

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.

Remittance keeps rising despite pandemic headwinds

- Migrant workers who toil abroad have once again beat forecasts, sending home 36% higher remittance in August, in a respite for their families as well as the ailing economy amid the coronavirus pandemic. Last month, they remitted USD 1.96 billion against USD 1.44 billion in the same month a year ago, Bangladesh Bank data showed. The inflow of remittance grew 50% year-on-year to USD 4.56 billion in the July-August period.
- This was the third month in a row that remittance inflows have been rising despite falling employment abroad and the return of migrant workers from their host countries, which are also struggling in the face of the pestilence. About 181,000 migrant workers found jobs abroad from January to May. In contrast, at least 78,043 Bangladeshi workers returned home from 26 countries since April because of the crisis, according to statistics published by the expatriate welfare ministry last month.
- Bankers credited the government's 2% cash incentive on the remittance sent through the formal channels as one of the main reasons behind the recent surge. Besides, the expansion of agent banking in suburban areas has encouraged migrant workers to send money through the formal channel as the beneficiaries receive the funds very quickly, deputy managing director of Islami Bank Bangladesh Ltd said. He also found repeated floods behind the spiral in inflows. There was a restriction on sending money above a certain amount in the Middle East, particularly in Saudi Arabia. That restriction has been relaxed, he said.

<https://www.thedailystar.net/business/news/remittance-keeps-rising-despite-pandemic-headwinds-1954477>
<https://tbsnews.net/economy/remittance-shows-no-sign-slowing-down-127111>
<https://www.dhakatribune.com/business/economy/2020/09/01/remittances-post-36-growth-in-august>

Forex reserves cross USD 39 billion for the first time

- Foreign exchange reserves have crossed USD 39 billion for the first time, an official of Bangladesh Bank says, reports bdnews24.com. The reserves recorded at USD 39.4 billion on Tuesday are equivalent to about 10 months of import payments with USD 4 billion a month. An increase in inward remittances and exports topped with USD 300 million from the Japan International Cooperation Agency boosted the reserves to a new high, said the general manager of Forex Reserve and Treasury Management Department at Bangladesh Bank.
- The coronavirus pandemic has left inward remittances largely unscathed. Expatriates remitted USD 1.72 billion in 27 days of August, according to the central bank, compared to USD 1.4 billion in the full month of August a year earlier. The total remittance in July was USD 2.6 billion, a monthly record. Bangladesh's exports rose 0.59% year-on-year to USD 3.91 billion in July. The amount was 13.4% higher than the target. Through this, Bangladesh's exports reversed a decline of seven months.
- Exports in the first month of the current fiscal year-July-was more than in any other month of the last fiscal year. More than 10 million expatriates working across the globe remit funds home to Bangladesh playing a major role in the economy. Remittances account for 12% of the country's gross domestic product.

<https://today.thefinancialexpress.com.bd/last-page/forex-reserves-cross-39b-for-first-time-1598979189>
<https://www.newagebd.net/article/115080/reserve-hits-39b-as-remittance-posts-36pc-growth-in-aug>

August sees rise in food inflation

- The point-to-point inflation rate went up marginally to 5.68% in August from 5.53% in the previous month, according to official data released on Tuesday. The inflation rate was 5.49% in the same month last year. The latest Bangladesh Bureau of Statistic (BBS) data, however, showed that the point-to-point food inflation increased to 6.08% last month, up by 0.38% points from 5.70% in July. In contrast, the non-food inflation fell to 5.05% during the month under review from 5.28% in the previous month.
- The BBS also unveiled the rural and urban inflation data for the month of August, showing the consumer price indexes (CPI) ticking higher. In rural Bangladesh, the inflation rate in August soared to 5.60% from 5.43% in July. The wage rate index (WRI) on point-to-point basis in August accelerated to 5.91% from 5.82% in July.

<https://today.thefinancialexpress.com.bd/last-page/august-sees-rise-in-food-inflation-1598979283>
<https://www.newagebd.net/article/115085/inflation-rises-to-568pc-in-august>
<https://www.thedailystar.net/business/news/inflation-ticks-august-1954489>
<https://tbsnews.net/economy/food-price-pushes-inflation-568-august-127069>
<https://www.dhakatribune.com/business/2020/09/01/inflation-hits-5-68-in-august>

Trade deficit narrows to USD 86 million as exports rebound

- The country's trade deficit narrowed by 91.89% or USD 975 million in July, the first month of the current fiscal year 2020-2021, as exports soared and imports dropped amid stagnation in local investment. On the other hand, the country's exports have already gained some momentum in July after three months of stagnation due to the coronavirus outbreak and the subsequent imposition of the countrywide shutdown for around two months. As a result, the country's current account balance posted a USD 1.97-billion surplus in July of FY21 against USD 108 million in deficit in the same month last year.

- Elaborating on the state of the country's economy in the context of balance of payments in July, Policy Research Institute executive director said that it was not a positive indication but rather indicated that the country's domestic economic activities remained sluggish. The export situation has been recovering and would regain its pre-pandemic position by the end of this year, he said, adding that the domestic sector, including the import situation, still remained dismal. The stimulus package has helped the country's export sector and that is why exports have recovered but the package designed for the small and medium entrepreneurs was not picking up pace, he said.

- In FY20, the country's trade deficit widened by 12.79% year-on-year due mainly to a plunge in export earnings during the countrywide shutdown amid the coronavirus pandemic. Both exports and imports were hit severely after the outbreak of the coronavirus in the country. Export earnings recovered in the last couple of months but import earnings remained stagnant during the period.

<https://www.newagebd.net/article/115079/trade-deficit-narrows-to-86m-as-exports-rebound>

2 more banks get agent banking license

- Two more banks, Prime Bank and NRB Global Bank, have received agent banking licenses from the central bank in the April-June quarter amid moves by the banks to mobilize funds at lower cost and to expand their wings at minimal expenses. With the two new agent banks, the total number of banks with agent banking licenses has risen to 28 at the end of June this year from 26 at the end of March this year. Out of the 28 agent banking licensees, 23 banks are running agent banking services.

- Deposit mobilization by the banks through their agent banking operations has increased to BDT 102.20 billion as of June this year, up by 19.74% from BDT 85.35 billion three months ago, according to the Bangladesh Bank's quarterly report on agent banking. Even in the midst of the pandemic, opening of agent banking accounts in rural areas rose by 14.23% to 63,77,457 in June this year from 55,82,788 in April. The number of agents of the banks went up by 6.1% to 8,764 at the end of June this year from 8,260 three months ago.

<https://www.newagebd.net/article/115082/2-more-banks-get-agent-banking-licence>

<https://www.dhakatribune.com/business/banks/2020/09/01/agent-banking-still-focused-on-deposit-collection>

Genex Infosys to provide IPTV and online streaming platform

- Genex Infosys Ltd, a listed company, has approved a strategic business agreement with RedDot Digital Ltd to launch a service called "Binge". The RedDot Digital, a subsidiary of Robi Axiata is the country's second-largest mobile operator, according to an official disclosure on Tuesday. Binge is Bangladesh's first Google-certified online video-streaming service along with an android device that offers endless entertainment which has developed by Genex Infosys.

- Under the strategic business agreement, the company will provide combining Internet Protocol Television (IPTV) and online streaming platform for customers to purchase service for their digital entertainment. Bangladesh Telecommunication Regulatory Commission (BTRC) issued the IPTV license to operate such service to Genex Infosys, said the disclosure. This IPTV and its related strategic services segment is expected to generate up to BDT 50 million revenues per year, according to the disclosure.

- Customers will have to download the Binge mobile app from Google Play Store to enjoy the service on smartphones. An official of the company said a viewer can watch any type of content through Binge. There is something for everyone: thriller, drama, comedy, romance, action and what not, he added.

<https://today.thefinancialexpress.com.bd/stock-corporate/genex-infosys-to-provide-iptv-and-online-streaming-platform-1598972041>

Bangladesh Investment Development Authority (Bida) channels in USD 11 billion foreign investment in four years

- Foreign investments worth USD 11 billion came through the Bangladesh Investment Development Authority (Bida) in four years until last March, according to Bida Executive Chairman. Bangladesh scored 168 out of 190 in the World Bank's 2020 Ease of Doing Business report after notching up eight steps. Despite the improvement, the country still

remains just ahead of war-torn Afghanistan in South Asia. Higher ranking (a low numerical value) indicates a better business environment.

- The Bida executive chairman said Japan and the USA are withdrawing investments from China owing to the Covid-19 pandemic. The world still depends on China for raw material supplies. The investments are shifting away due to the coronavirus pandemic as questions have been raised over excessive dependence on a single country. Both Bida and Bangladesh Economic Zones Authority (BEZA) are working to attract shifting Japanese investments to Bangladesh from China. Bangladesh had interacted with Japanese investors through the Japanese Embassy in Dhaka, Japan International Cooperation Agency (JICA) and Japan External Trade Organization (JETRO).

<https://tbsnews.net/economy/bida-channels-11b-foreign-investment-four-yrs-127006>

BSEC expedites settlement time for 'Z' category companies

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday ordered trading settlements for companies in the junk stocks, or "Z" category, to be T+3 from Wednesday instead of T+9 at the country's bourses. The country's prime bourse, Dhaka Stock Exchange, now trades 53 junk stocks. The securities regulator also ordered that the shares of a company will be traded under "Z" category if it fails to distribute cash dividend or hold AGM in two years. A company will be transferred to the "Z" category if its production remains closed for six months or more. The BSEC also said that a company having net operating loss or negative cash flow from operations for two consecutive years would also be transferred into the "Z" category. A listed company will also be transferred into the said category if its negative retained earnings crosses its paid-up capital.

- As per BSEC's new order, sponsors and directors holding shares of "Z" category companies will not be able to sell, transfer, hand over and/or pledge them. The companies, which have been in the "Z" category for two years, will have to reform their existing board of directors within the next 45 working days. If they fail to do so, those sponsors and directors will not remain as directors in those companies or in any other listed companies and capital market intermediaries. The stock market regulator will appoint special auditors and observers to ensure compliance and good governance. After the reformed board is put in place, if they too fail to improve the business within four consecutive years, then the stock exchanges will delist the companies.

<https://www.dhakatribune.com/business/stock/2020/09/01/bsec-expedites-settlement-time-for-z-category-companies>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$43.10	(\$18.53)	-30.07%
Crude Oil (Brent)*	\$45.95	(\$22.49)	-32.86%
Gold Spot*	\$1,964.04	\$442.57	29.09%
DSEX	4,862.22	409.29	9.19%
S&P 500	3,526.65	295.87	9.16%
FTSE 100	5,862.05	(1,725.00)	-22.74%
BSE SENSEX	38,900.80	(2,741.34)	-6.58%
KSE-100	41,377.26	642.18	1.58%
CSEALL	5,329.33	(799.88)	-13.05%

Exchange Rates

USD 1 = BDT 84.74*
GBP 1 = BDT 113.35*
EUR 1 = BDT 100.88*
INR 1 = BDT 1.16*

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

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