

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.

Remittance inflow grows over 41.0% in July-September

- The flow of inward remittances reached USD 10.90 billion in the first five months of the current fiscal year (FY 2020-21), registering an increase of more than 41.0%, despite the ongoing Covid-19 pandemic, officials said. The inflow of remittances during the same period (July-November) of the previous fiscal was USD 7.72 billion. The money sent home by Bangladeshis working abroad amounted to USD 2.08 billion in November 2020, down by USD 33.7 million from the previous month's level, according to the central bank's latest data.
- Deputy governor of the Bangladesh Bank (BB) said, a total of USD 24.0 billion in remittances is expected to be received by the end of this fiscal year. He expressed the hope that the existing trend of inward remittance will continue in the coming months as the government has been providing 2.0% incentive for remittance receipts.

<https://today.thefinancialexpress.com.bd/first-page/remittance-inflow-grows-over-41pc-in-five-months-1606846383>
<https://tbsnews.net/economy/remittance-stumbles-slightly-november-165709>
<https://www.thedailystar.net/business/news/remittance-hits-2b-mark-third-straight-month-2004465>
<https://www.newagebd.net/article/123143/country-gets-209b-in-remittance-in-nov>
<https://www.dhakatribune.com/business/banks/2020/12/02/bangladesh-heading-towards-a-record-setting-year-for-remittance>

11 banks face capital shortfall despite deferral provisioning facility

- Eleven banks have failed to meet the minimum capital requirement despite the central bank's deferral facility on keeping their provisioning against defaulted loans. Of them, seven are state-run banks. As of September, the banks faced a combined capital shortfall of BDT 192.96 billion, according to the latest data from Bangladesh Bank (BB). The banks are: Sonali, BASIC, Rupali, Janata, Agrani, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, Padma Bank, ICB Islamic Bank, and National Bank of Pakistan. Bangladesh Krishi Bank had the highest amount of capital shortfall of BDT 106.03 billion, as per BB data.
- However, the capital base of the country's banking sector strengthened in the third quarter of this year. The banks' capital adequacy ratio (CAR) stood at 11.9%, up from 11.6% three months earlier, as per the latest data from the BB. The BB set the December 2019 deadline for banks to increase the capital adequacy ratio to 12.5%. The country's state-run commercial banks have maintained a very low capital adequacy ratio as the CAR of those banks stood at 8.3% until September, according to data.

<https://www.dhakatribune.com/business/banks/2020/12/02/11-banks-face-capital-shortfall-despite-deferral-provisioning-facility>
<https://www.newagebd.net/article/123146/12-banks-suffer-BDT-9469-cr-provision-shortfall-in-july-september>

Government approves 3rd submarine cable project worth BDT 6.93 billion

- The government on Tuesday approved the third submarine cable project worth BDT 6.93 billion to upgrade the country's telecommunication system. Upon implementation of the project, Bangladesh will get 6.0 terabyte per second of bandwidth that is expected to result in a massive boost of internet speed and facilitate 5G services across the country, officials said. The Executive Committee of the National Economic Council (ECNEC) approved the project along with three other development projects at a combined cost of BDT 21.15 billion.
- Bangladesh would join the SEA-ME-WE-6 cable that also connected Singapore and France. The dispersion of the submarine cable will be from the Indian Ocean to the Mediterranean Sea via the Arab Sea and the Red Sea. Planning Commission member told that once the 3rd submarine cable is installed through implementation of this project, extra bandwidth could be exported to the neighboring states of India (seven sisters) and also to Bhutan. Besides, the Kingdom of Saudi Arabia has also expressed their eagerness to procure bandwidth from Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/govt-approves-3rd-submarine-cable-project-worth-BDT-1606846824>
<https://www.dhakatribune.com/business/2020/12/01/bandwidth-speed-6-terabyte-per-second-likely-by-june-2024>

National Board of Revenue (NBR) enforces deterrent

- The taxmen are not accepting the financial statements of corporate taxpayers if those are not accompanied by the document verification codes (DVCs) given by the ICAB. A decision to this effect was enforced from yesterday (Tuesday). The tax officials will have to examine the code in all the audited financial statements of corporate tax returns to check production of fake audit reports. The deputy commissioner of taxes (DCT) concerned will have to

verify the code by visiting the website (dvs.icab.org.bd) of the Institute of Chartered Accountants of Bangladesh (ICAB).

- According to NBR If the taxmen find that any audit report is not certified by chartered accountants after verifying the information on the ICAB website, or does not have signatures of the adequate number of the company directors, then the DCT will not accept it. In the NBR directive, the taxmen were asked to follow the said procedure from December 1 at the time of assessment of the audited financial statements, submitted with corporate returns.

<https://today.thefinancialexpress.com.bd/first-page/nbr-enforces-deterrent-1606845953>

Bangladeshi suppliers of Debenhams, Arcadia and JCPenney are on pins and needles over their dues

- Bangladeshi suppliers of busted Western retailers Debenhams, JCPenney and Arcadia Group are on tenterhooks as they have no idea when they would be getting the payments for the goods they have already shipped or manufactured. The garment exporters are owed upwards of USD 84 million by the three companies, according to sector people. The stuck payments mean most of the garment factories are in a precarious financial state.

- A total of 32 Bangladeshi apparel suppliers are owed about USD 20 million for goods already shipped to what is one of the largest and most historic department store chains in the world. As of May, the work orders cancelled or held by Debenhams stood at USD 23.6 million, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the sector's apex trade body. There is no development on that front, one of the 32 suppliers to Debenhams told

<https://www.dhakatribune.com/business/2020/12/02/no-payment-update-for-bangladeshi-suppliers-of-fallen-western-retail-giants-debenhams-jcpenney-and-arcadia>

Bonds finally catching up

- After decades of fruitless discussions, 2019-20 appeared to be the period for some concrete developments to help build a vibrant bond market. Removals of policy bottlenecks, fast-tracking of approval, and a favourable market reality together are now inspiring an increasing number of issuers, also from diversified sectors, to go for bond financing. In 2019, the Bangladesh Securities and Exchange Commission (BSEC) approved 13 companies to issue bonds amounting to BDT 54.6 billion.

- As of November 2020, the securities regulator has given its nod to 15 issuers to collect a total debt of BDT 64.6 billion from capital market investors, while 16 are now waiting for approval for issuing their bonds worth more than BDT 61.8 billion. From mid-2012 to mid-2019, the BSEC approved 94 corporate bonds worth over BDT 370.0 billion.

<https://tbsnews.net/economy/bonds-finally-catching-165796>

Grameenphone signs deal with edotco to set up 500 towers

- Grameenphone, the country's leading mobile phone operator, signed an agreement with edotco Bangladesh recently to set up more than 500 towers to improve connectivity across the country. Both Grameenphone and edotco expressed their gratitude to the Posts and Telecommunications Division and BTRC for their efficient role in intermediating such a contract execution. Grameenphone currently has more than 16000 sites, over 13000 of which are 4G-enabled. Country Managing Director of edotco Bangladesh said that Edotco has a global reputation for its service quality, and so we are confident with our promise to deliver with a remarkable output, which will eventually feed the Digital Bangladesh dream

<https://today.thefinancialexpress.com.bd/trade-market/grameenphone-signs-deal-with-edotco-to-set-up-500-towers-1606847921>

<https://www.dhakatribune.com/business/2020/12/01/grameenphone-to-get-500-towers-from-edotco>

28 companies fail to meet minimum shareholding by sponsors within deadline

- As many as 28 publicly listed companies' directors have failed to comply with a mandatory rule of holding a combined minimum stake of 30% in their companies within the deadline given by the securities regulator. Earlier on July 29, the Bangladesh Securities and Exchange Commission found 44 companies were not meeting the regulatory requirement and gave them 60 days to comply with it. Only three of the 44 companies acted on the BSEC order. Then on September 30, the securities regulator gave the 41 companies until November 30 to comply with it. A mere 13 companies have responded to the call of the regulator; two-thirds of the companies have defied the directive.

- Earlier, the commission decided to strip 17 directors of 10 listed companies from their posts for not holding a minimum of 2% shares in their own organizations. Before, the securities regulator asked 61 directors of 22 listed companies to ensure a minimum 2% shareholding in their own companies within 45 days to continue their directorship.

<https://tbsnews.net/companies/27-firms-yet-comply-30-shareholding-rules-165742>
<https://www.dhakatribune.com/business/stock/2020/12/02/28-companies-fail-to-meet-minimum-shareholding-by-sponsors-within-deadline>
<https://www.newagebd.net/article/123144/28-companies-fail-to-comply-with-rules>

Crystal Insurance IPO lottery on 3rd December

- A lottery for the Initial Public Offering (IPO) of Crystal Insurance Company, which runs all types of the general insurance business, will be held on 3 December. According to the Chittagong Stock Exchange, the lottery will take place at 11am at Hotel Intercontinental in the capital. Meanwhile, investors have deposited around BDT 4.7 billion in the company, which is 29 times higher than its target to raise from the stock market.
- The insurance company will issue 16.0 million shares to raise BDT 160.0 million for investment in fixed deposits. It had earlier completed its subscription from 10-16 November. On 23 September, Crystal Insurance received approval from the Bangladesh Securities and Exchange Commission (BSEC) for the IPO. Each share of the company will have a face value of BDT 10.0.

<https://tbsnews.net/economy/stock/crystal-insurance-ipo-lottery-3-december-165757>

Index Agro Industries offers 20.0% discount in IPO

- Index Agro Industries will issue IPO (initial public offering) shares at BDT 50 each with 20% discount offered on the cut-off price fixed at BDT 62. Earlier on September 10. Under the book building method, EIs are allowed to purchase 50% shares at their respective prices offered at the bidding. The remaining 50% shares are issued to general investors through IPO at 10% discount on the cut-off price. Due to 20% discount offered by Index Agro Industries, the company's IPO shares now will be issued to general investors at BDT 50 each.

<https://today.thefinancialexpress.com.bd/stock-corporate/index-agro-industries-offers-20-per-cent-discount-in-ipo-1606844948>

BD Lamp's share price soaring sans PSI

- The share price of Bangladesh Lamps, a sister concern of Transcom Group, is soaring with no undisclosed price sensitive information (PSI). Within two weeks, the company's share price jumped more than 52% or BDT 74 each to close at BDT 212.40 on Tuesday. Its share price was BDT 140.90 on November 15, this year. The company, however, in a knee-jerk response informed the DSE on Tuesday that there was no undisclosed price sensitive information for recent unusual price hike and increase in volume of shares. The company's share price also almost doubled in less than two months as its share price was BDT 115.30 on October 11, this year which soared to BDT 212.40 on Tuesday.
- The Bangladesh Lamps declared 10% cash dividend for the year ended on June 30, 2020. In 2019, the company disbursed 20% cash dividend. The company returned to profits in July-September 2020 after incurring loss in the same quarter last year despite pandemic. The company's earnings per share (EPS) stood at BDT 1.18 for July-September 2020 as against BDT 1.48 in the negative for July-September 2019. The company has informed that earnings per share increased due to the decrease in finance cost and increase in other income including dividend income.

<https://today.thefinancialexpress.com.bd/stock-corporate/bd-lamps-share-price-soaring-sans-psi-1606845121>

Kingsway Fund comes in the rescue of Olympic

- Kingsway Fund, a leading investment bank in Europe, nominated Tanveer Ali as director to Olympic Industries Ltd's board on 29 November this year. Prior to this appointment, he had served the company as its executive director. He is also an independent director of Genex Infosys Limited, a publicly listed company in the information technology sector. Tanveer Ali is the son of Mubarak Ali, managing director of Olympic.
- According to the Dhaka Stock Exchange (DSE), Kingsway Fund, which is traded as PICTET LUX A/C KFFC on bourses in Bangladesh, holds 11.38% shares of Olympic. Olympic Industries is the country's leading biscuit manufacturer and listed on both stock exchanges. An Olympic official said the company's board did not comply with the 30% shareholding required by the rule of the securities regulator. The foreign investment fund bought the Olympic's share in 2016.

<https://tbsnews.net/economy/stock/kingsway-fund-comes-rescue-olympic-165745>

Japanese company invests BDT 1.3 billion in JMI Group amid Covid-19

• Nipro Asia Pte Ltd, exclusively owned by Nipro Corporation, Japan, and JMI Marketing Ltd, one of the companies of JMI Group in Bangladesh, have formed a joint venture called Nipro JMI Marketing Ltd. This has been deemed an exceptionally promising milestone in the medical devices market in Bangladesh. Despite the Covid-19 situation, Japanese Conglomerate Nipro Corporation has invested around BDT 1.3 billion (USD 15 million) as foreign direct investment (FDI) by merging with JMI Group to launch Nipro JMI Marketing Ltd. With this investment Nipro Corporation's total investment in JMI Group stands at around BDT 6.8 billion (USD 80 million), read a press release.

• Nipro JMI Marketing Ltd will market the medicine and medical equipment manufactured by JMI Group on the local market in Bangladesh. Moreover, the company will source essential medical equipment across the globe and market the products at home and abroad after ensuring their quality.

<https://tbsnews.net/economy/japanese-company-invests-tk128-crore-jmi-group-amid-covid-19-165688><https://www.thedailystar.net/business/news/japanese-medical-device-maker-launches-jv-jmi-2004429>
<https://www.dhakatribune.com/business/2020/12/01/bd-japanese-jv-gets-tk-128cr-for-producing-exportable-medical-equipment>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 45.25	(USD 16.38)	-26.58%
Crude Oil (Brent)*	USD 47.42	(USD 21.02)	-30.71%
Gold Spot*	USD 1,813.83	USD 292.36	19.22%
DSEX	4,903.96	451.03	10.13%
S&P 500	3,662.45	431.67	13.36%
FTSE 100	6,384.73	(1,202.32)	-15.85%
BSE SENSEX	44,655.44	3,013.30	7.24%
KSE-100	41,665.27	930.19	2.28%
CSEALL	6,317.46	188.25	3.07%

Exchange Rates

USD 1 = BDT 84.69*

GBP 1 = BDT 113.71*

EUR 1 = BDT 102.24*

INR 1 = BDT 1.15*

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

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