

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.

Internet banking customer number tops 3.0 million till September

- The number of internet banking users surpassed 3.0 million at the end of September as people found fintech-based transactions more convenient compared with physical visits to bank branches following the COVID-19 outbreak. Since the first coronavirus case was identified in the country in March, an estimated 0.41 million new bank customers have started to use internet banking services in a span of seven months, taking the total number of internet users to 3.0 million at the end of September from 2.6 million registered internet users at the end of February. In the first three months of the current fiscal year 2020-2021, the number of internet banking customers grew by 0.27 million from 2.7 million in June this year.
- The Bangladesh Bank data also showed that the volume of transactions through internet banking stood at BDT 70.1 billion in September whereas the amount was BDT 53.6 billion in the previous month. In June, transactions through internet banking reached a record high at BDT 74.2 billion when people were heavily panicked about the coronavirus infection. Monthly internet banking transactions reached 0.21 million in September this year while the figure was 0.14 million in the same month last year. Prompted by the increase in transactions through internet banking, the BB in September raised the interbank daily online transaction limit, including a five-fold increase in the limit for institutional users. For individuals, the daily limit was set at BDT 0.5 million executed through a maximum of 10 transactions using internet banking while the highest limit for a single transaction was set at BDT 0.1 million. The daily transaction limit for institutional users was set at BDT 1.0 million executed through a maximum of 20 transactions using internet banking while the highest limit for a single transaction was set at BDT 0.2 million.

<https://www.newagebd.net/article/121688/internet-banking-customer-number-tops-30-lakh-till-sept>

Bangladesh on track to becoming a USD 6.0 billion pharma market by 2025: Research Report

- The pharmaceutical market of Bangladesh is expected to surpass USD 6.0 billion by 2025 with an absolute growth of 114% from its 2019 levels, according to a report from a Dublin-based market insight and analysis firm, Research and Markets. According to the report, biotech pioneers of Bangladesh's pharmaceutical industry are considered as a valuable tool for the overall improvement and efficacy of the market. A majority of the growth will be contributed by local companies with a market share of more than 90% as similar to past trends attained over the last two decades, the report said.
- In recent times, local pharmaceutical companies have emerged as a game-changer by contributing more than 90% of the overall available medicines in the market. Market players estimate that the local market size of the sector was about BDT 250.0 billion (USD 3 billion) in 2019. In 2012, it stood at about BDT 9,390 and in 2017 it hit BDT 187.6 billion, according to the IMS Health Care Report. The pharmaceutical industry, a winner of the global market through dynamism and technology, experienced tremendous growth in the last decade and currently contributes 1.83% to the country's gross domestic product (GDP), according to industry people. Local pharmaceutical makers still have immense potential in the healthcare sector, as Bangladeshis spend around USD 2.04 billion abroad annually for medical treatment, which is 1.94% of the country's GDP, according to a market analysis by the Bangladesh Investment Development Authority (Bida).
- The top 50 companies are setting up their facilities at the Active Pharmaceuticals Ingredient Industrial Park in Munshiganj that will help in the production of patented and already opened active pharmaceuticals ingredients. It is expected that the development of the API Park will be complete by the next two years, which will reduce the expenditure related to the import of raw materials. The report said the share of generic drugs is expected to surpass 85% by 2025, which will further strengthen the dominance of local pharmaceutical companies in the market.

<https://www.thedailystar.net/business/news/bangladesh-track-becoming-6b-pharma-market-2025-1995741>

Government caps MFS's cash-out charge for safety net funds

- The government decision to distribute the fund under its social safety net programme through mobile financial services will ensure transparency and bring more unbanked people under the formal financial system, according to industry people. As part of its move to release the fund smoothly through the mobile financial service (MFS) providers, the government has fixed BDT 7 as the cash-out charge per BDT 1,000 withdrawal for the funds to be disbursed under the social protection programmes, according to a finance ministry circular on Thursday.
- Currently, Bangladesh runs more than 125 social protection programmes through 20 ministries and divisions. The government has allocated BDT 955.7 billion for social protection purposes in the current fiscal year, which is 16.83% of the entire budget and 3.01% of the GDP.

<https://www.thedailystar.net/business/news/govt-caps-mfss-cash-out-charge-safety-net-funds-1995745>

<https://tbsnews.net/economy/banking/mfs-cash-out-fee-govt-aid-set-07-158431>

Bangladesh to face setback

- The growth in international maritime trade stalled in 2019 owing to the slowdown in the world economy and trade, said the report released on Sunday by the United Nations Conference on Trade and Development (UNCTAD). It said the least developed countries are hit hard, given their limited resources and exposure to supply-chain disruptions such as in exports of textiles and clothing products (for example, Bangladesh). After rising moderately (2.8%) in 2018, volumes expanded at a marginal 0.5% in 2019.
- Bangladesh remains the country with the largest global share of recycled tonnage, accounting for more than half of the ships recycled in 2019. Together with India and Turkey, these three countries represented 90.3% of the ship recycling activity in 2019. Since 2016, global volumes of recycled tonnage have been on the wane. Volumes fell to 29,135 thousand gross tonnes in 2016, 23,138 thousand gross tonnes in 2017, 19,003 thousand gross tonnes in 2018 and 12,218 thousand gross tonnes in 2019.
- In the context of the pandemic, international organizations and industry have issued calls for governments to remove restrictions on the use and processing of electronic trade documents and the need for documentation to be presented in hard copy, the report said. The governments have made significant efforts to keep their ports operational and speed up the use of new technologies, including digitalisation.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-face-setback-report-1605462096>

VAT refund made easier

- Businesses will be able to obtain VAT refund through purchasing raw materials on credit from now on. After the introduction of the new VAT and Supplementary Duty Act-2012 on July 1, 2019, many enterprises were facing the difficulties in obtaining the refund of the paid tax on raw materials that they purchased on credit. As per the VAT law section-46, traders will not be able to obtain VAT refund in case of any transaction above BDT 0.1 million without the banking channel.
- As per the clarification, manufacturers will have to register purchases on credit made through the VAT invoice (form 6.3), in the purchase account book once the raw materials reach the factory. They will also have to obtain rebate on the payment through VAT returns in the month it purchases. After the completion of payment, traders will be able to make decreasing adjustment of VAT (claiming rebate) within the tax periods. The NBR will be able to cancel the refund claim of businesses in case of any failure on complying with the procedures in the clarification.

<https://today.thefinancialexpress.com.bd/last-page/vat-refund-made-easier-1605462145>

Robi's giant IPO hits market tomorrow

- Robi, the country's second-largest mobile phone operator, is set to launch the initial public offering (IPO) tomorrow (Tuesday). The company has offered 523 million shares at a face value of BDT 10, accounting for 10% of the telephony firm's total outstanding stocks. The IPO will raise BDT 5.23 billion from a wide range of investors including its own employees, topping the BDT 4.86 billion raised by the GP, the country's biggest mobile phone service provider.
- Some 2.6% shares equivalent to BDT 1.36 billion has been reserved for Robi employees with a two-year-lock-in period. General investors, excluding the NRBs quota, can buy roughly 193.9 million shares or nearly 388,000 lots of 500 each. If all BO account holders of 2.4 million apply for the Robi IPO, one in every six applicants has the chance of winning a lot.
- The big-sized IPOs in Bangladesh so far are: GP's BDT 4.86 billion, MJL worth BDT 4.6 billion, ACME Lab at BDT 4.09 billion and MI Cement at BDT 3.13 billion. Robi stock is believed to be the cheapest considering its financials with the rival phone operators. Higher price-earnings mean expensive stock and such price earnings multiple belonging to Robi is BDT 0.4. i.e., it is cheaper than its rival, while the same of GP had BDT 13.03 at the time of listing.

<https://today.thefinancialexpress.com.bd/first-page/robis-giant-ipo-hits-market-tomorrow-1605461530>

Beximco Pharma's purple patch

- There is no doubt that Beximco Pharmaceuticals is its moment in the sun. The company posted a 24.7% higher profit of BDT 1.08 billion between July and September. During the period, its sales increased 9.8% year-on-year to BDT 6.92 billion, the company said in its interim first-quarter financial statement for its 2020-21 financial year. Beximco Pharma's reporting year runs from July to June. This comes after the local pharma giant reported a 16.6% higher profit of BDT 3.54 billion for the financial year that ended on June 30.
- The demand for Bangladeshi pharmaceutical products in the global market is increasing, mainly due to product diversification and their superb quality, said executive director and company secretary of Beximco Pharmaceuticals.

Between July and September, pharmaceutical exports raked in USD42.2 million, up 20.9% year-on-year, according to data from the Export Promotion Bureau. Bangladesh's domestic medicine market is worth about BDT 200 billion, according to industry insiders.

Square Pharmaceuticals saw its profit soar 17.2% to BDT 3.93 billion between July and September. It posted profit growth of 5.6% for the financial year that ended on June 30. Square Pharmaceuticals logged in profit of BDT 3.36 billion

<https://www.dhakatribune.com/business/stock/2020/11/16/beximco-pharma-s-purple-patch>

Olympic Industries has a cakewalk riding out pandemic

- Olympic Industries turning in back-to-back profitable quarters at a time when most are floundering. Between July and September, the company logged in profit of BDT 570 million, up 2.2% from a year earlier. In the preceding three months, when the country was in the thick of a general shutdown, Olympic, whose biscuits, confectionery and bakery products are hugely popular among middle-income households because of affordable price points, posted a profit of BDT 480 million against BDT 477 million a year earlier.

- Subsequently, Olympic logged in profit of BDT 2.02 billion in its 2019-20 financial year, up 8.2% year-on-year. Its sales between April and September stood at BDT 8.59 billion, up 19.7% from a year earlier. Managing director of Olympic Industries, credited the rise in demand for its biscuits amid the pandemic to the packaged form in which they are sold. Last month, the company announced bringing in new machinery, equipment and spares from China at an estimated cost of USD579,000.

<https://www.dhakatribune.com/business/stock/2020/11/16/olympic-industries-has-a-cakewalk-riding-out-pandemic>

Runner Automobiles slows down for pandemic

- Motorcycle seller Runner Automobiles, it seems, is having a tough time riding out the pandemic. Between July and September, its profit tumbled 39.9% year-on-year to BDT 127 million and its sales 33.5% to BDT 2.22 billion, according to its unaudited financial statement. Runner Automobiles is suffering for depressed sales for the pandemic, said its managing director and chief executive officer.

- The overall automobile industry has been tremendously impacted in the first half of 2020 due to new road transport act, the pandemic and other macroeconomic issues, Runner said in its statement for the 2019-20 financial year. Keeping its eye in the future, the company in August announced bringing in the famed off-road motorcycles of Austrian brand KTM to Bangladesh. Runner's lacklustre performance has deflated its stock price, since the pandemic began in March it gained around 1%

<https://www.dhakatribune.com/business/stock/2020/11/16/runner-automobiles-slows-down-for-pandemic>

Aramit Cement in hot water over interest-free loan to sister concern

- Aramit Cement, a Z-category stock, has run afoul of the securities regulator for lending about BDT 770 million to its sister companies free of interest over a five-year period while bearing the BDT 298 million of interest on the sum itself. Subsequently, the BSEC sought an explanation from Aramit Cement for the anomaly and also ordered a refund of the principal amount along with 9% interest within 15 days. The company, which is a concern of Aramit Group, showed a loss of BDT 232 million for the financial year that ended on June 30 and subsequently announced no dividend for its shareholders.

- Had the cement maker charged 10% interest on the loans to its sister concerns, it would have been able to pay at least 20% cash dividend, which would be equivalent to 20% of its paid-up capital of BDT 339 million, said the Bangladesh Securities and Exchange Commission in its letter dated November 11. Earlier in September 2018, MI Cement had provided interest-free loans to its sister concern, a transgression that led to each director getting slapped with BDT 1 million fine

<https://www.dhakatribune.com/business/stock/2020/11/16/aramit-cement-in-hot-water-over-interest-free-loan-to-sister-concern>

<https://www.newagebd.net/article/121687/aramit-cement-loans-associate-cos-at-zero-interest-violates-rules>

Dividend and EPS of listed IT companies mixed

- Listed IT companies have performed mixed in recommending dividend and reporting EPS (earnings per share) for just concluded financial year (FY) compared to previous FY. Out of 10 IT companies, the boards of directors of eight companies so far have recommended dividend ranging from 1.0% to 20% for the year ended on June 30, 2020. Of the companies, the EPS of five ones declined for the year ended on June 30, 2020 compared to same period of the previous year. On the other hand, the EPS of remaining three companies advanced for just concluded FY compared to same period of the previous year.

• Aamra technologies has recommended 10% cash dividend for the year ended on June 30, 2020. The company's EPS stood at BDT . 1.46for the year ended on June 30, 2020 against BDT . 1.31for the same period of the previous year. ADN Telecom has reported EPS of BDT . 2.86 for the year ended on June 30, 2020 against BDT . 2.25for the same period of the previous year. The company's board of directors has recommended 15% cash dividend for the year ended on June 30, 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/dividend-and-eps-of-listed-it-companies-mixed-1605457735>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 40.13	(USD 21.50)	-34.89%
Crude Oil (Brent)*	USD 42.78	(USD 25.66)	-37.49%
Gold Spot*	USD 1,889.20	USD 367.73	24.17%
DSEX	4,905.04	452.11	10.15%
S&P 500	3,585.15	354.37	10.97%
FTSE 100	6,316.39	(1,270.66)	-16.75%
BSE SENSEX	43,637.98	1,995.84	4.79%
KSE-100	40,569.35	(165.73)	-0.41%
CSEALL	6,082.42	(46.79)	-0.76%

Exchange Rates

USD 1 = BDT 84.85*
 GBP 1 = BDT 111.90*
 EUR 1 = BDT 100.42*
 INR 1 = BDT 1.14*

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

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