

*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.*

### **Bank deposit rate drops to all-time low**

- The weighted average deposit rate in the country's banking sector in September dropped to an all-time low of 4.79%, much below the current inflation rate, leaving savers including pensioners and fixed-income group of people in trouble. Though the weighted average deposit rate dropped to 4.79%, many banks are offering around 2% interest against their deposit products that may result in capital erosion given the inflation rate of 6.44% in October, the highest in seven years.
- Excess liquidity in the banking system and the enforcement of the 9-per cent ceiling on lending rate by the government on April 1 have resulted in a sharp decline in deposit rate, said economists and bankers. Because of the 9-per cent lending rate enforced by the government, there was no option for the banks but to lower the cost of fund, the deposit rate, to comply with the government's instruction. Policy relaxations by the central bank amid the coronavirus outbreak have resulted in increased liquidity in the banks. At the end of August this year, excess liquidity in the country's banking system increased to BDT 1.61 trillion while the volume of excess liquidity was BDT 605.5 billion at the end of May last year.

<https://www.newagebd.net/article/120917/bank-deposit-rate-drops-to-all-time-low>

### **Bangladesh cement sector starts recovering**

- The local cement industry is rebounding after a drastic fall in demand amid the pandemic, especially during a hard lockdown in April and May, insiders have said. With the resumption of mega infrastructure projects, real estate and individual house building, the cement sector has also witnessed a rising trend. Due to the pandemic and super-cyclone Amphan, the sector lost a substantial sales volume, said the vice-chairman of Crown Cement Group. The sector is crisis-ridden for the imposition of 3.0-per cent advance income tax on cement in the 2020-21 fiscal budget, he added.
- As of 2019, the BCMA said, Bangladesh's cement market size is estimated at approximately BDT 270 billion, and the annual demand is around 33.65-million tonnes. Thirty-seven companies are operating in the country with the installed capacity of 71.75-million tonnes per year, even if half the capacity is utilised. Despite double-digit growth in the past two decades, Bangladesh is still one of the lowest per-capita cement consumers in the world. It logged 178-kilogram per-capita cement consumption in contrast with the global average of 563 kg.

<https://today.thefinancialexpress.com.bd/trade-market/bd-cement-sector-starts-recovering-1604676119>

### **Government to convert USD bonds into multi-currency ones**

- The government is considering converting the existing dollar bonds into multi-currency investment tools to attract more non-resident Bangladeshis (NRBs) to the state-run investment scheme, officials said. Currently, the NRBs can only invest in the US Dollar Premium Bond (UDPB) and the US Dollar Investment Bond (USIB) through the US Dollar. Besides, they are entitled to invest in the existing Wage Earner Development Bond (WEDB) through BDT. The Finance Division, the Bangladesh Bank (BB) and the Department of National Savings (DNS) are working to convert the existing dollar bonds into multi-currency ones, including pound sterling and Euro.

<https://today.thefinancialexpress.com.bd/last-page/govt-to-convert-us-bonds-into-multi-currency-ones-1604685096>

### **Top bidders of Walton, Mir Akhter IPOs asked to give explanations**

- The Bangladesh Securities and Exchange Commission has asked for explanations from the top five bidders who took part in the initial public offerings of Walton Hi-Tech Industries and Mir Akhter Hossain Limited for aggressive share pricing. BSEC officials said that the top five bidders who bid for each share of Walton at BDT 628-765 were asked for explanations in regards with the pricing. In addition, the top five institutional investors who bid for each share of Mir Akhter Hossain Limited at BDT 80-98 were also asked to provide explanations for their biddings. Earlier, the BSEC asked the investors who had bid for more than BDT 60 for each Energypac share to explain if they had complied with the regulator's directives issued in February 2018.

<https://www.newagebd.net/article/120915/top-bidders-of-walton-mir-akhter-ipos-asked-to-give-explanations>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$37.14	(\$24.49)	-39.74%
Crude Oil (Brent)*	\$39.45	(\$28.99)	-42.36%
Gold Spot*	\$1,951.35	\$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 84.79\***

**GBP 1 = BDT 111.54\***

**EUR 1 = BDT 100.66\***

**INR 1 = BDT 1.15\***

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

## IMPORTANT DISCLOSURES

**Analyst Certification:** Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

**Disclaimer:** Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

**Compensation of Analysts:** The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

**General Risk Factors:** BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

### BRAC EPL Stock Brokerage Limited

#### Research

Ayaz Mahmud, CFA	Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiqulislam@bracepl.com">mrafiqulislam@bracepl.com</a>	01708 805 229
Md Mahirul Quddus	Research Associate	<a href="mailto:mmahirul.quddus@bracepl.com">mmahirul.quddus@bracepl.com</a>	01709 636 546

#### International Trade and Sales

Ahsanur Rahman Bappi	CEO (Acting)	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	--------------	--	---------------

#### BRAC EPL Research [www.bracepl.com](http://www.bracepl.com)

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142  
 Gulshan Avenue, Dhaka – 1212  
 Phone: + (880)-2-9852446-50  
 Fax: + (880)-2-9852451-52  
 E-Mail: [research@bracepl.com](mailto:research@bracepl.com)