

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.

VAT rate on mobile phone operators' fees halved

- The National Board of Revenue (NBR) has halved the value added tax (VAT) on different fees of mobile phone operators, including issuance 4G licences, renewal, royalty, technology neutrality and spectrum. Bangladesh Telecommunication Regulatory Commission (BTRC) charges the fees and deducts the tax. The rate of VAT has been cut to 7.5% from existing 15% on the fees, according to an order issued by the revenue board. The reduced rate will be applicable in case of neutrality fee for 2G and 3G licences. The VAT policy wing of the NBR issued the special order on Tuesday, making the reduced rate effective from July 1, 2019.
- The new VAT law has imposed 15% VAT on the fees. The mobile phone companies will not be entitled to the rebate on paid VAT as per the VAT and Supplementary Duty Act - 2012, section 46. The BTRC will not be able to activate its issued or renewed licences to the mobile phone operators until depositing the deducted VAT to the public exchequer. As per the special order, the board will be able to scrap the benefit at any time considering the public interest.

<https://today.thefinancialexpress.com.bd/first-page/vat-rate-on-mobile-phone-operators-fees-halved-1613499894>
<https://www.thedailystar.net/business/news/nbr-halves-vat-4g-licence-renewal-fees-2046169>

Card use hits all-time high

- Use of both credit and debit cards hit an all-time high in December as people continued to fulfil their demand using the digital means, sidestepping the fear of economic losses caused by the pandemic. Total card loans held by lenders stood at BDT 15.61 billion in December, which is a fresh record in terms of the lending amount. The December's figure is up 8.84% from that a month earlier and 23.78% year-on-year, showed Bangladesh Bank data. Clients also posted another spending record through debit cards, as the figure stood at BDT 187.95 billion, up 8.44% from that a month earlier and 16.51% year-on-year.
- The last time credit card loans hit a high was in August 2020 of BDT 15.52 billion while debit card spending last July of BDT 181.23 billion. The rise in use of credit cards is an indication of a "pent up demand" in the economy as a majority of consumers had held back their spending during the lockdown and the subsequent few months, experts said. People have now started to spend on a large extent as they had purchased little during the lockdown period and in the following couple of months, said the managing director of Dutch-Bangla Bank.

<https://www.thedailystar.net/business/news/card-use-hits-all-time-high-2046181>

PM agrees to extend another 6 month-moratorium for RMG stimulus

- Prime Minister has expressed her consent to extend moratorium facility for six more months for the loans that readymade garment factory owners received under stimulus packages. The premier came up with the consent at a meeting with a 3-member delegation of RMG factory owners on Tuesday afternoon. Under the stimulus packages, the government has disbursed a total of BDT 105.00 billion as loan to the apparel exporters. It allocated BDT 50.00 billion for workers' three months' wages with 2% service charge and another BDT 300.00 billion with 4% interest for working capital. The repayment of the loan was scheduled to commence on 25 January. But due to adverse situation, the apparel exporters failed to repay the installment.

<https://tbsnews.net/economy/rmg/pm-agrees-extend-another-6-months-moratorium-rmg-stimulus-202858>

NRBC IPO oversubscribed by 11 times

- The initial public offering (IPO) lottery draw of NRBC Bank will be held on March 3 to allocate its 120 million ordinary shares among successful applicants. The commercial bank has so far received a good response from the general investors for its IPO shares under the fixed price method. The general investors have applied to buy 10.86 times higher the number of IPO shares being offered by the bank in its IPO, officials said.
- The private commercial bank raised BDT 1.20 billion by issuing 120 million ordinary shares at face value of BDT 10 each under the fixed price method. Of the total shares, 60% or worth BDT 720 million is reserved for resident Bangladeshis, affected small investors and non-resident Bangladeshis while 40% or worth BDT 480 million reserved for eligible investors. After a decade, a bank is getting listed with the stock market. The overwhelming IPO applications show people's trust on the bank," said the chairman of NRBC Bank.

<https://today.thefinancialexpress.com.bd/stock-corporate/nrbc-ipo-oversubscribed-by-11-times-1613494316>
<https://www.dhakatribune.com/business/2021/02/16/nrbc-bank-s-ipo-11-times-oversubscribed>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$59.77	\$11.25	23.19%
Crude Oil (Brent)*	\$63.03	\$11.23	21.68%
Gold Spot*	\$1,793.42	(\$101.68)	-5.37%
DSEX	5,527.39	125.32	2.32%
S&P 500	3,932.59	176.52	4.70%
FTSE 100	6,748.86	288.34	4.46%
BSE SENSEX	52,104.17	4,352.84	9.12%
KSE-100	46,867.95	3,112.57	7.11%
CSEALL	7,580.91	806.69	11.91%

Exchange Rates

USD 1 = BDT 84.75*

GBP 1 = BDT 117.66*

EUR 1 = BDT 102.51*

INR 1 = BDT 1.16*

**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	ayaz.mahmud@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229
Md Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Research 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