.05	2.05%
CSEALL	6,978.86	204.64	3.02%

Exchange Rates

USD 1 = BDT 84.82*

GBP 1 = BDT 115.55*

EUR 1 = BDT 103.29*

INR 1 = BDT 1.16*

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

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