

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-1.33%) lost 94.59 points and closed the week at 6,991.36 points. The blue-chip index DS30 (-0.91%) lost 23.64 points and stood at 2,573.85 points. The Shariah-based index DSES (-0.62%) lost 9.47 points and stood at 1,508.14 points. The large cap index CDSET (-0.74%) lost 10.35 points and closed at 1,392.32 points. DSEX, DS30, DSES and CDSET showed YTD returns of +3.47%, +1.63%, +5.38%, +2.44%, respectively.

Total Turnover During the Week (DSE): BDT 59.7 billion (USD 694 million)

Average Daily Turnover Value (ADTV): BDT 11.9 billion ($\Delta\%$ Week: -9.8%)

Market P/E: 17.1x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a positive note (+0.05%) on Sunday but it became negative (-0.41%) on Monday and (-0.34%) on Tuesday. However, it ended positively (+0.10%) on Wednesday but at the end, market ended negatively (-0.74%) on Thursday.

Sectoral Performance

• All the financial sectors registered negative performance this week. General Insurance experienced the highest loss of 6.56% followed by NBFi (-4.78%), Life Insurance (-2.64%), Mutual Fund (-1.42%), and Bank (-1.05%).

• Most of the non-financial sectors registered negative performance this week. Fuel & Power experienced the highest loss of 2.04% followed by Telecommunication (-1.42%), Pharmaceutical (-0.75%), Food & Allied (-0.69%), and Engineering (+0.81%).

Macroeconomic arena

• BDT 15b cash incentives released for local exporters. OPEC Fund to provide budgetary support loan of USD 75m. Fertilizer subsidy to cost BDT 28,000cr this year, four times more than last year: Minister. Cash outside banks remain high. BD's per capita investment, value addition in agri low. Imported LNG to be 24 times more expensive than local gas: CPD. Write-off loans grow as recovery low.

• Bancassurance to be introduced in Bangladesh soon. BGMEA for reduced tax rates for 5 more years. Companies act to be rewritten this year. Tax breaks for fish processing: minister. Health to see highest fund cut in revised ADP. Access to easy loans stressed to ensure housing for all.

• Internet banking thrives. Banks open more branches in 2021 after Covid lull. NBFIs, govt entities now allowed to run MFS operation. Seven NBFIs risk losing BDT 2,050cr for anomalies. MFS transactions amount to record BDT 7,70,167cr in 2021. Merchant banks seek corporate tax for listed cos reduced to 15%. NBFIs barred from disbursing loans on BB cheques.

Stock Market arena

• InterContinental narrows quarterly losses. C & A Textile to raise BDT 500m. NLI First Mutual Fund to be open-ended. Sonali Paper to undergo a special audit. Chevron HC hunt zone extended. Green Delta Ins, Trust Axiata sign deal. IPO pipeline dries as cos duck listings. Star Adhesive allowed to raise BDT 50m.

• Rahima Food returns to operations after 8yrs. Runner Automobiles to make Bajaj three-wheelers. Doreen Power estimates BDT 1,100cr yearly revenue from subsidiary. Mamun Agro to debut in share market Tuesday. InterContinental's debts to Agrani Bank climb to BDT 909 crore. Grameenphone partners with itel to introduce affordable 4G smartphone. Peninsula Chittagong profit doubles as hotel business recovers. Robi applies to BTRC for 3G phase-out.

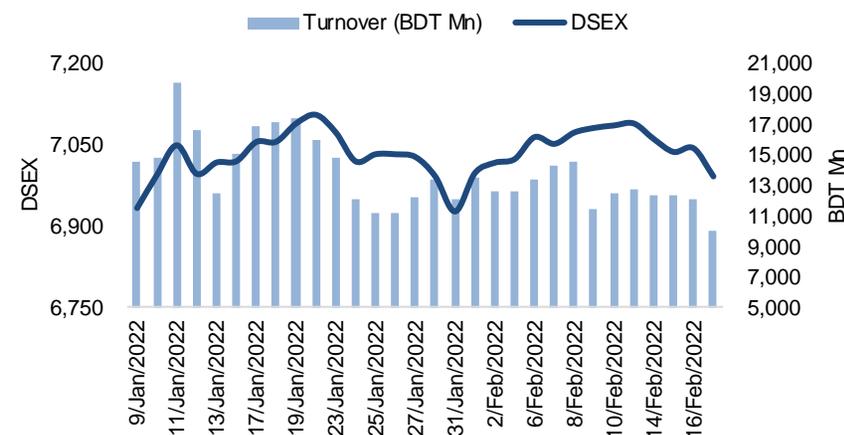
Table 1: Index

Index	Closing*	Opening*	Δ (Pts)	30-Dec-2020	$\Delta\%$ Week	$\Delta\%$ YTD
DSEX	6,991.36	7,085.95	-94.59	6,756.66	-1.33%	+3.47%
DS30	2,573.85	2,597.49	-23.64	2,532.58	-0.91%	+1.63%
DSES	1,508.14	1,517.62	-9.47	1,431.12	-0.62%	+5.38%
CDSET	1,392.32	1,402.67	-10.35	1,359.13	-0.74%	+2.44%

Table 2: Market Statistics

		This Week	Last Week	% Change
Mcap	Mn BDT	5,609,299	5,667,530	
	Mn USD	65,224	65,902	-1.0%
Turnover	Mn BDT	59,671	66,178	-9.8%
	Mn USD	694	770	
Average Daily Turnover	Mn BDT	11,934	13,236	-9.8%
	Mn USD	139	154	
Volume	Mn Shares	1,242	1,473	-15.7%

Figure 1: DSEX & Turnover in last four weeks



Research Associate

Fahim Hassan

(880) 1709636546

fahim.hassan@bracepl.com

Junior Research Associate

Md. Mahmudul Hasan

(880) 1708805201

mmahmudul.hasan@bracepl.com

Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
APEXFOODS	232.1	177.8	+30.5%	1,324	307.3	NM	2.0x
ALLTEX	26.5	22.3	+18.8%	1,483	197.0	NM	4.4x
STYLECRAFT	139.6	119.3	+17.0%	1,938	125.3	NM	7.8x
TAMJTEX	273.1	234.7	+16.4%	8,211	284.6	58.7x	3.3x
BDLAMPS	349.1	305.2	+14.4%	3,271	603.3	47.8x	3.6x
SAMORITA	106.8	94.1	+13.5%	2,016	196.9	49.9x	2.1x
ARAMITCEM	45.5	40.1	+13.5%	1,542	182.4	NM	1.7x
APEXTANRY	147.4	130.1	+13.3%	2,246	181.3	80.4x	2.4x
IMAMBUTTON	27.9	24.7	+13.0%	215	9.6	NM	5.8x
RAHIMTEXT	288.2	255.8	+12.7%	2,726	24.5	NM	7.3x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
UNIONINS	54.7	65.5	-16.5%	2,648	565.2	42.7x	3.6x
RELIANCINS	82.6	96.7	-14.6%	8,686	74.8	14.8x	1.3x
GREENDEL	94.3	108.8	-13.3%	9,448	268.1	11.2x	1.4x
PENINSULA	38.0	42.8	-11.2%	4,509	227.1	60.3x	1.3x
PRIMELIFE	71.5	79.5	-10.1%	2,182	44.7	NM	NM
BAYLEASING	31.9	35.4	-9.9%	4,494	729.7	11.1x	1.4x
SKICL	67.2	74.5	-9.8%	2,688	121.1	25.3x	3.7x
QUEENSOUTH	27.9	30.9	-9.7%	4,017	710.3	17.4x	1.9x
BBS	24.3	26.8	-9.3%	3,959	488.6	45.4x	1.6x
FAREASTLIF	94.0	103.1	-8.8%	7,026	469.6	NM	NM

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
FORTUNE	134.5	121.3	+10.9%	21,861	5,016.6	46.1x	8.9x
BEXIMCO	150.9	147.2	+2.5%	132,237	4,075.8	10.6x	1.8x
ORIONPHARM	111.1	113.3	-1.9%	25,997	2,463.0	27.8x	1.4x
BSC	132.4	141.1	-6.2%	20,196	2,258.5	11.7x	1.9x
SAIFPOWER	42.6	45.0	-5.3%	16,160	1,104.4	20.8x	2.5x
RAHIMAFOOD	359.3	339.9	+5.7%	7,186	897.2	NM	39.0x
YPL	25.6	24.9	+2.8%	1,887	844.0	51.2x	2.2x
SONALIPAPR	712.8	727.2	-2.0%	15,656	818.4	63.1x	2.9x
NATLIFEINS	219.5	208.2	+5.4%	23,821	808.6	NM	NM
ANWARGALV	441.0	405.2	+8.8%	7,396	808.3	47.7x	21.1x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD Δ%	Mcap**	PE	PB
SQUARETEXT	66.0	+26.4%	13,019	9.0x	1.6x
TITASGAS	43.5	+19.8%	43,031	12.6x	0.6x
UNIQUEHRL	59.1	+17.7%	17,399	NM	0.7x
LINDEBD	1,808.6	+14.5%	27,524	22.0x	4.8x
GHAIL	18.6	+12.7%	4,015	NM	1.3x
POWERGRID	66.9	+12.2%	47,681	13.7x	0.5x
ACMELAB	95.7	+10.6%	20,250	10.8x	1.0x
DOREENPWR	74.4	+9.7%	12,031	8.7x	1.6x
KPCL	32.6	+9.0%	12,956	NM	1.5x
LHBL	77.5	+9.0%	90,006	23.2x	4.5x

*BDT
**BDT Mn

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1,612.5	1,629.6	1,589.69	-1.05%	+1.43%
NBFI	2,304.4	2,420.0	2,327.63	-4.78%	-1.00%
Mutual Fund	890.0	902.8	882.99	-1.42%	+0.79%
General Insurance	4,402.8	4,712.1	4,698.62	-6.56%	-6.30%
Life Insurance	2,772.5	2,847.8	2,687.55	-2.64%	+3.16%
Telecommunication	6,034.0	6,121.2	5,800.37	-1.42%	+4.03%
Pharmaceutical	4,018.5	4,048.9	3,866.63	-0.75%	+3.93%
Fuel & Power	1,901.4	1,941.0	1,792.97	-2.04%	+6.05%
Cement	2,742.2	2,789.2	2,534.76	-1.69%	+8.18%
Services & Real Estate	1,503.2	1,562.4	1,309.43	-3.79%	+14.80%
Engineering	4,893.7	4,854.6	4,727.46	+0.81%	+3.52%
Food & Allied	25,339.4	25,516.2	25,222.81	-0.69%	+0.46%
IT	3,290.9	3,263.6	3,274.61	+0.84%	+0.50%
Textile	1,644.2	1,656.8	1,470.60	-0.76%	+11.80%
Paper & Printing	9,228.6	9,384.6	9,680.03	-1.66%	-4.66%
Tannery	3,985.1	3,740.5	3,236.76	+6.54%	+23.12%
Jute	8,883.6	8,524.2	8,747.84	+4.22%	+1.55%
Ceramics	758.6	775.2	675.88	-2.14%	+12.23%
Miscellaneous	4,749.9	4,712.2	4,625.39	+0.80%	+2.69%

Table 8: Sector Trading Matrix

Sector Name	Daily average this Week	Daily average last Week	% Change	% of Total Turnover	PE	PB
Bank	808.4	910.2	-11.18%	+6.98%	8.2x	0.9x
NBFI	498.2	827.4	-39.78%	+4.30%	NM	4.1x
Mutual Fund	55.6	65.7	-15.38%	+0.48%	NM	0.8x
General Insurance	604.8	1,065.9	-43.26%	+5.22%	20.5x	2.2x
Life Insurance	441.2	503.8	-12.42%	+3.81%	NM	NM
Telecommunication	90.7	136.3	-33.46%	+0.78%	18.4x	5.6x
Pharmaceutical	1,548.0	1,581.1	-2.09%	+13.37%	18.7x	2.8x
Fuel & Power	489.4	682.8	-28.33%	+4.23%	12.2x	1.3x
Cement	156.5	199.3	-21.48%	+1.35%	20.1x	2.8x
Services & Real Estate	482.4	533.5	-9.58%	+4.17%	NM	1.2x
Engineering	1,283.1	1,509.3	-14.99%	+11.08%	19.4x	2.1x
Food & Allied	778.9	835.8	-6.80%	+6.73%	28.0x	9.6x
IT	249.0	301.3	-17.35%	+2.15%	32.1x	2.8x
Textile	1,097.0	1,166.6	-5.97%	+9.47%	30.4x	1.1x
Paper & Printing	357.1	300.0	+19.03%	+3.08%	NM	2.3x
Tannery	1,119.0	435.1	+157.17%	+9.66%	NM	4.2x
Jute	19.9	7.3	+173.57%	+0.17%	NM	25.5x
Ceramics	116.2	168.7	-31.09%	+1.00%	33.2x	2.1x
Miscellaneous	1,384.7	1,670.7	-17.12%	+11.96%	14.6x	2.3x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD Δ%	Mcap**	PE	PB
PIONEERINS	106.1	-9.2%	8,167	13.9x	2.1x
ENVOYTEX	45.3	-7.4%	7,598	28.9x	1.2x
ACTIVEFINE	23.8	-7.0%	5,710	NM	1.1x
BATASHOE	905.6	-6.3%	12,389	NM	3.6x
IDLC	56.9	-5.6%	22,527	10.7x	1.3x
BANKASIA	20.6	-5.5%	24,018	9.7x	0.9x
OLYMPIC	154.0	-4.1%	30,791	18.3x	3.5x
MTB	18.8	-4.1%	15,275	26.6x	0.8x
SINGERBD	163.2	-3.9%	16,272	31.4x	4.8x
ADNTEL	51.3	-2.1%	3,317	19.7x	2.0x

Important News: Business & Economy

BDT 15b cash incentives released for local exporters

- The government has released BDT 15 billion for the payment of cash incentives to local exporters on their export earnings. It is the 3rd instalment of cash incentives for 3QFY22. Export oriented sectors including readymade garment (RMG), frozen shrimp and other fish, leather items, jute and jute products will enjoy the incentives.
- Of the amount, BDT 3.0 billion will be distributed for the jute sector while BDT 12 billion for other sectors. A special 1.0% cash incentive support fund for the RMG industry has also been included in the instalment. Currently, the government provides up to 20% cash subsidy on 38 products against the export.

<https://thefinancialexpress.com.bd/economy/tk-15b-cash-incentives-released-for-local-exporters-1644988924>

Revenue resurrection helps cut Bangladesh's budget deficit

- Bangladesh's widening budget deficit narrowed to BDT 1.29 trillion in the past fiscal year with the gap between spending and revenue earning declining amid economic recovery from pandemic-induced slump. Outlay for FY21 rose to BDT 4.58 trillion or 8.0% up from that of FY20. Total revenue came to BDT 3.28 trillion in FY21 or up by nearly 24% than FY20. The budget deficit (excluding grants) for FY21 is estimated to be 4.49% of GDP.
- Economists conversant with the corona-time economics, however, attribute much of the lower deficit to tightfisted public spending when people and businesses at loose ends as well as medical care needed pretty much.
- Dr Ahsan H. Mansur, executive director at the Policy Research Institute of Bangladesh (PRI) and Dr Zahid Hussain, former lead economist at the World Bank, opined that the government failed to disburse the funds when and where it was required, hence the lowering of budget deficit has no meaning.

<https://thefinancialexpress.com.bd/economy/revenue-resurrection-helps-cut-bangladeshs-budget-deficit-1645065754>

Govt to amend procurement rules

- A high-level government committee suggested 11 proposals for amending the procurement rules, including making it mandatory for foreign firms to form joint ventures with local bidders when it comes to fulfilling government procurement rules. The finance minister has told that in case of highly technical issues, the foreign firms would be hired through bidding.
- As per the recommendations, the procurement process will be implemented by local sub-contracting firms that will have to spend up to 20% of the total estimated cost from their own funds. In case of local purchases, the estimated costs must be mentioned in the bid.
- In addition, the proposal suggests implementing a one-step and two-step envelop system for tenders in case of local procurement contracts worth more than BDT 50 crore. 80% marks can be awarded in technical evaluation and the rest 20% for financial evaluation.

<https://www.thedailystar.net/business/economy/news/govt-amend-procurement-rules-2964076>

MFS transactions amount to record BDT 7,70,167cr in 2021

- The amount of annual transactions through mobile financial services grew by 37.19% year-on-year in 2021 as customers found making different kinds of payments through the MFS convenient amid a growing digital financial ecosystem. As per Bangladesh Bank data, the amount of transactions through MFS surged to BDT 7,70,166.7 crore in 2021 from BDT 5,61,395.8 crore in the previous year.
- In 2020, the amount of MFS transactions grew by 29.26% or BDT 1,27,077.6 crore from BDT 4,34,318.2 crore in the previous year. Apart from the amount of transactions, the amounts of cash-in, cash-out and person-to-person transactions, among others, made a significant increase in 2021. Besides, the number of MFS accounts grew by 1.22 crore, 1.97 crore and 1.21 crore in 2021, 2020 and 2019 respectively. The number of MFS accounts increased to 11.15 crore at the end of December 2021 from 9.93 crore a year ago. The number of MFS accounts was 7.97 crore in December 2019 and 6.75 crore in December 2018.

<https://www.newagebd.net/article/162939/mfs-transactions-amount-to-record-tk-770167cr-in-2021>

Access to easy loans stressed to ensure housing for all

- The government needs to take steps to increase loan flows to the real estate sector to ensure housing for every citizen in cities, towns and elsewhere across the country, economists and banking and real estate experts said on Wednesday. They said in neighbouring India, banks and non-banking financial institutions lend 10% of their loans to the housing sector each year, while the rate is only 3% in Bangladesh.

- Citing from a World Bank study, he said a total of USD 16 trillion will be required to ensure sustainable housing. Of which, USD 3 trillion will come from the citizens and the rest has to be provided by the government and various national and international banks and agencies.

<https://www.tbsnews.net/economy/access-easy-loans-stressed-ensure-housing-all-371872>

Agri insurance gains ground as farmers get climate compensation

- Under "Surokha" project taken up by Syngenta Foundation in September 2018, the introduction of at least 19 crop insurance products commercially has helped many farmers to protect their crops of Aman and Boro rice, potatoes, maize and beans from natural calamities. In the span of only four years, the number of farmers enrolled through two insurers – Sadharan Bima Corporation and Green Delta Insurance Company Limited – has reached 2,14,836 from a mere 1,526 in FY19, according to sources at Syngenta Foundation and insurance companies.

- Insured farmers get weather forecasting, early warning, and agro-advisory services over the phone every week. When it comes to an insurance settlement, they do not have to file a claim, rather the process gets done automatically. A farmer is entitled to claim compensation from their insurers when certain climatic tipping points are reached. For example, as per the terms of the insurance policy, they can claim compensation if the temperature stays below 10 degree Celsius for 72 hours in a row and the percentage of humidity is more than 85%.

<https://www.tbsnews.net/economy/agri-insurance-gains-ground-farmers-get-climate-compensation-371881>

Seven NBFIs risk losing BDT 2,050cr for anomalies

- Seven non-bank financial institutions (NBFIs) are now finding it difficult to recover BDT 2,050 crore they had lent to their subsidiaries and associates in breach of rules. Preliminary analysis indicates that the funds have been misused, with neither Bangladesh Bank nor the Bangladesh Securities and Exchange Commission (BSEC) stepping in to prevent it.
- As per the Financial Institutions Act 1993, NBFIs are permitted to disburse a maximum of 30% of their capital to an individual or company, which also could be their subsidiaries and associates. But the seven lent the amounts violating the single borrower exposure limit. The central bank has recently stepped up its monitoring on them and has subsequently sought data from the BSEC on how the funds were used.

<https://www.thedailystar.net/business/economy/news/seven-nbfis-risk-losing-tk-2050cr-anomalies-2964086>

Bangladesh to halt first Covid doses after Feb 26

- The government will stop administering first doses of the coronavirus vaccine to citizens after 10 million first shots in a single-day drive on Feb 26. The government would now focus on administering the second and booster shots.

- According to the Directorate General of Health Services, nearly 101 million people received a first dose of the vaccine until Monday. Around 71.5 million of these citizens have also received the second dose and the government-administered the booster shots to nearly 2.7 million people. Until Feb 9, Bangladesh received more than 276.7 million COVID-19 vaccine doses.

<https://thefinancialexpress.com.bd/national/bangladesh-to-halt-first-covid-doses-after-feb-26-1644931710>

BGMEA for reduced tax rates for 5 more years

- Bangladesh Garment Manufacturers and Exporters Association has proposed that the government continue offering the existing reduced rates of source tax and corporate tax for the next five years so that the sector could remain competitive on the global market by overcoming the Covid fallout.

- BGMEA in its FY23 budget proposal also demanded value-added tax exemption for the subcontracting factories and withdrawal of the existing 10% advance income tax on cash incentives against export earnings.

- The BGMEA proposed allowing import of industrial racking system, industrial thermostat dehumidifier and other safety equipment with a reduced tax rate, as the buyers putting pressure to install the system.

<https://www.newagebd.net/article/162855/bgmea-for-reduced-tax-rates-for-5-more-years>

Merchant banks seek corporate tax for listed cos reduced to 15%

- Bangladesh Merchant Bankers Association has proposed reducing corporate tax to 15% from the existing 22.5% for listed companies, which will encourage more such companies to enter the capital market. The association pointed out that out of 1.5 lakh registered companies, only 348 are listed on the stock market.

- President of Bangladesh Merchant Bankers Association also demanded cutting tax for merchant banks to 25% from the existing 37.5%. He proposed considering tax deducted at source on profits as the final settlement and reducing VAT on listed companies to 10%.

<https://www.tbsnews.net/economy/stocks/merchant-banks-seek-corporate-tax-listed-cos-reduced-15-371311>

BD's per capita investment, value addition in agri low

- Bangladesh's per capita investment and value addition in agriculture are much lower than those of some south and southeast Asian countries, thus resulting in a low productivity, a study of the Food and Agriculture Organisation (FAO) revealed. It said the country's per capita investment in agriculture is only USD 16, which is USD 43.5 in Thailand, USD 34.4 in India, and USD 26.6 in Myanmar.
- Per capita value addition in agriculture is only USD 1,037 in Bangladesh, whereas average investment is USD 1,820 in South Asia, USD 1,840 in Myanmar, USD 1,992 in India, and USD 2,408 in the lower middle-income countries, it added.
- Bangladesh's average paddy production is 4.73 tonnes per hectare, which is 7.05 tonnes in China and 6.68 tonnes in Japan.

<https://today.thefinancialexpress.com.bd/last-page/bds-per-capita-investment-value-addition-in-agri-low-1644948313>

NBFIs, govt entities now allowed to run MFS operation

- The Bangladesh Bank said that non-bank financial institutions and government entities, alongside banks, would be able to run mobile financial services (MFS). So far in Bangladesh, only banks have been allowed to operate MFS. The NBFIs and the government entities, however, will have to form a subsidiary to provide MFS, according to a BB guideline. The parent banks, NBFIs and government entities will have to provide at least 51% of the equity in the subsidiary. The minimum paid-up capital of a subsidiary model-based MFS has been set at BDT 45 crore.
- The latest central bank guidelines will help the Bangladesh Post Office (BPO), which is now running MFS under the brand name of Nagad, take licence for its subsidiary, a central bank official said. Four central bankers told the Daily Star that more legal clarities would be needed before giving any comment on whether NBFIs could run MFS in line with existing laws.

<https://www.thedailystar.net/business/organisation-news/news/nbfis-govt-entities-now-allowed-run-mfs-operation-2963111>

BB fixes capital market investment instruments for NBFIs

- Bangladesh Bank for the first time fixed the instruments which will be considered as stock market investment for non-bank financial institutions.
- All listed shares, debenture, corporate bonds, mutual funds and other products at market prices shall be considered as share market investment for the NBFIs. However, equity investment of its subsidiary companies, long-term equity investment or venture capital and the shares of Central Depository Bangladesh, stock exchanges would not be counted as the capital market investment.
- The loans to subsidiary companies who are doing direct or indirect business with the stock market, fund that was given to any stock market investment related fund, and loans to companies dealing with the stock market will be included in the exposure.

<https://www.thedailystar.net/business/news/bb-fixes-capital-market-investment-instruments-nbfis-2962781>

Regulator creates special exit for defaulters

- The central bank offers a special bailout to loan defaulters with non-banking financial institutions (NBFIs) through 'One Time Exit' by clearing all dues within one year, in the wake of bad-loan buildup. The borrowers will have to apply by paying 2.0% down payment for availing such facility only after approval by the NBFIs concerned. To get the special offer, the interested borrowers will have to apply to the NBFIs concerned by April 30 this year for availing such facility
- NBFIs are allowed to waive different types of interest, maximum 50%, on the basis of NBFI-client relationship in line board of directors' approval. However, the principal amount cannot be waived in any circumstances.
- The latest BB moves on policy support came against the backdrop of rising trend in non-performing loans (NPLs) in the NBFIs in recent months. The volume of classified loans with the country's NBFIs increased nearly 14% to BDT 117.57 billion as on September 30 from BDT 103.28 billion three months before.

<https://today.thefinancialexpress.com.bd/first-page/regulator-creates-special-exit-for-defaulters-1644947691>

OPEC Fund to provide budgetary support loan of USD 75m

- A budgetary support loan agreement for financing the 'Sustainable Economic Recovery Programme (SERP)' was signed Monday between the government and the OPEC Fund for International Development (OFID). Under the agreement, OPEC Fund would provide a loan of USD 75 million as budgetary support. The interest rate of the loan is 1.35% per annum with a commitment fee of 0.25% per annum, front-end fee 0.25% and a maturity of 20 years including a grace period of five years.
- The OFID is one of the largest development partners of Bangladesh. It has been providing economic assistance to Bangladesh for the development programme/project, particularly in the area of road transport and power sector since the financial year of 1974-75. So far, OFID has provided development assistance of USD 552.61 million to Bangladesh in 30 development projects.

<https://www.tbsnews.net/economy/opec-fund-provide-budgetary-support-loan-75m-370768>

Fertiliser subsidy to cost BDT 28,000cr this year, four times more than last year: Minister

- The country would need BDT 28,000 crore for fertiliser subsidy, which is almost four times more than last year, said Agriculture Minister Dr Mohammad Abdur Razzaque. He told that due to the coronavirus, the price of fertilisers worldwide has increased dramatically, which is almost three times compared to last year. Moreover, due to the increase in the price of fuel, the ship fares has more than doubled, he added.

<https://www.tbsnews.net/economy/govt-facing-difficulty-giving-subsidies-fertilisers-minister-370492>

Now comes Istisna Sukuk for dev financing

- The central bank plans on launching Istisna Sukuk to raise BDT 50 billion for financing a rural infrastructure-development project, officials say. A member of the issuance committee told the FE that instead of Ijarah, the Istisna Sukuk would bring diversification in the market, and is also suitable for construction and manufacturing sectors.
- Istisna' contract is a long-term contract whereby a party undertakes to manufacture, build or construct assets is that it can provide flexibility to the customer, where payments can be made in installments linked to project completion, at delivery or after project completion. In case of Ijarah Sukuk, the certificate of ownership is issued based on an existing property or asset.

<https://today.thefinancialexpress.com.bd/first-page/now-comes-istisna-sukuk-for-dev-financing-1644861984>

Bancassurance to be introduced in Bangladesh soon

- Banking and insurance regulators are framing two sets of guidelines on introducing an alternative selling strategy for insurance products through banking institutions with sights set on revenue boost for both. Insurance companies are expected to get more clients for their products with wider penetration, leading to rise in their revenues and that of the banks.
- IDRA's opinions, sent to the FID, say such alternative channels have conformity with the country's Insurance Act and Bank Company Act. The IDRA thinks bancassurance would help raise insurance-penetration rate in the country, which is now less than 1.0 % of the gross domestic product (GDP). The country now has 78 life and non-life insurance firms. According to Swiss Re, Bangladesh's insurance penetration was 0.57% in 2018, the lowest in the emerging Asian countries.

<https://thefinancialexpress.com.bd/economy/bancassurance-to-be-introduced-in-bangladesh-soon-1644808645>

Mobile payments at shops surge

- Purchases through mobile financial services (MFS) increased significantly in Dec'21 as people are getting more prone to using digital means for availing necessities. Merchant payments shot up 62% year-on-year in Dec'21 to BDT 3,462 crore. The number of transactions was 1.26 crore for merchant payments in Dec'21, up from 1.18 crore a month earlier and 1.04 crore in Dec'20.
- Card-based e-commerce transactions also increased 38% year-on-year in Dec'21 to BDT 825 crore.

<https://www.thedailystar.net/business/economy/e-commerce/news/mobile-payments-shops-surge-2962286>

Cash outside banks remain high

- The amount of cash outside the country's banks remains high as people are keeping additional cash in their hands amid the Covid outbreak despite the reopening of business activities. It was also observed that the amount of cash outside banks or cash in hands was the highest when the country was under strict restrictions on public movement and business activities to contain the pandemic.

- Bangladesh Bank data showed that the amount of cash outside the banking system stood at BDT 208,296.4 crore in November 2021. The amount was BDT 158,917.6 crore in January 2020, two months before the beginning of the pandemic. The amount, however, had gradually increased to BDT 210,983.8 crore following the imposition of strict restrictions to contain the spread of coronavirus. Afterwards, the amount dropped to BDT 185,741.9 crore in January 2021. The amount jumped again to BDT 227,042.9 crore in July 2021 when the country was under strict restrictions.

<https://www.newagebd.net/article/162760/cash-outside-banks-remain-high>

Bangladesh plans annual rise in transport, communication spending to make it efficient

- The government plans to increase the budget in the transport and communication sector by 14% annually to make it cost-effective and efficient to ensure the socio-economic progress of the country. Total spending for this sector is projected at BDT 861.62 billion in FY24 while BDT 787.76 billion in FY23 with BDT 720.28 billion in the current FY22.
- To modernise the road transport system, the Division is implementing initiatives to upgrade important highways of the country to 4 or more lanes. Meanwhile, 453 km of national highways have been upgraded to 4 lanes. In the medium term, the document stated, plans have been made to upgrade all national highways to 4 lanes and strengthen and widen other highways. The priorities include the introduction of digital systems in traffic management and control, ensuring safe roads, and online tax and other fee collection. The Bangladesh Road Transport Corporation Act 2020 has been enacted to increase road safety.

<https://thefinancialexpress.com.bd/economy/bangladesh-plans-annual-rise-in-transport-communication-spending-to-make-it-efficient-1644750713>

Mongla port turns around

- Mongla port, the country's second biggest seaport, has made a strong comeback as it sees an increased arrival of ships. The monthly arrival of ships, which fell below 10 in 2008, grew several times in recent years. In 2021, 71 vessels arrived at the port every month on average, up from 46 five years ago. The opening of Padma Bridge would narrow the distance between Dhaka and Mongla to 170 kms from 274 kms.
- The port can now handle one crore tonnes of cargo, 100,000 twenty-foot equivalent units of containers, and 20,000 cars annually. In 2020-21, cargo handling stood at 1.19 crore tonnes, just double the volume five years ago.

<https://www.thedailystar.net/business/economy/industries/ports-and-shipping/news/mongla-port-turns-around-2961446>

Easy money era not to end for now

- It is not the easy money supply but the increased oil price that is blamed for the rising inflation in a study conducted by the Bangladesh Bank. However, globally, central banks have addressed cheap financing as one of the main reasons for the inflation spike and moved for tightening monetary tools. In the case of Bangladesh, the central bank is still considering continuing with the easy money era.
- Even though inflation surged to 6.05% in December, cheap money did not contribute to it, observed central bankers. A rise of 10% in oil prices will directly increase the national inflation by 0.12 percentage points, said the study. The government raised the prices of diesel and kerosene by 23% in November last year.

<https://www.tbsnews.net/economy/banking/easy-money-era-not-end-now-369991>

Banks asked to submit inland LC data to monitoring system properly

- The Bangladesh Bank today asked banks to submit the required data of inland letters of credit (LCs) to the online import monitoring system (OIMS) appropriately. Although the central bank earlier asked lenders to submit the data on a regular basis, some banks have not followed the instruction ignoring the rules.
- The lenders now give acceptance to their corresponding banks in favour of inland LCs without placing the data on the OIMS. Acceptance means a bank takes responsibility of an importer to pay the worth of the imported items to the corresponding bank, through which the products are exported. After getting the acceptance, the corresponding bank pay the cost of the exported items to the exporters without realising the funds from exporters.

<https://www.thedailystar.net/business/news/banks-asked-submit-inland-lc-data-monitoring-system-properly-2961066>

Habibur appointed BB's chief economist

- The Bangladesh Bank on Sunday appointed Md Habibur Rahman as its chief economist. Habibur, executive director (research) of the BB, has been recruited in the post as per a decision of directors' board made at 419th meeting, a BB official told the BSS.

<https://www.newagebd.net/article/162677/habibur-appointed-bbs-chief-economist>

NBFIs barred from disbursing loans on BB cheques

- Bangladesh Bank ordered NBFIs not to disburse loans using cheques of current accounts they must maintain with the central bank. Every NBFIs maintains a current account with the central bank to maintain their cash reserve ratio and statutory liquidity ratio. An investigation found that such cheques were used in some of the major scams perpetrated in the NBFIs sector, said officials of the central bank.

<https://www.thedailystar.net/business/economy/banks/news/nbfis-barred-disbursing-loans-bb-cheques-2961441>

Write-off loans grow as recovery low

- As of Sep'21, banks removed around BDT 974 crore from their balance sheets and recovered only BDT 472 crore, according to Bangladesh Bank data. Lenders have written off BDT 57,975 crore till Sep'21, which is 57.31% of the total defaulted loans in the banking sector. Net write-off stood at BDT 43,609.43 crore.

- In 2019, banks wrote off BDT 2,596.69 crore and collected BDT 831 crore from the sector. Lenders removed BDT 970.59 crore from their balance sheets in 2020 when they recovered a little more than BDT 736 crore.

<https://www.tbsnews.net/economy/banking/write-loans-grow-recovery-low-370360>

Imported LNG to be 24 times more expensive than local gas: CPD

- The price of imported Liquefied Natural Gas (LNG) in the fiscal 2021-22 is going to be 24 times more expensive than the national production by local companies, said a study by the Centre for Policy Dialogue (CPD).

- BERC suggested reducing systems loss, which is 7%-10% in Bangladesh. This would reduce dependency on spot market, which accounts for 3-4% of total LNG imports.

- Dr M Tamim pointed that the production of Bibiyana gas field has remained stuck to 1,000mmcf since 2009, and Titas gas-field, even larger than Bibiyana, failed to increase output from 400mmcf now. He said Bibiyana field might go out of production any time and gas shortage might go up to 37-42% after 2025, requiring the country to rely more on LNG import and use coal to achieve its long-term power generation targets set for 2030 or 2040.

<https://www.tbsnews.net/bangladesh/energy/imported-lng-be-24-times-more-expensive-local-gas-cpd-370075>

Companies act to be rewritten this year

- The previous amendment to the companies act was incomplete as all the stakeholders could not reach a consensus. For instance, e-commerce business platforms have been demanding the reinstatement of the previous option of advance payments, but the government cannot do so for the sake of customers' interests. Many companies want to wind up and seek exit plans from the ministry, but the procedures are complex. So, these issues need to be amended in the company law, the senior secretary said.

- The first amendment initiative was taken in 1981 to update the act of 1913 and the amendment was finalized in 1994. In the new act, the issue of share transfer in a company should be addressed, the permission for investment abroad will ensure technology transfer and create new markets. If the government does not allow companies to invest abroad legally, many will resort to illegal means. Issues pertaining to companies' financial statements was also discussed.

<https://www.thedailystar.net/business/economy/news/companies-act-be-rewritten-year-2960626>

Tax breaks for fish processing: minister

- Bangladesh Fisheries Development Corporation (BFDC) is establishing a world-class dry fish processing industry in Cox's Bazar. The government will extend tax exemption benefits to the businesses that will import machinery or take initiatives to set up such industries in the country. The prime minister is working relentlessly for the development of all the people and the government is taking numerous initiatives for the modernization of Cox's Bazar, the minister said.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tax-breaks-fish-processing-minister-2960621>

Health to see highest fund cut in revised ADP

- The Planning Commission has proposed to cut 18.79% of the allocation to the health sector in its draft revised annual development programme (ADP) as the crucial sector failed to spend the money substantially in development project implementation in the first half of the current fiscal year (FY2021-22).

- Besides, the development budget was proposed to cut 14% for power and energy, 10% for education, and 9.42% for transport and communication. Planning Commission officials said the government fund of BDT 137,300 crore was kept unchanged in the revised budget, while foreign aid was proposed to be decreased to BDT 17,774 crore from the original BDT 88,024 crore.

<https://www.tbsnews.net/bangladesh/health/health-see-highest-fund-cut-revised-adp-369910>

BR's railway project to be delayed by two more years

- The BR had started the physical work of the railway track installation in fiscal year (FY) 2014-15 although the government approved it in 2010. A senior official at the BR told that the Covid-19 pandemic and some other factors have affected the project work, hence they would require another two years to complete it.
- Initially, the project was delayed by nearly five years due to the funding complexities. The BR claimed that they achieved 66% of physical progress although the financial progress was 34.54% until December last year. The BR official said the project work is progressing at a higher pace and the track is likely to be opened for the passengers within next one year.

<https://today.thefinancialexpress.com.bd/last-page/brs-railway-project-to-be-delayed-by-two-more-years-1644686059>

Dilemma over metro rail fare fixation

- Sources said the Dhaka Mass Transit Company Limited (DMTCL) has handed over two models for fare calculation - cost recovery and affordability - to the Dhaka Transport Coordination Authority (DTCA) a month ago. The cost recovery model assesses the fare based on operational cost and subsidy. But the affordability model counts the income of people to assess affordability and compare it with fares of other neighboring countries.
- The officials concerned at the Ministry of Road Transport and Bridges, DMTCL and DTCA, they informed the FE that a guideline is there to fix the fare of mass rapid transit line 6 (MRT 6) below the air-conditioned bus services. The DMTCL later took the support of a consultant to prepare a model. The first model which was cost recovery was not accepted by the DTMCL as it calculates the fare at a high level. Managing Director MAN Siddique told the FE that the affordability model will have to focus on the fare fixation and added that the final proposal will come from the special committee.

<https://today.thefinancialexpress.com.bd/first-page/dilemma-over-metro-rail-fare-fixation-1644685502>

Internet banking thrives

- Transactions through internet banking amounted to BDT 20,559 crore in December, up 154% year-on-year and 21% from that a month ago. The number of customers using internet banking stood at 4.4 million in December, up 37% from a year ago. In September 2020, the BB increased the limit of inter-bank fund transfers through internet banking for clients, allowing a maximum of BDT 5 lakh per day against the previous BDT 2 lakh. The central bank also doubled the ceiling of a single transaction to BDT 1 lakh from BDT 50,000. Clients now are permitted to settle as many as 10 transactions per day, which was five previously.

- Commercial banks have also rolled out various products in a bid to augment their internet banking operations. For instance, almost all banks have already introduced mobile applications for customers, enabling banking irrespective of location.

<https://www.thedailystar.net/business/economy/news/internet-banking-thrives-2960631>

Banks open more branches in 2021 after Covid lull

- Banks opened 268 branches in 2021 compared to 103 branches in 2020. Banks resumed expanding their network in the year 2021 after adopting a go-slow approach in 2020 when the entities were minimising their costs to tackle the Covid-induced economic fallout.
- The number of total branches of banks increased to 10,939 at the end of December 2021 from 10,671 a year ago. Of the 10,938 branches, 5,239 branches are located in the rural areas against 5,700 branches in the urban areas.
- Both older and newly approved banks went for opening branches as part of their initiative to strengthen their foothold for deposit mobilisation as well as to create new customers. Along with expanding full-fledged branch-based network expansion, banks are now-a-days are also focusing on agent banking- and sub-branch-based network expansion.

<https://www.newagebd.net/article/162583/banks-open-more-branches-in-2021-after-covid-lull>

Important News: Capital Market

Why BD Finance earnings drop despite each businesses' high growth

- Bangladesh Finance Ltd has had a very good year in 2021 as all of its lending, merchant banking and brokerage business entities thrived, while the soaring capital market helped them increase their income from investments.
- However, the NBFIL posted a 14.98% drop in its consolidated EPS that came down to BDT 1.44 from BDT 1.69. Managing director and CEO of BD Finance told that the consolidated earnings dropped because of the high inter-company dividends from the two capital market subsidiaries which need to be discarded from consolidated profit to satisfy accounting standards. BD Finance and its subsidiaries made total provisioning of BDT 31.5 crore in 2021, not opting for the opportunity to make a much lower mandatory provision in deferred phases up to the end of 2023, as offered by the Bangladesh Bank. With a single-digit annual growth in its loan portfolio, the lender reduced its non-performing loans to 2.54% at the end of 2021 which was 3.22% a year ago and 4.84% in 2019, according to its CEO.

<https://www.tbsnews.net/economy/stocks/why-bd-finance-earnings-drop-despite-each-businesses-high-growth-371869>

InterContinental narrows quarterly losses

- The business of Bangladesh Services Limited – the owner of the country's first five-star hotel, the InterContinental – has crawled back to health in the final three months of 2021 thanks to the reopening of the economy amid easing Covid-19 restrictions. Listed on the capital market in 1984, the company reported a decline in its net loss per share compared to the previous fiscal year. The loss per share was BDT 1.78, down from BDT 3.88 a year earlier.

<https://www.tbsnews.net/economy/stocks/intercontinental-narrows-quarterly-losses-371818>

C & A Textile to raise BDT 500m

- C & A Textile will raise a capital worth BDT 500 million issuing new shares to the new management. The company will raise the capital in line with a decision taken by its board of directors. The company will issue the shares at a price of last one year weighted average share price on the Dhaka Stock Exchange (DSE).

<https://today.thefinancialexpress.com.bd/stock-corporate/c-a-textile-to-raise-tk-500m-1645026514>

NLI First Mutual Fund to be open-ended

- VIPB Asset Management Company has decided to convert its fund into open-ended as majority of the unitholders were in favour of converting it into open-ended fund. The fund would now require approval from the Bangladesh Securities and Exchange Commission. The initial size of the fund was BDT 45.8 crore. It has paid a total cash dividend of BDT 52.1 crore throughout its tenure. On February 6, the fund's size, in terms of total net asset value at market value, was BDT 75.2 crore.

<https://www.thedailystar.net/business/economy/stock/news/nli-first-mutual-fund-be-open-ended-2964016>

Sonali Paper to undergo a special audit

- The Bangladesh Securities and Exchange Commission (BSEC) has appointed a special auditor to probe the financial statements of Sonali Paper and Board Mills, a concern of Younus Group of Industries, for the 2019-20 and 2020-21 fiscal years. The BSEC issued a letter in this regard on Wednesday. Aziz Halim Khair Choudhury & Co Chartered Accountants will conduct the special audit and submit its findings to the BSEC within a month. Earlier in 2016, Sonali Paper had its assets revalued by SH Khan & Co Chartered Accountants, according to sources.

<https://www.tbsnews.net/economy/stocks/sonali-paper-undergo-special-audit-371794>

Chevron HC hunt zone extended

- Chevron gets the go-ahead to conduct hydrocarbon exploration in a 60-square-kilometer 'flank' area outside its existing contract zone, as Bangladesh needs fresh gas strike to cut import. The state-run Petrobangla and the Chevron management will have to ink a supplementary agreement to the existing production-sharing contract (PSC) to legitimize Chevron's drilling in new area.
- Chevron Bangladesh is currently the largest producer of natural gas in Bangladesh with its output of around 1,359 mmcf from three of its onshore fields-Bibiyana, Jalalabad and Moulavi Bazar. The fields are located in blocks 12, 13 and 14 respectively.

<https://today.thefinancialexpress.com.bd/first-page/chevron-hc-hunt-zone-extended-1644947749>

Green Delta Ins, Trust Axiata sign deal

- Green Delta Insurance Company Limited and Trust Axiata Pay Limited (TAP) have signed an agreement recently, which would enable customers to access to health insurance services very soon. Under this partnership, Green Delta Insurance's exclusive micro-health insurance packages will be sold at a very competitive price through the digital platform of TAP. By removing the hassle of traveling distance and filling up numerous forms, the initiative promises to benefit both service providers and end-users in multiple aspects.

<https://today.thefinancialexpress.com.bd/stock-corporate/green-delta-ins-trust-axiata-sign-deal-1644937362>

IPO pipeline dries as cos duck listings

- Bangladesh stock-market's IPO pipeline dries up, with no such equity-investment opportunity in sight for the securities regulator to clear soon, as many eligible companies duck securities listings. It is believed that the small investors who run for the IPOs will not get the equity-investment opportunity too soon after the lone JMI Hospital Requisite subscription, beginning February 27, is over.
- Some of the CEOs working with the country's merchant banks, who usually process IPOs, told the FE that easy funding from banks is one of the reasons for the supply line going dry, apart from the disruptive coronavirus pandemic.
- Bangladesh Securities and Exchange Commission sources told the FE that pandemic is a key reason as many companies are taking time for preparing their financial statements.

<https://today.thefinancialexpress.com.bd/first-page/ipo-pipeline-dries-as-cos-duck-listings-1644947636>

Star Adhesive allowed to raise BDT 50m

- The securities regulator has allowed Star Adhesive to raise a capital worth BDT 50 million through qualified investor offer (QIO). The company will raise the fund issuing 5.0 million shares at an offer price of BDT 10 each.
- The company has reported its basic earnings per share (EPS) of BDT 6.05 while the diluted EPS has stood at BDT 1.80 for FY21. For the same period, the company's NAV (without revaluation reserve) has stood at BDT 12.56. AAA Finance and Investment is working as the issue manager for the QIO of the Star Adhesive.

<https://today.thefinancialexpress.com.bd/stock-corporate/star-adhesive-allowed-to-raise-tk-50m-1644937211>

Rahima Food returns to operations after 8yrs

- Rahima Food Corporation has returned to business operations after remaining out of production for eight years. City Group in 2016 purchased all shares held by the company's sponsors with the aim of bringing the company into operations.
- Rahima Food informed the Dhaka Stock Exchange that the company was going to commence its commercial operations for production and marketing of coconut oil with effect from February 17. In addition, the company will also do bottling and marketing of soya bean and mustered oil.
- The company will set up a manufacturing plant for processing and packing of cashew nuts and marketing thereof at home and abroad.

<https://www.newagebd.net/article/162860/rahima-food-returns-to-operations-after-8yrs>

Luxury hotels relieved of pandemic pinch

- The luxury hotel business in Bangladesh bounced back strongly in the first half of the current financial year as people have started to travel and host public events with the easing of coronavirus restrictions. Among three listed hotel companies, two logged higher profits and one returned to profits in the last six months.
- The Royal Tulip Sea Pearl Beach Resort and Spa saw a profit of around BDT 8.69 crore in the last six months, up 20% year-on-year. Similarly, profits of The Peninsula Chittagong rose to BDT 7.59 crore, up 52% year-on-year. Unique Hotel and Resorts Ltd, which operates The Westin Dhaka, registered profits of BDT 1.47 crore in the last six months. It had incurred losses of BDT 2.65 crore during the same period in 2020-21.

<https://www.thedailystar.net/business/economy/news/luxury-hotels-relieved-pandemic-pinch-2962991>

Runner Automobiles to make Bajaj three-wheelers

- Runner Automobiles is to begin manufacturing Bajaj three-wheelers at its new BDT 300 crore plant this year. The Covid-19 pandemic disrupted the progress in machinery installation, forcing the company to defer the deadline by 10 months. A top executive at the company, seeking anonymity, told The Business Standard that they were heading for trial runs by July and a few months later, commercial production will begin at the new plant.
- Local manufacturing would also help the company reduce unit prices from the current level of BDT 4.35 lakh for LPG-run Bajaj three-wheelers being assembled by Runner. Bajaj dominates 90% of the country's fossil fuel-run three-wheeler market, mostly being sold by Uttara Motors, the importer and distributor of Bajaj's CNG-run three-wheelers.

- The completely built units of imported three-wheelers were subject to near 100% taxes and duties right now, and Runners manufacturing plant would bring it down to 53%, said the Runner official requesting anonymity. The three-wheeler market has huge potential if the government can bring discipline to the segment in terms of registration and route permits for authorised vehicles, and prevent unauthorised battery-run three-wheelers. Currently, 60% of gas-run three wheelers remain unregistered due to the excessively rigid registration stance of the government.

<https://www.tbsnews.net/economy/stocks/runner-automobiles-make-bajaj-three-wheelers-370756>

Doreen Power estimates BDT 1,100cr yearly revenue from subsidiary

- Listed independent power company Doreen Power Generations and Systems Limited will earn approximately BDT 1,102 crore in yearly revenue from its subsidiary company - Chandpur Power Generation Limited - which started commercial operations from 11 February for the next 15 years. Chandpur Power is a 115 MW heavy fuel oil (HFO) based power plant at Chandpur.

<https://www.tbsnews.net/economy/stocks/doreen-power-estimates-tk1100cr-yearly-revenue-subsiary-370723>

Mamun Agro to debut in share market Tuesday

- Mamun Agro Products – a small-cap company in the country's agriculture sector – is all set to make its debut on the SME platform of the Dhaka Stock Exchange on Tuesday. The company – engaged in agricultural products, fresh fruits and vegetables, agricultural supplies and seeds in Bangladesh – credited its primary shares to investors' beneficiary owners (BO) account on 13 February. The Dhaka-based company completed its subscription during 23-27 January.

<https://www.tbsnews.net/economy/stocks/mamun-agro-debut-share-market-tuesday-370690>

InterContinental's debts to Agrani Bank climb to BDT 909 crore

- The amount of debts of the Hotel InterContinental Dhaka to Agrani Bank Limited has ballooned to BDT 909 crore as the company failed to pay any instalment in the last seven years until September 2021, which has become a heavy drag on the company's profit-making ability. Earlier on May 10, 2015, state-run Agrani Bank provided BDT 561.4 crore to finance construction and renovation work of the Hotel InterContinental Dhaka which is under the ownership of Bangladesh Service Limited.

<https://www.newagebd.net/article/162763/intercontinentals-debts-to-agrani-bank-climb-to-tk-909-crore>

Grameenphone partners with itel to introduce affordable 4G smartphone

- Grameenphone has partnered with popular smartphone brand itel to launch the cobranded handset itel A23 Pro in Bangladesh with an aim to bring affordable 4G smartphones into the market to enable advanced connectivity for people from all walks of life across the country, said a press release. itel A23 Pro is a VoLTE enabled 4G smartphone equipped with the dual 4G SIM slot. The co-branded smartphone is available in the market at only BDT 4,990.

<https://www.newagebd.net/article/162664/grameenphone-partners-with-itel-to-introduce-affordable-4g-smartphone>

Peninsula Chittagong profit doubles as hotel business recovers

- As hotel businesses are recovering due to the easing down of Covid-19 restrictions, the Chattogram-based hotel — The Peninsula Chittagong Limited — has registered a staggering 120% increase in its October-December profit for fiscal 2021-22, compared to the same period of the previous fiscal.
- The hotel's profit stood at BDT 3.91 crore in 2QFY22, doubling from BDT 1.78 crore a year ago. Its earnings per share (EPS) was BDT 0.33, which was BDT 0.15 in 2QFY21.

<https://www.tbsnews.net/economy/stocks/peninsula-chittagong-profit-doubles-hotel-business-recovers-370255>

Robi applies to BTRC for 3G phase-out

- Mobile operator RobiAxiata Limited has filed a plea with the Bangladesh Telecommunication Regulatory Commission to phase out the 3G (the third generation) network operations with a view to utilising the same resources for strengthening its 4G (the fourth generation) network. Earlier, the operator in a statement expressed its intention to phase out the 3G network operations by 2023.

<https://www.newagebd.net/article/162674/robi-applies-to-btrc-for-3g-phase-out>

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.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Md. Mahmudul Hasan	Junior Research Associate	mmahmudul.hasan@bracepl.com	01708 805 201

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