

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.

World Bank pledges USD 745m loans for regional connectivity

- The World Bank (WB) has pledged to provide a USD745m loan for the implementation of the Bangladesh Bhutan India Nepal (BBIN) Regional Transport and Trade Facilitation Program (Phase 1), which aims to boost connectivity among the countries.
- Four state agencies – Bangladesh Land Port Authority (BLPA), Roads and Highways Department, Ministry of Commerce and Bangladesh National Board of Revenue (NBR) will implement the programme, segmented into four components. For the modernisation of custom houses of Dhaka and Chattogram and the development of revenue stations, another USD170m will be provided which will be spent through the NBR.
- Of the remaining pledged amount, USD300m will go for policy development and technical assistance in the regional connectivity project of Sylhet-Charkhai-Sheola-Sutarkandi highway upgrading under the supervision of the Roads and Highways Department. Another USD16m of the WB fund will be spent for the trade facilitation agreement (TFA) implementation, which will go through the commerce ministry.

<https://www.tbsnews.net/economy/world-bank-pledges-745m-loans-regional-connectivity-354958>

JV to invest \$100m in hi-tech park

- Bangladesh Cards Ltd, a joint venture between Japanese, Australian and Bangladeshi investors, is going to invest USD 100 million in a local hi-tech park to manufacture high-end technology products, including smart cards and specialised security items, to cater to the growing domestic and international markets.
- The firm, owned by a majority of Bangladeshi investors, also wants to be certified to make e-passports in order to supply to the governments of various countries. The company plans to invest the money in the next five years.
- Companies that invest in the high-tech parks get lucrative tax breaks that include a 10-year tax holiday, duty-free import of capital machinery, tax waiver on foreign expats' salaries, and duty-free utility bills while foreign investors can withdraw their investment anytime.

<https://www.thedailystar.net/business/economy/industries/investments/news/jv-invest-100m-hi-tech-park-2935266>

Rising inflation eats up wage gains

- Wages grew 6.11 per cent year-on-year in December, according to the Wage Rate Index of the Bangladesh Bureau of Statistics (BBS). This is up from October's 5.97 per cent and November's 6.02 per cent.
- In the agriculture sector, where a vast majority of the workforce is employed, the growth stood at 6.24 per cent in December. The increase was 5.72 per cent in the industrial sector and 6.25 per cent in the service sector.

<https://www.thedailystar.net/business/economy/news/rising-inflation-eats-wage-gains-2935256>

BKMEA seeks longer payback period

- The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) demanded the central bank allow them to repay stimulus loans in 42 months instead of initially fixed 18 months as the severe impacts of Covid-19 persist. The BKMEA also demanded the central bank raise the borrowing ceiling for its members from the Export Development Fund (EDF) to USD 30 million.

- The credit limit set by banks should be extended by 75 % as the prices of raw materials have increased abnormally in the domestic and international markets, said the association. Knitwear shipment fetched USD17 billion in the last fiscal year, out of the total garment export of USD31.45 billion and the national receipts of USD38.75 billion.

<https://www.thedailystar.net/business/economy/news/bkmea-seeks-longer-payback-period-2935271>

Secondary trading of treasury bills, bonds jumps by 62 pc in 2021

- Secondary transaction of the government's fixed income tradable securities increased by around 62 per cent in CY21, according to the central bank. It showed that treasury bills and bonds worth around BDT 1.83 trillion was transacted in the last year which was around BDT 1.13 trillion in 2020. Bangladesh Bank statistics also showed that secondary transaction of the treasury bills and bonds was BDT 382.70 billion in 1QCY21, BDT 125.14 billion in 2Q, BDT 387.04 billion in 3Q, and BDT 985.41 billion in 4Q.

<https://thefinancialexpress.com.bd/trade/secondary-trading-of-treasury-bills-bonds-jumps-by-62-pc-in-2021-1641630076>

Shipping Corp's share prices double in a week

- Stocks of Bangladesh Shipping Corporation (BSC), a state-run listed ocean-going vessel management company, doubled in the last week thanks to the company's higher profit in the first quarter of the current financial year. On December 26, the company disclosed its quarterly report saying its profits surged almost seven times to BDT 66 crore in the July-September period of FY22 while it was BDT 8.80 in the same period the previous year.
- Soon after the disclosure, the company's stock price started to rise, soaring 111 % to BDT 104.6 as of last Thursday. Freight revenue of BSC climbed around 92 % year-on-year to BDT 94 in the first quarter of the current financial year. The company's income from bank interest and other sources also rose 40 % to BDT 14 crore during the same period. BSC logged higher profits in the financial 2020-21 year as well with its profits jumping more than 73 % to BDT 72 crore compared to the year before.

<https://www.thedailystar.net/business/economy/news/shipping-corps-share-prices-double-week-2935246>

Foreign investors' selloff reaches record high in 2021

- Like the previous three years, foreign portfolio investors continued their selloff in the Dhaka Stock Exchange in 2021 too. Net selling by foreign investors increased to a historic high of BDT2,648 crore in 2021, following the same of BDT2,606 crore in 2020, according to the DSE data. The foreigners' continuing selloff in the bull market and despite the securities regulator's all-out efforts to attract foreign and non-resident Bangladeshi investors' funds into the bourses of Dhaka and Chattogram frustrates market observers.
- In 2021, foreign investors sold listed securities worth BDT 5,206 crore against their purchase of securities worth BDT2,558, which were BDT6,997 crore and BDT3,890 respectively in 2020. However, some institutional foreign investors like Asia Frontier Capital keep holding DSE stocks, mainly the blue-chip ones.

<https://www.tbsnews.net/economy/stocks/foreign-investors-selloff-reaches-record-high-2021-354964>

Pacific Denims' three directors to sell 15.50 lakh shares

- Two sponsor directors, and one corporate director of the Pacific Denims Ltd — a concern of the Pacific Group — have expressed their intention to sell a small portion from their holding shares. As per disclosure by the company on Thursday, Shafiqul Azam and Shadequl Alam, the sponsor directors, will sell 8.5 lakh and 5.4 lakh shares respectively, and the Corporate Director Disney Properties Ltd will sell 1.6 lakh shares. On Thursday, the last trading day of the week, the share price was BDT12.30 each.

- Now, Shafiul Azam holds around 2.63 crore shares and Shadequl Alam 1.53 crore, while Disney Properties holds 42.77 lakh shares. Pacific Denims collected BDT75 crore through an initial public offering (IPO) from the capital market for business expansion, repayments of loans and bearing the cost of public offering.
- Because of lower dividend than the previous year, the DSE has degraded the company to 'B', which came into effect since 20 December from the 'A' category. In July-September period of the current fiscal year, its earnings per shares (EPS) declined by 47% to BDT0.10 from BDT0.19 in the same period of the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/pacific-denims-three-directors-sell-1550-lakh-shares-354931>

JMI Hospital's IPO bidding starts Sunday

- Price-bidding to fix the share price of JMI Hospital Requisite Manufacturing Limited's initial public offering (IPO) is scheduled to begin at the Dhaka Stock Exchange at 5pm on Sunday. Based on the book building method, the bidding will continue until 12 January. Earlier, the modern medical instrument and hospital equipment manufacturer received approval from the Bangladesh Securities and Exchange Commission (BSEC) to raise BDT75 crore from the capital market.
- It will spend the fund for purchasing machinery, land and for loan repayment. Institutional investors will determine the cut-off price of its shares, after which the company will issue shares to the general public at a 20% discount on the price. As of 30 June 2020, the net asset value per share of the company was BDT27.78 without revaluation and BDT29.99 with revaluation. Its paid-up capital is BDT90 crore.

<https://www.tbsnews.net/economy/stocks/jmi-hospitals-ipo-bidding-starts-sunday-354904>

4 listed sick firms must submit comeback plans

- Jute Spinners and RSRM Steel are out of production while production at Aziz Pipes and Central Pharma remain halted now and then. None of the four companies was able to pay dividends due to losses in the 2020-21 fiscal year. Of these four companies, Jute Spinners is in the most vulnerable situation. With a paid-up capital of only BDT1.70 crore, the company has not been in production for a long time.
- There is a good demand for Aziz Pipes in the plastic pipe and fittings market. But at present the company is in a state of disarray owing to defaulted loans, working capital shortfall and negligence of its owners. Central Pharma stopped its production in 2020 following its licence suspension by the Directorate General of Drug Administration.
- RSRM, one of the top steel producers in the country, is plagued by bad debts. Besides, the factory was closed owing to dues in electricity and gas bills. Worried about their poor business and inefficient operational status, the Bangladesh Securities and Exchange Commission (BSEC) has asked four listed companies to immediately submit their comeback plans.

<https://www.tbsnews.net/economy/stocks/4-listed-sick-firms-must-submit-comeback-plans-354913>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 78.90	USD 3.69	4.91%
Crude Oil (Brent)*	USD 81.75	USD 3.97	5.10%
Gold Spot*	USD 1,796.55	(USD 32.65)	-1.78%
DSEX	6,987.45	230.79	3.42%
S&P 500	4,677.02	-89.16	-1.87%
FTSE 100	7,485.28	100.74	1.36%
BSE SENSEX	59,744.65	1,490.83	2.56%
KSE-100	45,345.65	749.58	1.68%
CSEALL	13,280.94	1,054.93	8.63%

Exchange Rates**1 US Dollar = 84.85 BDT****1 GBP = 115.32 BDT****1 Euro = 96.41 BDT****1 INR = 1.14 BDT**

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