

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.

Term loans shrink as industries weaken

- Disbursement of industrial term loans contracted 8.15% year-on-year to BDT 742.57 billion in the last fiscal year due to the economic meltdown brought on by the coronavirus pandemic. The dismal figure exposed the stagnation the country's industrial sector has been confronting, prompting experts to call on the central bank to take immediate measures to boost the industrial sector by providing term loans to businesses. The term loan disbursement has started to face a major blow when the country embraced the lockdown in the last week of March to contain the coronavirus pandemic.
- Term loans given out by banks stood at BDT 121.32 billion in the last quarter of FY20, down 45.43% from a year ago, according to data from the central bank. The recovery of term loans also registered negative growth for the first time in recent years because of the eroding capacity of businesses to repay. Lenders recovered term loans worth BDT 697.24 billion in FY20, in contrast to BDT 765.69 billion a year ago. However, defaulted term loans did not face any escalation thanks to the central bank's initiative that allowed loan moratorium facility to borrowers from January to September this year.
- Thanks to the payment holiday, borrowers' credit rating will not be downgraded even if they fail to pay instalments. Defaulted term loans stood at BDT 323.80 billion as of June this year, down from 19.14% year-on-year. The overall disbursement situation of the term loan is not unexpected given the ongoing financial meltdown, said executive director of the Policy Research Institute of Bangladesh. The central bank should immediately take a set of policies to revive the term loan disbursement, he said.

<https://www.thedailystar.net/business/news/term-loans-shrink-industries-weaken-1965333>

Exports in 38 categories to enjoy cash incentive

- The government on Monday announced cash incentives for the current fiscal year 2020-2021, keeping incentive against export of products under 38 categories announced for the fiscal year 2019-2020 unchanged. On September 22 of FY20, the central bank issued a circular announcing cash subsidy against export of products under 37 categories. Later on January 30 of the fiscal year, the BB issued another circular announcing 15% cash incentive against export of rice. Among others, incentive against export of consumer electronics, electrical home and kitchen appliances would remain intact along with a number of products manufactured in economic zones and hi-tech parks.
- RMG exporters were enjoying 1-per cent additional special incentive in addition to the 4-per cent cash incentive against export of new textile and garment products and expanding export of textile items to new markets — markets other than the United States, Canada and the European Union. The export-oriented local textile sector would enjoy cash incentive at the rate of 4% as an alternative to duty bonds and duty drawbacks.

<https://www.newagebd.net/article/116914/exports-in-38-categories-to-enjoy-cash-incentive>

Regulator revises margin loan ratio

- The Bangladesh Securities and Exchange Commission (BSEC) on Monday issued an order revising the margin loan ratio. As per the revised ratio, margin loan will be distributed at a ratio of 1:1 if the broad index exists up to the 4,000 mark. The margin loan ratio will be 1:0.75 if the DSE broad index is between 4,001 points and 5,000. The ratio will be 1:0.50 if the index is between 5,001 points and 6,000 points. And the ratio will be 1:0.25 if the index goes beyond 6,000 points. The revised margin loan ratio will come into force from October 1 and the existing ratio is 1:0.5. The BSEC has revised the existing margin loan ratio to minimise investment risks as the stock market shown an upward trend, said a spokesperson of the commission

<https://today.thefinancialexpress.com.bd/last-page/regulator-revises-margin-loan-ratio-1600709041>

<https://www.newagebd.net/article/116918/bsec-sets-margin-loan-limit-based-on-dsex>

<https://www.dhakatribune.com/business/stock/2020/09/21/bsec-sets-margin-loan-limit>

Walton Hi-Tech makes debut trading tomorrow

- Walton Hi-Tech Industries Ltd will make its shares trading debut tomorrow (Wednesday) on Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) under 'N' category. As per the regulatory approval, the eligible investors got 1.38 million shares of the company at the cut-off price of BDT 315 each, fixed earlier through electronic bidding. The general investors, including non-resident Bangladeshis, got 1.55 million IPO shares at BDT 252 each, a 20% discount on cut-off price, as the company gave 10% extra discount considering the interest of the capital market and small investors.

<https://today.thefinancialexpress.com.bd/stock-corporate/walton-hi-tech-makes-debut-trading-tomorrow-1600701263>

Mir Akhter revises share bidding schedule

- The bidding for eligible investors (EIs) to fix the cut-off price of shares of Mir Akhter Hossain Ltd, a construction company, will now commence from October 4 at 5:00pm as the company revised the bidding period. The construction and engineering company's price bidding through electronic subscription system (ESS) of the exchanges will be continued until 5:00pm on October 7, according to a disclosure posted on the Dhaka Stock Exchange website on Monday. Earlier, the company's share bidding was scheduled to begin on September 27 at 5:00pm.
- Each eligible investor who intends to participate in the electronic bidding for the company's shares shall maintain a minimum investment of BDT 10 million in listed securities as on the end of September 17 as per the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. The minimum tick size (minimum bidding value) for bidding shall be BDT 5.0 million which is accordance with the BSEC consent letter to Mir Akhter Hossain dated August 23.

<https://today.thefinancialexpress.com.bd/stock-corporate/mir-akhter-revises-share-bidding-schedule-1600701393>

IPO subscription of Dominage Steel Building begins Oct 19

- The initial public offering (IPO) subscription of Dominage Steel Building Systems Ltd is set to open on October 19, aiming to raise BDT 300 million from the capital market. The IPO subscription for shares of the company by the eligible investors through electronic subscription system will be continued until October 25, according to the company's IPO prospectus. The stock market regulator -- Bangladesh Securities and Exchange Commission (BSEC)--approved the company's IPO proposal on August 26 to raise BDT 300 million from the capital market through initial public offering.
- As per the regulatory approval, the Dominage Steel Building will issue 30 million ordinary shares with an offer price of BDT 10 each using the fixed price method. The company will utilise the IPO proceeds for construction of a building, purchasing electrical equipment & installation, acquisition of new plant and bearing the IPO related expenses. According to the audited financial statements for the year ended on June 30, 2019, earnings per share of the company were BDT 1.49, and its net asset value per share was BDT 19.81. Shahjalal Equity Management is the issuer manager of Dominage Building Systems.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-dominage-steel-building-begins-oct-19-1600701357>

BSEC orders special audit of Fareast Islami Life Insurance

- Bangladesh Securities and Exchange Commission (BSEC) has appointed a chartered accountancy firm to conduct a special audit of Fareast Islami Life Insurance to find irregularities in the insurer's financial reports between 2016-18. The stock market regular has given A Wahab & Co, one of the oldest and reputed accountancy firms in the country, two months to complete the audit. Fareast Islami Life's financial reports for 2018 were audited by Mahfel Huq & Co, which made no qualification, adverse or disclaimer opinion in its report.
- They found some irregularities and there are huge allegations against the company on not paying claims, said a senior official of the BSEC preferring anonymity. And so, they want to see whether the company is doing its activities in the right manner, he added. Having made its trading debut with the country's bourses in 2005, Fareast Islami Life's first year and renewal premium income has been on the decline since 2016. The third generation insurer's premium income shrank by about 3.9% from BDT 3.02 billion in 2016 to BDT 2.90 billion in 2018.

<https://www.thedailystar.net/business/news/bsec-orders-special-audit-fareast-islami-life-insurance-1965297>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$39.57	(\$22.06)	-35.79%
Crude Oil (Brent)*	\$41.64	(\$26.80)	-39.16%
Gold Spot*	\$1,909.57	\$388.10	25.51%
DSEX	5,012.13	559.20	12.56%
S&P 500	3,281.06	50.28	1.56%
FTSE 100	5,804.29	(1,782.76)	-23.50%
BSE SENSEX	38,034.14	(3,608.00)	-8.66%
KSE-100	42,174.13	1,439.05	3.53%
CSEALL	5,762.71	(366.50)	-5.98%

Exchange Rates

USD 1 = BDT 84.89*

GBP 1 = BDT 108.80*

EUR 1 = BDT 99.86*

INR 1 = BDT 1.16*

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

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BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
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 (Acting)	bappi@bracepl.com	01730 357 991
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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