

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.

City Bank betting big on digital money

- Bangladesh's hopes of becoming a cashless society got further momentum today thanks to City Bank, a major point-of-sales terminal provider, which announced the rollout of an interoperable QR-based payment solution – a first for the country. Last year, the central bank came up with Bangla QR, an interoperable QR payment system. So far, only Mutual Trust Bank's Mastercard holders and Eastern Bank's Visa cardholders could pay at retail points that displayed the Bangla QR. City Bank's move is a gamechanger in that it allows Visa, Mastercard, American Express and UnionPay cardholders of any bank to pay with its QR code. Not just this, foreign cardholders of the four providers would also be able to pay with the City QR code. City Bank has 30,000 POS terminals around the country out of a total of 65,000, according to the lender.
- City's interoperable QR code payment system has two-pronged benefits: customers will not need to scan separate QR codes of different payment networks, while the merchants will only need to display one QR code at the storefront. City's latest move comes as part of the lender's push towards digital money and also to consolidate its position as the market leader in the card payment segment. Last week, it announced the roll out of UnionPay debit cards, joining a growing list of lenders in Bangladesh offering cards of the world's biggest card issuer. UnionPay cards are accepted at more than 28 million merchants and upwards of 1.7 million ATMs across 179 countries. As of now, the bank has issued 1.3 million cards.

<https://tbsnews.net/economy/banking/city-bank-betting-big-digital-money-127555>
<https://www.newagebd.net/article/115164/city-bank-launches-countrys-1st-global-all-network-qr-for-cards-payment>

Government measures behind surge in remittance: Finance Minister

- Finance Minister yesterday gave credits to the government's 2% cash incentive for the recent surge in remittance. Migrant workers sent home USD 1.96 billion in August, up 36% year-on-year. They remitted USD 2.6 billion in July, a record for a single month. He also said that he ran a study on the remittance flow when he was the planning minister, from 2014 to 2018. They found that 51% remittance enters the country through legal channels, while the rest 49% via informal channels.
- This prompted the government to introduce a 2% incentive on remittance in the last fiscal year. The government has also removed complexities beneficiaries had faced while receiving the money. The flow of remittance is increasing because of proactive measures from the government, he said. According to experts and bankers, migrant workers sent more money in recent months as the pandemic has wiped out the livelihoods of their relatives back home. The recent floods also prompted them to remit more.
- The surge in remittance flow came despite gloomy forecasts from multilateral organizations owing to the coronavirus pandemic. Remittance hit an all-time high of USD 18.2 billion in the fiscal year 2019-20, up 10.87% year-on-year. In the worst-case scenario, Bangladesh's remittance will decline by 27.8% from its 2018 level. In 2018, Bangladesh received USD 15.5 billion in remittance. The rising flow of remittance took the country's foreign currency reserves to an all-time high of USD 38.48 billion on August 26, Bangladesh Bank data showed.

<https://www.thedailystar.net/business/news/govt-measures-behind-surge-remittance-kamal-1955137>

Agent banking holds promise for faster economic recovery

- Agent banking has gained momentum amid the ongoing recession. If it is harnessed well, this digital banking channel -- thanks to its reach to the remotest parts where banks have not yet set their foot in -- can turn into an important cog in the wheels of the economic locomotive that would pull the country out of the ongoing crisis. Agent banking, which has been in operation since 2016, could help lenders give out loans and mobilize deposits in tandem in the days ahead.
- The number of accounts created through agent banking, which is being operated by 23 banks, stood at 7.4 million as of June. This is a 115% rise year-on-year and 13.25% from that three months ago, according to data from the central bank. Deposits soared 93.40% year-on-year to BDT 102.20 billion at the end of June while loan disbursement grew 203% to BDT 720 crore. Bank Asia, which has been a pioneer in popularizing the model, is thinking about extending its agent banking operations by increasing its lending operation through the banking window.
- For lending, agents enjoy a commission of 1% of the sum; for bringing in deposits, they get 2% of the sum; and for remittance, they get BDT 50 per payment. Agent banking has helped underprivileged people get banking services smoothly, said the general manager of the financial inclusion department of the central bank.

<https://www.thedailystar.net/business/news/agent-banking-holds-promise-faster-economic-recovery-1955149>

Banks asked to be strict to prevent loan diversion

- The Bangladesh Bank has made it clear that borrowers will not be allowed to use fresh loans to repay or adjust their previous debts, and instructed banks to monitor this properly through their internal audits. The central bank had issued a circular in June 2018, asking banks to take action to prevent fund diversion and ensure that the borrower utilizes the previous loan instalment properly before disbursing the next instalment of a loan.
- After the reopening of economic activities, businesses have started taking loans under various stimulus packages to recover their losses caused by the novel coronavirus pandemic. This has contributed to the private sector's credit growth and, in July, the growth increased to 9.20% year-on-year from 8.61% in June.

<https://tbsnews.net/economy/banking/banks-asked-be-strict-prevent-loan-diversion-127450>
<https://www.newagebd.net/article/115177/prevent-use-of-new-loans-for-repayment-of-previous-ones>
<https://www.thedailystar.net/business/news/banks-asked-not-give-fresh-credit-adjust-previous-loans-1955133>

Walton exports compressor to Iraq

- Bangladesh based electronics giant Walton started exporting its produced compressor to Iraq. To this end, the electronic products manufacturer signed an agreement with Ashraqat Alnarjes General Company, a renowned electronics retailer in Iraq, and made it the distributor of the Walton product there, said a media release. Already, Walton has sent the first consignment of the compressor to Iraq. After a successful penetration in Iraq market, Walton will ensure its footprint in the neighboring countries in the Middle East region," managing director of Ashraqat Alnarjes General Company said.

<https://www.dhakatribune.com/business/2020/09/02/walton-exports-compressor-to-iraq>

Embargo on Ring Shine Textiles' IPO fund use lifted

- The securities regulator has withdrawn an embargo on the use of the initial public offering (IPO) fund of Ring Shine Textiles. As a result, the company will be able to use the IPO fund from now. It is mainly engaged in manufacturing and marketing gray and finished fleece fabrics of various qualities and dyed yarn to garments industry in Bangladesh and international market.
- BSEC had earlier requested the Bangladesh Bank to freeze the IPO account of the company on charges of irregular cash disbursements. The firm raised BDT150 crore from the country's stock market by issuing the IPO in October 2019. As of July 2020, it has repaid loans of BDT 500 million. The company repaid a loan of BDT 220 million to Premier Bank instead of the Dhaka branch of Woori Bank Ltd. After that, Woori Bank requested the regulator to intervene and ensure the recovery of its loan. But Ring Shine claimed that the repayment of the Premier Bank's loan, instead of that of Woori Bank, was discussed and approved in its annual general meeting.

<https://tbsnews.net/economy/stock/embargo-ring-shine-textiles-ipo-fund-use-lifted-127567>

12 'Z' category cos upgraded

- Twelve 'Z' category companies were upgraded from Wednesday after redefinition of 'Z' category stocks as the securities regulator took major steps to bring the underperforming companies back to the track. AB Bank, Renwick Jaineswar, Prime Insurance, Libra Infusions and Heidelberg Cement were placed in 'A' category from 'Z' category. Bangladesh Thai Aluminum, Salvo Chemicals, Safko Spinning, Appillo Ispat, Zahintex Industries, Khan Brothers PP Woven and Fu-Wang Ceramic placed in 'B' category from 'Z' category.
- The BSEC also reduced the time for trading settlements for the companies in the 'Z' category to T+3 days instead of T+9 days, also effective from Wednesday. The stock brokers and merchant bankers are requested to abstain from providing loan facilities to purchase securities of these companies in between 1st to 30th trading day after change of categorization, with effect from Wednesday as the BSEC directive, according to a disclosure posted on the Dhaka Stock Exchange website on Wednesday.

<https://today.thefinancialexpress.com.bd/stock-corporate/12-z-category-cos-upgraded-1599061663>

Government to buy LNG from spot market for the first time

- The government has decided to buy liquified natural gas (LNG) from the spot market for the first time – a move that would help the country purchase the super-chilled fuel at a cheaper rate, officials said yesterday. Bangladesh would buy 34,90,200 MMBTus (million British thermal units) of LNG from Vitol Asia Pte of Singapore at USD 3.8321 per MMBTu, said an official of the cabinet division. The total cost would stand at about BDT 132.93 crore. Purchasing from the spot market would help save Bangladesh BDT 30 crore, said an additional secretary of the cabinet division.

<https://www.thedailystar.net/business/news/govt-buy-lng-spot-market-the-first-time-1955145>

Bangladesh Securities and Exchange Commission (BSEC) for taking actions against rumor-mongers under Digital Security Act

• Bangladesh Securities and Exchange Commission (BSEC) has directed all concerned to refrain from spreading any prediction or price forecasting or undisclosed information in any forms including social media, otherwise the BSEC will take legal actions as per securities laws as well as digital security act-2018. The securities regulator also issued a directive on Wednesday to all persons/entities concerned that are directly or indirectly related to or associate with the securities market, refrained from using name of BSEC, DSE or CSE and their logo with the profile or page of individual or group of any forms including social media.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-for-taking-actions-against-rumour-mongers-under-digital-security-act-1599061607>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$41.64	(\$19.99)	-32.44%
Crude Oil (Brent)*	\$44.50	(\$23.94)	-34.98%
Gold Spot*	\$1,946.67	\$425.20	27.95%
DSEX	4,891.53	438.60	9.85%
S&P 500	3,580.84	350.06	10.84%
FTSE 100	5,940.95	(1,646.10)	-21.70%
BSE SENSEX	39,086.03	(2,556.11)	-6.14%
KSE-100	41,834.85	1,099.77	2.70%
CSEALL	5,359.99	(769.22)	-12.55%

Exchange Rates

USD 1 = BDT 84.77*

GBP 1 = BDT 113.00*

EUR 1 = BDT 100.26*

INR 1 = BDT 1.16*

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

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