

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.

Economy slowly coming out of coma

■ Even amid ongoing debates over economic-recovery strategies, some businesses see a surge in demand for quite a few products. Sales of mobile phone, computer, laptop, TV, refrigerator, construction ms rod, cement, and motorcycle saw a rise in demand in June. Economic activities resumed on May 31 after a 66-day nationwide shutdown. Sales of daily commodities grew by at least 20.0% in June compared to April-May. However, traders claim that sales of furniture, clothing and jewelry are yet to come back to comfortable figures. They report about 25-30% sales of pre-pandemic times.

■ Sales of computers and laptops have grown by about 50.0% at the retail level and mobile phones sales are up by 25.0% in June over the same period last year. According to a top company, sales of air conditioners in June increased by at least 10% compared to the sale figure of June last year. Television sales also grew at the same rate. With Eid-ul-Adha approaching, refrigerator sales see an uptick as well, but the most sought-after appliance is the washing machine. Its sale registered the highest 50% growth as house helps are still not allowed in most residences for infection fears.

■ According to data, sales of cement and construction steel rod increased by 11.0% and 9.0% respectively in June over the same period last year. Industry insiders say different projects suspended in April and May have restarted. The demand for raw materials is also showing an upward trend in the market. According to Masud Khan, an adviser to Crown Cement, Orders of April and May have been added to June orders. As a result, the sector registered an 11% growth in June compared to that in the previous year. However, the sector is still in negative growth of 10% according to the last six months' estimate.

■ Sales of motorcycles fell by 96.0% in April. In June, sales increased by 12.0% over the same period last year. There are two reasons for growth – one is, people are preferring to use motorbikes for maintaining social distancing, and the other reason is, those who had plans for getting bikes already are completing their purchases now. According to the managing director of Runner Automobiles Ltd, sales went up in June as the rural economy remained active and people completed their purchases that got suspended owing to the pandemic.

■ After the shutdown was enforced, all sectors came to a standstill but the market for daily essentials and consumer products was still active. However, sales of these products have decreased by 30-35% because of the suspension of social events. April was a dull period. Although there has been some improvement since May, the market has not yet returned to its previous sales performance. Despite some improvement, sales are still 20-25% lower than usual, said Rafiqul Islam at Chandpur Store in the capital's Karwan Bazar, the country's largest consumer market.

<https://tbsnews.net/economy/economy-slowly-coming-out-coma-105841>

National Board of Revenue (NBR) to launch VAT e-payment July 16

■ The National Board of Revenue (NBR) is going to introduce e-payment system for the VAT-payers on July 16 (Thursday) to facilitate VAT payment from anywhere. Initially, people having accounts in three banks can make the e-payment. However, the facility will be extended later in phases. Talking to the FE on Monday, VAT Online Project (VOP) Director Kazi Mustafizur Rahman said clients of three banks will be able to pay VAT online using e-payment module of VOP from July 16. Accountholders will be able to pay their VAT through the e-payment module.

■ Using the e-payment system, any VAT-registered person will be able to pay VAT, supplementary duty and other such taxes to the public exchequer from their bank accounts within a short time. VOP has prepared the e-payment module. Its user acceptance test with three banks has been satisfactorily conducted. The inauguration ceremony of the e-payment module was organized on July 16 with the government high-ups. However, e-payment of VAT will not be possible through credit card, as furnishing business identification number (BIN) and account code will be required for payment of VAT.

<https://today.thefinancialexpress.com.bd/first-page/nbr-to-launch-vat-e-payment-july-16-1594661282>

<https://tbsnews.net/economy/nbr-set-introduce-e-payment-vat-105805>

<https://www.dhakatribune.com/business/2020/07/13/vat-to-be-paid-online-from-home>

Mixed quarter for the pharma sector

■ Pharmaceutical companies in Bangladesh witnessed a slump in profits during the third quarter (January-March) of fiscal 2019-20 following reduced sales of prescription medicine amid the ongoing coronavirus pandemic. At the same time, however, seven drug manufacturers saw a rise in their earnings per share while nine others booked lower profits, according to data from the Dhaka Stock Exchange (DSE). Meanwhile, another three pharmaceutical companies continue to incur losses and two others have yet to publish their financial records.

■ The majority of hospitals and private chambers were closed for a considerable amount of time during the January-March period and so, the sale of prescription medicine dropped, said the head of corporate affairs and company secretary of the ACME Laboratories. The government announced a two-week nationwide general holiday, beginning on March 26, in a bid to contain the spread of coronavirus in Bangladesh. However, after the situation deteriorated, the lockdown was extended by two months. But ACME Lab's COVID-19 related medicines were sold out due to panic buying so they had to increase the production of these types of medicines gradually, he said. Besides, the industry continues to suffer from a shortage of raw materials, forcing manufacturers to produce as much as possible given the situation, he added. The sale of drugs used to treat other diseases decreased amid the pandemic.

<https://www.thedailystar.net/business/news/mixed-quarter-the-pharma-sector-1930105>

USD 2.0 billion budgetary support likely this fiscal year

■ The government is working on securing about USD 2.0 billion budgetary support from bilateral and multilateral development partners in the current fiscal year (FY), finance ministry officials said. In the just-concluded fiscal year, Bangladesh got USD 1.0 billion as budgetary support to help the economy tide over the crisis created by the covid pandemic. The country, in the meanwhile, received USD 732 million from the International Monetary Fund or IMF as emergency assistance to meet the balance of payments and budget needs.

■ In the current fiscal, according to the official, the World Bank may provide some USD 500 million, the Asian Development Bank USD 500 million, the Japan International Cooperation Agency USD 300 million, and Asian Infrastructure Investment Bank, or AIIB USD 300 million. At the same time the government is expecting USD 90 million from the European Union, USD 50 million from South Korean Economic Development Cooperation Fund, USD 50 million from French Development Agency, and USD 30 million from Germany, according to officials. In the last fiscal year, the Asian Development Bank gave USD 500 million, the World Bank USD 250 million, and the AIIB, USD 250 million as budgetary support.

<https://today.thefinancialexpress.com.bd/first-page/20b-budgetary-support-likely-this-fiscal-year-1594660944>

Bangladesh Telecommunication Regulatory Commission (BTRC) to defer 5G auction for pandemic

■ Bangladesh Telecommunication Regulatory Commission (BTRC) Chairman Jahurul Haque on Monday said its 5G auction, scheduled to be held in next January, will be deferred due to the Covid-19 pandemic. Mr Haque, however, said they are determined to launch 5G by the end of next year. Besides, the government wants to expand 4G network across the country to make high-value internet available in rural areas.

■ While speaking at the virtual launching programme of first Smart City Solution partnership with Dhaka North City Corporation (DNCC), the BTRC chairman requested DNCC Mayor Md Atiqul Islam to complete much-talked-about work on undergrounding cables to make the city clean and smart. Smart City Solution is the result of a recently signed Public Private Partnership (PPP) deal to develop smart city features on a pilot basis. Under this solution, deployment of multipurpose smart lamp-poles will bring multiple players from the ecosystem together for the first time in a joint effort to provide uninterrupted connectivity to citizens. The integrated solution will also be able to provide free Wi-Fi services, security surveillance (optional), waste management system through smart bin, real-time air quality monitoring as well as to serve as digital signage for community messages, all of which come as benefit to citizens.

<https://today.thefinancialexpress.com.bd/last-page/btrc-to-defer-5g-auction-for-pandemic-1594661874>

Listing of five State Owned Enterprises (SoEs) to be delayed over share money deposit rules

■ The listing of five state-run energy companies is likely to be delayed due to ensuring compliance with rules formulated recently by the Financial Reporting Council asking the SoEs to issue shares against the government's share money deposits within six months. The current coronavirus pandemic situation in the country has also become a major hurdle to expediting the process of issuing shares and also for going public. The FRC on February 11 this year issued a notification, saying that companies must convert share money deposits within six months of depositing money, and the deposited money must not be returned.

■ The five companies are North West Power Generation Company Limited (NWPGL), Electricity Generation Company of Bangladesh Ltd (EGCB), Ashuganj Power Station Company Ltd (APSCL), BR Powergen Ltd and Gas Transmission Company Limited (GTCL). Besides, 10% more shares of already listed Titas Gas Transmission and Distribution Company Ltd (TGTDCL) and Power Grid Company of Bangladesh would be offloaded in line with the new decision. The companies are yet to complete valuation of their assets.

■ Meanwhile, the FRC rules have raised the necessity of converting a huge amount of share money deposits of the government in the companies into shares immediately, officials of the companies said. As per annual financial reports in 2019, the five energy companies held an accumulated BDT 511 million in share money deposits of the government that must be converted into shares by October this year. The government usually invests in different projects of its companies as 60.0% loans and 40.0% equity which the companies have kept as share money deposits for years. The

government's equity in NWPGL was the highest, BDT 23.9 billion, followed by GTCL BDT 16.4 billion, EGCB BDT 9.1 billion, APSCL BDT 1.2 billion and BD Powergen BDT 480 million as per the latest data available in the companies' financial statements.

<https://www.newagebd.net/article/111102/listing-of-five-soes-to-be-delayed-over-share-money-deposit-rules>

Express Insurance's IPO lottery draw July 23

■ Express Insurance Ltd is set to hold IPO lottery draw on July 23, aiming to allocate 26.07 million ordinary shares among the successful applicants. The lottery draw will be held through digital platform due to ongoing Covid-19 pandemic, company officials said. After the lottery draw, the result will be published on the websites of Dhaka Stock Exchange, Chittagong Stock Exchange, issue manager, and the company.

■ The non-life insurer raised a fund worth BDT 260.8 million from the capital market using the fixed price method. The company's IPO was oversubscribed by six times as the company received about BDT 1.6 billion against IPO shares worth BDT 260.8 million, sources said. The stock market regulator approved the initial public offering (IPO) proposal of the company on February 18 of this year. As per the approval, the insurer offloaded more than 26.07 million ordinary shares at an offer price of BDT 10.0 each under the fixed price method.

<https://today.thefinancialexpress.com.bd/stock-corporate/express-insurances-ipo-lottery-draw-july-23-1594655039>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$39.19	-22.44	-36.41%
Crude Oil (Brent)*	\$41.89	-26.55	-38.79%
Gold Spot*	\$1,798.68	277.21	18.22%
DSEX	4,089.52	-363.41	-8.16%
S&P 500	3,155.22	-75.56	-2.34%
FTSE 100	6,176.19	-1410.86	-18.60%
BSE SENSEX	36,693.69	-4948.45	-11.88%
KSE-100	36,618.57	-4116.51	-10.11%
CSEALL	4,879.76	-1249.45	-20.39%

Exchange Rates

USD 1 = BDT 84.78*

GBP 1 = BDT 106.39*

EUR 1 = BDT 96.14*

INR 1 = BDT 1.13*

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

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