

*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.*

### **Motorbike business revives shaking off pandemic sloth**

- Motorbike business in the country, after facing a setback following spread of the Covid-19 pandemic, has started picking up again since June due to resumption of normal traffic and other economic activities, sector insiders have said. They said the first three months of the pandemic - March, April and May - were quite frightening for the motorbike industry. But it started reviving in the later months, following a buying spree of people, who want to avoid public transport amid the pandemic. Consequently, the two-wheeler assemblers and manufacturers changed their previous projection of counting a huge loss, thanks to the country's gradual economic recovery.
- Sales of motorbikes are still not dynamic like the previous years. Still, we are more confident now than the past few months, said the president of Motorcycle Manufacturers and Exporters Association of Bangladesh (MMEAB). He also said their sales were almost nil from mid-March to May, but after the government's decision to reopen economy on May 10, motorcycle showrooms have started seeing customers.
- The two associations of the motorcycle assembling and manufacturing sector - MMEAB and Bangladesh Motorcycle Assemblers & Manufacturers Association (BMAMA) - on May 5 predicted a loss of BDT 6.0 billion due to reduction in sales during the pandemic. During June and July, motorcycle trading became quite normal, as many conscious people bought two-wheelers to avoid public transport and maintain social distancing to keep coronavirus infection away, the MMEAB president noted.

<https://today.thefinancialexpress.com.bd/trade-market/motorbike-business-revives-shaking-off-pandemic-sloth-1600012144>

### **Banks' deposits swell**

- Deposits at banks rose 10.49% year-on-year to BDT 13.05 trillion in the last fiscal year on the back of tightening of rules around national savings certificates, record flow of remittance and rebounding economic activities. State-run commercial banks' deposit climbed 8.22% to BDT 3.25 trillion at the end of June when 40 private commercial banks had a combined deposit of BDT 8.86 trillion, up 11.25% year-on-year.
- Experts and exporters also said that possibly Bangladesh's export earnings from RMG would rebound but not in the near term as the second wave of the pandemic had started to create problems on the demand side. Orders received in April and May were produced by exporters in June, July and August due to the pandemic, said the Policy Research Institute of Bangladesh executive director. He said that the world economy was still recovering and they were cautiously optimistic about the rebound in export growth in the coming months.
- He, however, thought that it would take time for that to happen until a vaccine came as the second wave of the pandemic was hurting demand in some countries, including the United Kingdom, France and Spain. He hoped that the world might get a solution to COVID19 in the early part of next year and then exports would pick up. Bangladesh Garment Manufacturers and Exporters Association former vice-president said that the export earnings might fall in September and October compared to July and August as the buyers had placed 20% less orders than last year.

<https://www.newagebd.net/article/116057/rmg-exporters-experts-cautiously-optimistic>

### **Banks' April-June industrial term loan recovery drops by 57%**

- Recovery of industrial term loans dropped by 56.88% or BDT 134.41 billion in the last quarter of the fiscal year 2019-2020 compared to the corresponding period in the previous fiscal year. In the April-June quarter of FY20 when business and economic activities were almost cut by half due to the coronavirus outbreak, industrial term loans recovered plunged to BDT 101.88 billion from BDT 236.29 billion in the same quarter of FY19, showed a Bangladesh Bank statement.
- Nine foreign banks accumulated a base of deposit of BDT 614.82 billion, which is 13.55% higher than in June last year, central bank data showed. The managing director of Pubali Bank, said a robust growth of remittance contributed to the healthy growth of deposits. People received more money in the form of remittance in recent months but they have not spent all of them because of the coronavirus pandemic. They saved the money, said he added. Remittance hit an all-time high of USD18.2 billion in the just-concluded fiscal year.
- Bank Alfalah Bangladesh, a foreign lender based in Pakistan, pulled off the highest 44.33% deposit growth last year, totalling BDT 11.72 billion. Local lender Union Bank's deposit grew 29.51% to BDT 131.39 billion at the end of the last fiscal year while Shimanto Bank's deposit expanded by 29.39% to BDT 12.09 billion.

<https://www.thedailystar.net/business/news/banks-deposits-swell-1960765>  
<https://www.newagebd.net/article/116174/hard-core-poor-bank-deposits-drop>

### **E-commerce shines as people opt for online shopping**

- The coronavirus outbreak has given a boost to the e-commerce business in the country with the total size of e-commerce surging to BDT 166.16 billion in eight months of this year. The market size was BDT 131.84 billion in 2019. E-commerce businesses said that the COVID-19 outbreak had changed habits and lifestyles of consumers, creating new opportunities for the country's e-commerce market. They said that a segment of consumers who had never thought of using online services for their daily needs were now enjoying such services on the platforms.
- Due to the coronavirus outbreak, consumers' awareness and understanding of the benefits of online shopping have built up that we couldn't do in the last five years,' E-commerce Association Bangladesh vice-president. The government enforced shutdown from March 25 to May 30 to check the spread of COVID-19 in the country that caused widespread store closures and stay-at-home orders. During the shutdown, a number of businesses had replaced their in-person sales with digital platforms, industry people said.
- They said that e-commerce businesses mostly with essential commodities, groceries and hygiene products had saw a jump in business, but the others struggled during the period. Demand for essentials, groceries and medicines increased drastically, but that for other products like cosmetics and fashions reached rock bottom during the shutdown. Demand for luxurious products is yet to be normal despite reopening of economic activities.

<https://www.newagebd.net/article/116175/e-commerce-shines-as-people-opt-for-online-shopping>

### **Record USD 922 million remittance inflow in first ten days of September**

- Inward remittance has registered a big jump in the first 10 days of the current month, with expatriates sending home USD922 million through the banking channel during the time. The figure was 72.65% higher than USD534 million during the same time in September last year, according to data from the central bank. The country raked in USD572 million in remittance in the first 10 days of August. On July 1-9, expats sent home USD746 million, and the whole month's remittance receipt was USD2.6 billion, which was the single month's highest inflow in the history.
- In August, the country received USD1.96 billion in remittance. During the first two months of the current fiscal year, USD4.56 billion in remittance arrived, which was 50% higher than the figure in the same period of the fiscal year 2019-20. In the last fiscal year, the country received USD18.20 billion. Riding on remittances, the country's foreign exchange reserve has recently increased to USD39 billion. Recently Fitch Ratings Inc, a US-based credit rating agency, forecasts that the annual remittance inflow for five Asian countries – Bangladesh, India, Pakistan, Sri Lanka and the Philippines may drop by 12% on an average, a threat of losing a sizeable amount of remittance earnings this year due to the Covid-19 pandemic.

<https://tbsnews.net/economy/record-922m-remittance-inflow-first-ten-days-september-132424>

### **Transcom, Kumudini to buy Reliance Insurance shares worth BDT 58.5 million**

- Trinco Ltd and Transfin Trading Ltd of Transcom Group and Kumudini Welfare Trust Of Bengal (BD) Ltd will buy 1.2 million shares, worth BDT 58.5 million, of Reliance Insurance Limited. They will do it through the block market at the Dhaka Stock Exchange (DSE) within the next 30 days. The three companies are also corporate sponsors of Reliance Insurance. Among them, Transfin and Trinco each will buy 0.3 million shares and Kumudini will buy 0.6 million shares of Reliance Insurance. They will buy the shares at the current market price.

<https://tbsnews.net/economy/stock/transcom-kumudini-buy-reliance-insurance-shares-worth-BDT585-crore-132376>

### **School banking thrives amid pandemic**

- During April-June this year, students opened over 0.1 million bank accounts. This brought the total number of school banking accounts to 2,431,602, according to the Bangladesh Bank data. And 60.82% of the accounts were opened in the urban areas and 39.18% are in the rural ones. The number of such accounts in the rural and urban areas grew by 6.04% and 3.37% during April June this year. And total deposit in school banking marked a 2.21% rise in the June quarter – to BDT 17.63 billion – from BDT17.24 billion in the March quarter.
- And the number of school banking accounts grew by 4.40 % during the quarter. Due to the Covid-19 pandemic lockdown measures, the growth in school banking accounts and deposits slowed down in June compared to the previous quarter, the central bank officials said. Since mid-March, all academic activities have come to a halt. The government extended the time of educational institution closure until October 3 this year to contain the spread of Covid-19. However, the year-on-year comparison showed significant growth in school banking.
- The number of accounts and amount of deposits increased by 435,572 or 21.82% and BDT 2.68 billion or 17.96% in

June 2020 compared to June 2019. They opened 1,678,889 accounts – 69.05% of the total school banking accounts – and collected deposits of BDT 14.66 billion – 83.17% of overall school banking deposits.

<https://tbsnews.net/economy/banking/school-banking-thrives-amid-pandemic-132433>

### **DSE reduces time for using mobile app**

- The Dhaka Stock Exchange (DSE) has reduced the time for DSE mobile app users' access to the trading system in view of the current cyber security situation and alert. The prime bourse has decided to allow the access to trading work station (TWS) and the DSE mobile app trading system from 8:00am to 8:00pm only on trading days, according to a web posting on Sunday. Earlier, the mobile app users could access the trading work station and DSE mobile app trading system round the clock every day.
- The measures have been taken for the greater interest of the stock exchange, investors and the nation as a whole, according to the disclosure. The DSE has taken the decision as precautionary measures and to avoid any cyber hacking attempts by foreign hackers, said a DSE high official. Recently, several banks have opted to limit the operations of their automated teller machines for six to eight hours at night following an alert issued by the Bangladesh Bank in anticipation of cyber hacking attempts by foreign hackers.

<https://today.thefinancialexpress.com.bd/stock-corporate/dse-reduces-time-for-using-mobile-app-1600013206>

### **Meghna Petroleum signs deals with four companies to sell LPG**

- Meghna Petroleum, a state-run listed company, has signed agreements with four non-listed companies -- Beximco LPG Unit-1, Bashundhara LP Gas, Omera Gas One and Unitex LP Gas -- as part of its business expansion plan to sell LPG. Under the agreement, the state-run company will sell these companies' LPG by setting up LPG (autogas) refuelling station and liquefied petroleum gas conversion workshop parallel to the sale of petroleum oil through the company's registered filling station across the country.
- Liquefied petroleum gas (LPG) is called autogas when it is used for motor vehicles as fuel. Such autogas is considered to be energy efficient and environmental-friendly. The Meghna Petroleum will receive a royalty of BDT 0.50 against per liter sale of LPG, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Sunday. The Meghna Petroleum, a statutory organisation under the power, energy and mineral resources ministry, has stepped forward to make LPG more available as a primary fuel source for vehicles in Bangladesh.
- The move comes as part of the government's ongoing efforts to increase LPG consumption in the country, where reserves of natural gas are depleting rapidly. Each share of the Meghna Petroleum, listed on the Dhaka bourse in 2007, closed at BDT 199.30 on Sunday, losing 1.23% over the previous day. Its share traded between BDT 119 and BDT 204.8 in the last one year.

<https://today.thefinancialexpress.com.bd/stock-corporate/meghna-petroleum-signs-deals-with-four-cos-to-sell-lpg-1600013170>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$37.56	(\$24.07)	-39.06%
Crude Oil (Brent)*	\$39.95	(\$28.49)	-41.63%
Gold Spot*	\$1,950.12	\$428.65	28.17%
DSEX	5,094.06	641.13	14.40%
S&P 500	3,340.97	110.19	3.41%
FTSE 100	6,032.09	(1,554.96)	-20.49%
BSE SENSEX	38,854.55	(2,787.59)	-6.69%
KSE-100	42,530.67	1,795.59	4.41%
CSEALL	5,438.91	(690.30)	-11.26%

**Exchange Rates**

USD 1 = BDT 84.79\*

GBP 1 = BDT 108.73\*

EUR 1 = BDT 100.47\*

INR 1 = BDT 1.15\*

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

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