

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.

Bangladesh receives \$22.07b in remittance last year

- Bangladesh sent 6,17,209 workers overseas and received a record USD 22.07 billion in remittance in 2021 amid the Covid-19 pandemic. Describing the trend of overseas employment as satisfactory amid the pandemic, an official of expatriates' welfare and overseas employment ministry said, overall manpower export from Bangladesh would increase gradually, reports BSS.
- The government encourages documented overseas employment, as an important component of earning foreign currency. Bangladesh has become the 8th largest remittance-receiving country and the 6th largest migrant-sending country in the world, according to the World Migration Report 2022. Earlier, the government declared the overseas employment sector as a "thrust sector" with maximum stress on further expanding job markets for the Bangladeshi job seekers abroad.

<https://thefinancialexpress.com.bd/economy/bangladesh-receives-2207b-in-remittance-last-year-1641136482>

Bangladesh exports fetch record \$4.9b in December

- Bangladesh has broken the monthly exports record once again, shipping goods worth over USD4.9 billion in December as the country's economic recovery continued to gather pace after a pandemic-induced slump. Exports grew 48.27 % year on year last month, exceeding the target by 25.45 % after a steady spell in the preceding months. Exporters shipped USD4.04 billion worth of goods in November after posting exports of USD4.73 billion in October, the previous record, and USD4.16 billion in September, reports bdnews24.com.
- The shipments in December took the overall earnings in the first six months of the fiscal year near USD24.7 billion, growing 28.41 % year on year and exceeding the target by 15.5 %, according to data published by the Export Promotion Bureau on Sunday. The government set an export target of USD 43.5 billion for FY22. Readymade garments contributed to about USD 20 billion, or more than 80 %, of the total exports in the July-December period.

<https://thefinancialexpress.com.bd/economy/bangladesh-exports-fetch-record-49b-in-december-1641135962>

Woven garment export makes a strong comeback

- Woven garment shipment began recovering from August after going through more than 10 per cent negative growth months after months for 18 months. In August, woven exporters fetched USD 1.15 billion, which jumped to USD 1.86 billion in December. Woven shipment grew to USD 8.74 billion in the second half of 2021, an increase of 24.50% YoY.
- Managing director of Classic Fashion, which makes woven shirts and trousers, says international retailers and brands are placing a lot of work orders for woven items. However, since the local weavers can supply only 40 per cent raw materials for woven garments, manufacturers have to rely on Chinese suppliers for the rest of the fabrics. He added that any disruption to Chinese supply chain may severely affect Bangladesh's garment shipment. So, local garment manufacturers need to strengthen their capacity in the woven sector.

<https://www.thedailystar.net/business/economy/news/woven-garment-export-makes-strong-comeback-2931146>

Sweater emerges as next big bet as China exits market

- Sweater has logged 27% export growth in the past six years as China pulled out from sweater-making, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Exporters say the growth in this area

is relatively higher compared to other items. With a supercharged demand as economies reopened shaking off Covid fear, sweater-makers now eye fresh investment and factory expansion. This helped banks register the hefty profit.

- With China as the major supplier, the current size of the international sweater market is around USD 104 billion. The other key players are Bangladesh, Cambodia, Turkey, Vietnam and Myanmar. Mohiuddin Alamgir Romel, managing director of Global Knitwear, says China is leaving the global sweater market owing to rise in production costs and because sweaters are a basic knitwear item. Bangladeshi entrepreneurs are to gain hugely in the upcoming years from the exit.

<https://www.tbsnews.net/economy/rmg/sweater-emerges-next-big-bet-china-exits-market-352327>

Chattogram bourse adjusts its Shariah index

- Index Agro Industries has entered the list whereas four companies - Aman Cotton Fibrous, Appollo Ispat Complex, Libra Infusions, and Mithun Knitting & Dyeing (CEPZ) - have been dropped off the list because they failed to comply with the Shariah principles. Shariah-compliant securities are those stocks that exclude any business activities that are forbidden in the religion of Islam.
- Due to the growing base of Shariah-compliant investors, mostly institutional funds, both the bourses of the country have been maintaining their own Shariah indices. The concerned investors can easily pick their stocks based on the Shariah index. According to a statement by the CSE, the change will be effective from 13 January.

<https://www.tbsnews.net/economy/stocks/chattogram-bourse-adjusts-its-shariah-index-352330>

Tax relief sought for all investors in all types of bonds

- The securities regulator has recommended making tax-exemption facility available for all investors in all types of bonds to help encourage mobilisation of funds from the capital market for the sake of the country's industrialisation. The Bangladesh Securities and Exchange Commission (BSEC) has made the suggestion in a recent letter to the chairman of the National Board of Revenue (NBR). Currently, individual investors other than banks, insurers and financial institutions are entitled to have tax waiver on the income gained from investments in zero-coupon bonds.
- The BSEC also recommends revising the definition of publicly traded companies, registered in Bangladesh under the Companies Act 1994, replacing the word 'share' by the 'securities'. Targeting the bond market's development, the regulator has been approving different types of bonds after the incumbent commission took charge in May 2020. In 2021, the BSEC allowed 23 companies to raise BDT 125.73 billion through bonds having different characteristics and sukuk, a bond-like instrument. The characteristics of the bond approved by the BSEC include zero coupon, perpetual and coupon-bearing bonds, fully redeemable, convertible.

<https://thefinancialexpress.com.bd/stock/tax-relief-sought-for-all-investors-in-all-types-of-bonds-1641091007>

Decline in interest income drags down govt-run oil firms' profits

- Padma Oil, Meghna Petroleum, and Jamuna Oil – state-owned fuel distributors under the Bangladesh Petroleum Corporation (BPC) – witnessed a drop in profit in the July-September quarter owing to lower interest income from their fixed deposits — an earning from other income segments. In fiscal 2020-21, Padma Oil – the country's biggest and oldest firm in this sector, and Meghna Petroleum saw a 121% and 79% year-on-year drop in profit, respectively. Only Jamuna Oil – the first national oil company which went into operation in the Pakistan era in 1964, posted a 2.44% increase in profit in FY21. Despite ups and downs in profit, all the three companies declared the same dividend for FY21 as the previous fiscal year.
- According to their financial reports, the companies – which have around BDT10,000 crore in fixed deposits in different banks – earn around 80-90% of their total profits from the interest income. In 2020, the government capped the bank

deposit rate at 6%, in a bid to bring down the lending rate to 9%. Following the move, banks began lowering their deposit interest rates. As a result, the lower interest income has been impacting the profits of the oil companies. Padma Oil profit falls 121%. In fiscal 2020-21, the profit of Padma Oil Company, which collects, stores and markets fuel, decreased 121% to BDT228.58 crore from BDT272.98 crore a year ago.

<https://www.tbsnews.net/economy/stocks/decline-interest-income-drags-down-govt-run-oil-firms-profits-352315>

2022's stock market has two major headwinds: Professor Mahmood Osman Imam

- The new year's stock market outlook is not very clear, and it is going to face two headwinds — omicron, and the role of the central bank in 2022, said Dr Mahmood Osman Imam, Professor of Finance at the University of Dhaka. In a recent interview with The Business Standard, he said the corporate earnings will be impacted if the omicron variant of the coronavirus bites deep. If Bangladesh faces a dire situation because of an outbreak of the new variant, the country's economy would be severely impacted. On the other hand, even if the country manages to withstand any omicron wave, its foreign trade would be disrupted if its major sources or export countries remain locked down, the professor said.
- The capital market exposure calculation method for banks should be cost-based, as it is for other sectors, said the financial market expert. Banks were once allowed to invest up to 10% of their deposits, which was a big portion. But following the 2010-11 stock market crash, the Bank Companies Act was amended and the limit was set at 25% of the banks' solo equity and 50% of the equities of their subsidiaries.

<https://www.tbsnews.net/economy/stocks/2022s-stock-market-has-two-major-headwinds-professor-mahmood-osman-imam-352324>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 75.21	USD 26.69	55.01%
Crude Oil (Brent)*	USD 77.78	USD 25.98	50.15%
Gold Spot*	USD 1,829.20	(USD 65.90)	-3.48%
DSEX	6,853.14	96.48	1.43%
S&P 500	4,766.18	1,010.11	26.89%
FTSE 100	7,384.54	924.02	14.30%
BSE SENSEX	58,253.82	10,502.49	21.99%
KSE-100	44,596.07	840.69	1.92%
CSEALL	12,226.01	5,451.79	80.48%

Exchange Rates**1 US Dollar = 84.87 BDT****1 GBP = 114.81 BDT****1 Euro = 96.52 BDT****1 INR = 1.14 BDT**

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