

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.

Q1 exports up by 2.58%, cross target by 2.45%

- The country's merchandise shipments during the first quarter (Q1) of current fiscal year (FY), 2020-21, grew by 2.58% to USD 9.89 billion over that of the same period of last fiscal. The July-September export earnings also surpassed the target set for the period by 2.45%. Bangladesh fetched USD 9.64 billion in July-September period of FY 2019-20. The single month income in September 2020 grew by 3.53% to USD 3.01 billion, which was USD 2.91 billion in September 2019. The September 20 earnings also surpassed the target by 5.92%.
- The export recovery has started in June and continued in September also. The July earnings grew by 0.59% year-on-year to USD 3.91 billion after a continuous fall in shipments in the previous months of the current calendar year amid the coronavirus outbreak. The August 2020 earnings grew by 4.32% to USD 2.96 billion. The RMG sector that contributed over 83% to the total exports fetched USD 8.12 billion export income during the first quarter of FY 21.
- The RMG earnings also witnessed a nominal 0.85% growth. The earnings exceeded the strategic target set for the months by 2.09%. The country earned USD 4.46 billion from knitwear exports in Q1 of FY 21, registering a growth of 7.04%. Knitwear exports fetched USD 4.17 billion in July-September of last fiscal.

<https://today.thefinancialexpress.com.bd/first-page/q1-exports-up-by-258pc-cross-target-by-245pc-1601834698>
<https://www.newagebd.net/article/118108/exports-grow-by-258pc-in-july-sept>
<https://tbsnews.net/economy/q1-exports-gain-strength-141313>
<https://www.dhakatribune.com/business/economy/2020/10/04/exports-up-3-53-in-september>

Most RMG orders revived, but on buyers' terms

- Most part of the work orders worth over USD 3.0 billion that the local apparel makers had reported either cancelled or held up have been reinstated by their respective global buyers, industry people said. About 90% of such work orders for the country's struggling readymade garment (RMG) industry have been restored, but at heavy bargain prices including deferred payment and discounts, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- A total of 1,134 of BGMEA member factories reported that (work orders of) some 975.20 million pieces of RMG products worth USD 3.18 billion were either been cancelled or held up until mid-April due to the pandemic. Of the total, USD 1.93 billion work orders were cancelled or held by buyers from European Union, followed by USD 574 million by US, and USD 52 million by Canadian buyers. Besides, work orders valued at about USD 620 million were cancelled or held by buyers from non-traditional markets, according to the BGMEA.
- The managing director of Rising Group, said one of his buyers has held up work orders worth USD 1.3 million and now the buyer is asking for 50% discount. They are now in negotiation as the buyer wants 50% discount and they have offered 17%, he said. He said that he was supposed to receive payment against a single work order in March, which was mutually settled to be paid by October.

<https://today.thefinancialexpress.com.bd/first-page/most-rmg-orders-revived-but-on-buyers-terms-1601834526>

MFS takes a dip after Eid bonanza

- Transactions through mobile financial services rose 16.6% year-on-year to BDT 414.03 billion in August, which shows the growing popularity of the digital money in Bangladesh. However, it plunged 34.3% compared to July, when a record BDT 629.99 billion was transacted. The number of transactions rose 32.06% to 269,697,875 in August but it fell 13.1% from July this year. The managing director of the postal department's mobile financial service Nagad, said before Eid-ul-Azha, there were heavy transactions in the disbursement of salary, wages, bonus and other allowances.
- People also sent a huge amount of money to their relatives. Even people made payment through MFS providers when they bought sacrificial animals. It came down in August, he said. He said financial transactions usually fall in the following month after Eid. This is true for all sectors, not just in the MFS segment. The head of corporate communications at bKash, said transactions through MFS returned to regular state following a huge increase in July.
- He said there was an obligation for garment factories to use banks and MFS to disburse wages and salaries of the workers under the government's stimulus package. Later in August, many companies went back to their own disbursement method as there was no obligation. As a result, its impact was seen in the transactions of August, he said. The managing director of Dutch-Bangla Bank, which owns Rocket, said there were a number of events in July, which include Eid.

<https://www.thedailystar.net/business/news/mfs-takes-dip-after-eid-bonanza-1972709>
<https://www.newagebd.net/article/118109/mfs-transactions-decline-by-343pc-in-august>
<https://tbsnews.net/economy/banking/mfs-transactions-slump-august-141289>
<https://www.dhakatribune.com/business/banks/2020/10/04/mfs-transactions-tumble-in-august>

Tax receipts from DSE jump 63% in Jul-Sept

- The government revenue earnings from the Dhaka bourse jumped 63% in the first quarter (Q1) of the current fiscal year (FY) compared to the same quarter last fiscal as trading volume on the rise. Market operators attributed the rise to the revenue from the Dhaka Stock Exchange (DSE) as buoyant investors took part in the trading with fresh enthusiasm. The government bagged revenue worth about BDT 709 million in July-September quarter of the FY 2020-21, which was BDT 435 million in the same quarter of the previous fiscal year.
- The DSE, on behalf of the government, collects tax as TREC holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05% and 5.0% respectively and deposits the amount to the government exchequer. Of the total earnings in Q1 of the current fiscal year, BDT 469 million came from the TREC holders' commission, popularly known as brokerage commission, while BDT 240 million came from the share sales by sponsor-directors and placement holders, the DSE data shows.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-jump-63pc-in-jul-sept-1601828586>

IDLC Finance to issue BDT 5.0 billion zero coupon bonds

- The board of directors of IDLC Finance has decided to issue unsecured non-convertible zero coupon bonds worth BDT 5.0 billion with four years tenure (in face value). The country's one of the leading non-bank financial institutions will issue the bond only through private placement. The bond issue is also subject to the approval of the regulatory authorities - Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC).
- Each share of the company, which was listed on the Dhaka Stock Exchange (DSE) in 1992, closed at BDT 56.40 on Sunday, losing 1.74% over the previous day. Its share traded between BDT 35 and BDT 60 in the last one year. The company's consolidated earnings per share (EPS) stood at BDT 0.99 for April-June, 2020 quarter as against BDT 1.31 for April-June, 2019.

<https://today.thefinancialexpress.com.bd/stock-corporate/idlc-finance-to-issue-BDT-50b-zero-coupon-bonds-1601828783>
<https://tbsnews.net/companies/idlc-finance-issue-BDT500-crore-bond-141217>
<https://www.dhakatribune.com/business/stock/2020/10/04/idlc-finance-to-issue-BDT500c-zero-coupon-bonds>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$37.89	(\$23.74)	-38.52%
Crude Oil (Brent)*	\$40.02	(\$28.42)	-41.53%
Gold Spot*	\$1,899.26	\$377.79	24.83%
DSEX	4,998.00	545.07	12.24%
S&P 500	3,348.44	117.66	3.64%
FTSE 100	5,902.12	(1,684.93)	-22.21%
BSE SENSEX	38,697.05	(2,945.09)	-7.07%
KSE-100	40,070.83	(664.25)	-1.63%
CSEALL	6,050.17	(79.04)	-1.29%

Exchange Rates

USD 1 = BDT 84.67*
 GBP 1 = BDT 109.63*
 EUR 1 = BDT 99.33*
 INR 1 = BDT 1.16*

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

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