

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.

Stimulus Funds: BB steps in as banks charge higher interest

- The central bank yesterday asked banks not to impose more than 4.5% interest rate on the funds disbursed from the stimulus package for the large borrowers in the industrial and service sectors. Some banks had imposed 9% interest rate on the borrowers just after they gave out the loans under the package worth BDT 400.00 billion in violation of a central bank instruction, the Bangladesh Bank said in a notice. The central bank introduced a BDT 300.00 billion stimulus package on April 12 last year as part of its move to shield the industrial and service sectors from the business slowdown brought on by the coronavirus pandemic. The volume of the stimulus package was extended to BDT 400.00 billion in phases.
- The end-users are supposed to get the loans at 4.5%. Banks are allowed to receive an interest rate subsidy of 4.5% from the central bank on the loans. But some lenders are charging 9%, creating a financial loss for the businesses. Against the backdrop, the central bank asked the errant banks to explain why they had charged the higher interest than the rate set by the BB. In response, the lenders said they would adjust the rate after receiving the subsidy from the government, a BB official said. But the central bank rejected the explanation, asking them to follow the interest rate ceiling of 4.5%.

<https://www.thedailystar.net/business/news/bb-steps-banks-charge-higher-interest-2026873>
<https://www.dhakatribune.com/business/2021/01/13/banks-told-not-to-charge-more-than-4-5-interest-on-stimulus-funds>

Mahindra eager to set up farm machinery assembly plant

- Indian automobile manufacturer Mahindra & Mahindra is keen on establishing an assembly plant in Bangladesh for agricultural machinery. The Mumbai-based company will also take the initiative to build up skilled manpower capable of using and maintaining modern technology at the marginal level. It also plans to give loans to farmers taking into consideration financial constraints and the high prices of agricultural machinery.
- Mentioning that the government is putting emphasis on farm mechanisation, the managing director and chief executive officer of the company said that subsidies amounting to BDT 2.00 billion was provided to farmers last year so that they could buy equipment like combine harvesters and reapers. Bangladesh's annual market for agro-machinery now stands at USD 1.2 billion and continues to grow by 10% and India has the opportunity to invest in this large market, he said.

<https://www.thedailystar.net/business/news/mahindra-eager-set-farm-machinery-assembly-plant-2026857>
<https://today.thefinancialexpress.com.bd/trade-market/mahindra-and-mahindra-to-set-up-agri-machinery-assembling-plant-1610469963>
<https://tbsnews.net/economy/industry/indias-mahindra-set-agro-machinery-assembling-plant-bangladesh-184777>

Beximco could start private sales of AstraZeneca vaccine next month

- Bangladesh's Beximco Pharmaceuticals will buy up to 3 million doses of the AstraZeneca vaccine from Serum Institute of India at about USD 8 each for sale on the private market, Beximco's chief operating officer told Reuters. The COO of the company said that was about twice the price of around USD 4 that Beximco had agreed for separate supplies of 5 million doses a month, over the first half of the year, for the Bangladeshi government's subsidised mass-vaccination programme. Serum Institute will begin deliveries of the shot later this month, both those for state and private use, he added..
- Private sales of the vaccine by Beximco could begin in Bangladesh next month, and at a retail price of about 1,125 taka (USD 13.27) per dose, Reza said. Currently they have a deal for 1 million doses which could be raised by another 2 million, he added. Though Beximco is initially paying USD 4 per dose for the vaccine for the Bangladeshi government programme, the price will eventually be adjusted to around the average rate the Indian government would pay Serum, he again said.

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/bangladeshs-beximco-could-start-private-sales-astrazeneca>

Capital-raising from bourse set to become more rigorous

- The Bangladesh Securities and Exchange Commission (BSEC) is set to amend a number of rules today particularly with the view to tightening the capital-raising process through the initial public offering (IPO). It will also raise the quota facility for the general investors. Currently, the IPO quota facility for the general investors has been set at 50% under the fixed price method and 40% under the book-building method. The quota for general investors may be increased by

15% points, the official said.

- The commission also proposed to make it mandatory for a listed company to get the consent from the regulator regarding raising capital through issuing equity shares. Companies may not be allowed to apply for IPOs within two years of raising capital through placement shares, they said. A directive would be issued soon, officials said. Meanwhile, the regulator also moved to launch a price bar for bidding in the book-building method.

<https://www.dhakatribune.com/business/2021/01/13/capital-raising-from-bourse-set-to-become-more-rigorous>
<https://www.newagebd.net/article/127025/bsec-to-raise-ipo-quota-for-general-investors>

Move to stop private placement trickery

- Company fattening attempts targeting manipulative initial public offering (IPO) schemes is set to be discouraged as the securities regulator has taken initiatives for some long sought-after reforms. If the reform plan is implemented, companies cannot sell any shares for two years before filing for IPO, according to regulatory drafts. Moreover, no company can apply for stock listing if its existing capital accumulated through private placements exceeds 15% of the amount it plans to raise from the public during the listing. Currently, there is no such restriction.

- Non-listed companies now need no regulatory approval to increase their capital by issuing shares privately. In contrast to public offers, the placements let a company issue securities to any investors privately, usually facing fewer regulations. Currently, in fixed-price IPOs, where a company offers its primary shares at a face value, it must offer at least 10% of its post-IPO shares or BDT 300 million, whichever is higher. The minimum floating threshold may be increased up to 30%, depending on how much capital a company is planning to raise through book-building IPOs.

<https://tbsnews.net/economy/stock/move-stop-placement-trickery-184792>

BSEC tightens noose on capital market gamblers

- On Tuesday, the Bangladesh Securities and Exchange Commission (BSEC) asked the managing directors of both the stock exchanges to investigate any unusual price movement and deviation in earnings per share of listed companies from now onwards. If any company's share price rises or falls by more than 50% in a month, an investigation must be carried out, said the directive. The bourses will consider market manipulation, insider trading and other market abuses during the investigation, it said. An investigation must also be carried out if the company's earnings per share, annual or periodic, changes by 50% or more compared with the previous year or period.

- The bourses were also asked to inquire into price and volume changes by 30% or more in 10 working days before the publication of any price-sensitive information. The BSEC also asked the stock exchanges to probe if the average turnover of one month changes five or more times compared with the average turnover of the previous six months. The bourses were asked to submit an investigation report on the issues within 45 working days of the incidents.

<https://www.dhakatribune.com/business/2021/01/13/bsec-tightens-noose-on-capital-market-gamblers>
<https://www.newagebd.net/article/127024/bourses-asked-to-probe-abnormal-price-eps-deviation-of-cos>

United Airways kicked out from bourse's main board

- The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday delisted the now-defunct United Airways (BD) and sent it to the over-the-counter (OTC) market. United Airways have been grounded since March 7, 2016 and is unlikely to take off again. The company has simply failed to comply with the rules and take any initiative to revive its business, said BSEC officials.

<https://www.dhakatribune.com/business/2021/01/13/united-airways-kicked-out-from-bourse-s-main-board>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$53.73	\$5.21	10.74%
Crude Oil (Brent)*	\$57.14	\$5.34	10.31%
Gold Spot*	\$1,861.90	(\$33.20)	-1.75%
DSEX	5,861.02	458.95	8.50%
S&P 500	3,801.19	45.12	1.20%
FTSE 100	6,754.11	293.59	4.54%
BSE SENSEX	49,517.11	1,765.78	3.70%
KSE-100	45,922.04	2,166.66	4.95%
CSEALL	7,282.24	508.02	7.50%

Exchange Rates

USD 1 = BDT 84.76*

GBP 1 = BDT 115.97*

EUR 1 = BDT 103.55*

INR 1 = BDT 1.16*

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

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