

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.

National Board of Revenue (NBR) trashes Bangladesh Investment Development Authority (BIDA) plea on VAT cut

- The revenue board has dismissed a number of proposals from the Bangladesh Investment Development Authority (BIDA) that the latter feels would help ease doing business in the country. The BIDA has suggested relaxing tax burden, in the form of VAT (value added tax), on financially-vulnerable companies. But it is not logical to relax VAT payment provision as the companies collect the indirect tax from consumers, the National Board of Revenue (NBR) said.
- The NBR also declined to accept another BIDA's proposal for the submission of VAT returns on a quarterly basis instead of the existing monthly filing. According to the NBR, the consumers pay VAT instantly just after obtaining any services or buying products. There are no difficulties for the submission of monthly returns showing the collected VAT.
- The BIDA made the proposals after it found the country's score in paying tax indicator of the World Bank report at 56.1 while India's score is 115, followed by Bhutan 15, Sri Lanka 142 and the Maldives 119, Malaysia 80, Thailand 68, Indonesia 81, Vietnam 109, Cambodia 138, and Singapore 7. In August, the global lender suspended its 'Ease of doing business' index after allegations of fraud emerged.

<https://today.thefinancialexpress.com.bd/first-page/nbr-trashes-bida-plea-on-vat-cut-1606065938>
<https://www.newagebd.net/article/122328/bidas-proposal-for-quarterly-vat-payment-system-rejected>

Exports to European Union (EU) made cheaper

- The state-owned Export Promotion Bureau (EPB) has reduced the service charges under the registered exporter system of the European Union following the demand from apparel makers, officials say. Exporters will have to pay a total of BDT 250 that included 10% income tax or BDT 20 and 15% VAT or BDT 30 on the service charge. Earlier, the state agency had decided that the registered exporters would have to pay BDT 375 to the EPB against each consignment of goods to be exported to the EU. Sources said that no exporters paid the previously fixed BDT 375 as service charges.

<https://today.thefinancialexpress.com.bd/last-page/exports-to-eu-made-cheaper-1606066525>
<https://www.newagebd.net/article/122327/epb-reduces-rex-fee-for-rmg-export-to-eu>

Pharma export to Asean market likely to reach USD 1.2 billion in 4 years

- According to experts and officials of Ministry of Foreign Affairs, Bangladesh's pharmaceutical export volume to Asean market can reach up to USD 1.2 billion from the present USD 60.0 million within the next four years if the technical and the non-tariff barriers are addressed. Bangladesh to attain the government set goal of USD 60 billion export figure by the turn of the year, the performance on the South East Asian front has to be much better said the Foreign Secretary. To popularize the Bangladeshi drugs in the Asean markets, single country product fairs need to be organized frequently and Bangladeshi companies need to set up branches there.

<https://www.dhakatribune.com/business/economy/2020/11/22/bangladesh-s-export-to-asean-market-likely-to-reach-1-2bn-by-4-years>

Two new deputy governors appointed to the central bank

- The government yesterday appointed two new deputy governors to the central bank. Bangladesh Bank's Executive Director Kazi Sayedur Rahman and Rajshahi Krishi Unnayan Bank's Managing Director AKM Sajedur Rahman Khan have been recruited for the posts, according to two separate circulars issued by the finance ministry. The duo will serve the banking regulator in the posts until they turn 62.
- Sayedur will hit the 62 years' mark on Jan 1, 2025, and Sajedur on Feb 1, 2024. Sayedur started his career with the central bank in 1988 as an assistant director. He was promoted as general manager for the foreign exchange reserve and treasury management department of the central bank in 2011 and executive director in 2016. He completed BCom (honours) in accounting and MCom from Dhaka University. Sajedur was promoted as the managing director of Rakub last year. Prior to this appointment, he was the deputy managing director of Sonali Bank. He completed his graduation and post-graduation in economics from Jahangirnagar University. With the addition of Sayedur and Sajedur, the banking watchdog now has four deputy governors.

<https://www.thedailystar.net/business/news/two-new-deputy-governors-appointed-1999557>
<https://www.newagebd.net/article/122311/two-deputy-governors-appointed-to-bangladesh-bank>

Bangladesh Securities and Exchange Commission (BSEC) seeks info on unclaimed funds from stockbrokers, merchant banks

- The Bangladesh Securities and Exchange Commission has asked all stockbrokers and merchant banks to provide information about investors' unclaimed cash and shares. In separate letters sent on November 16, the BSEC asked the Dhaka and Chittagong stock exchanges, and the Bangladesh Merchant Bankers Association to collect the information from related stockbrokers and merchant banks and submit the information with a summary report along with supporting documents. The bourses and BMBA were asked to submit the report within 15 working days. There are 240 stockbrokers on the DSE and 142 on the CSE with 63 merchant banks on the capital market.
- The letter to bourses said that there was a huge amount of unclaimed cash in clients' ledgers under consolidated customer accounts and shares in beneficiary owners accounts maintained with stockbrokers. All portfolio managers must ascertain cash or shares in the clients' portfolio accounts as unclaimed for any reason if the portfolio manager concerned is certain that those are unclaimed, the BSEC letter to merchant banks reads.
- Earlier on November 5, all listed firms were asked to submit information about undistributed and unclaimed cash and stock dividends and unsettled securities held in different suspense beneficiary owners accounts and bank accounts of the companies. BSEC officials said that almost every brokerage house merchant banks had unclaimed cash and shares which the houses had been maintaining for years. The regulators wanted to know about the total value of unclaimed cash and shares in the consolidated customer account and BO accounts respectively.

<https://www.newagebd.net/article/122329/bsec-seeks-info-on-unclaimed-funds-from-stockbrokers-merchant-banks>

Capital market to be vibrant soon: Bangladesh Bank

- The Bangladesh Bank has expected that the country's capital market would be vibrant soon as the central bank along with the Bangladesh Securities and Exchange Commission has taken a number of policy supports aiming at ensuring stability on the market by the way of providing liquidity support. The BB came up with the expectation in its monthly report on the country's capital market for the month of October. The central bank report was released at a time when the BSEC sought fresh monetary support from the central bank to revive the ailing market. The BSEC placed the proposal to the BB as the key index of Dhaka Stock Exchange, DSEX, lost 271 points in the September 16-November 22 period after climbing to 5,116 points on September 16 from 3,604 points on March 18. On November 12, the BSEC sought BDT 150.0 billion from the BB to revive the country's capital market.
- According to the Bangladesh Bank report, to push upward the ailing capital market BB has issued a guideline regarding equity exposure which already taken or to be taken by banks involved in the private sector infrastructure projects or project related companies. Now, special purpose vehicle, alternative investment fund or any fund similar to these funds approved by the BSEC can be used by the private sector in power and energy, tourism and digital infrastructure projects or project related companies which have already been adopted by banks in order to create market liquidity, increase the quality of investment and reduce risk of the equity exposure of banks.
- Following prolonged depression on the market for more than one year, the BB in February this year allowed banks to form BDT 2.00-billion special fund each by taking low-interest loans from the central bank to invest in the stock market. Though the policy supported the stocks investors to regain confidence in the market, the outbreak of coronavirus in the country and subsequent imposition of shutdown across the country hit the stock market hard, pulling the key index of the Dhaka Stock Exchange down to a seven-year low on March 18.

<https://www.newagebd.net/article/122331/capital-market-to-be-vibrant-soon-bangladesh-bank>

Beximco Pharma tops Dhaka stock Exchange (DSE) turnover chart for 17 days

- Beximco Pharmaceuticals dominated the Dhaka Stock Exchange's turnover chart for the last 17 straight sessions on Sunday while top 10 most traded companies grabbed 23% transaction. Each share of Beximco Pharma was traded for BDT 74.70 on July 22 this year, which closed at BDT 143.60 on Sunday, soaring 92% in four months, according to data from the DSE.
- Recently, the government signed a trilateral memorandum of understanding (MoU) with Serum Institute of India (SII) and the Beximco Pharma to collect 30 million doses of Covid-19 vaccines from Serum. Once the vaccine is approved for human application, Beximco Pharma will buy each dose from Serum for USD 4 and supply it to the government for USD 5 on a priority basis, according to the deal. Beximco Pharma also introduced remdesivir under the brand name Bemsivir, an antiviral drug that has proved effective in treating Covid-19 patients.
- The stock market regulator's strict stance to comply with the directive on holding minimum shares also created a 'buying' pressure on its shares as the company's directors jointly held only 13.19% shares as of October 31, 2020, said a leading broker. Beximco Pharma's consolidated earnings per share (EPS) jumped to BDT 2.65 for July-September 2020 as against BDT 2.13 for July-September 2019. The Beximco Pharma has recommended 15% cash and 10% stock dividend for the year ended on June 30, 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/beximco-pharma-tops-dse-turnover-chart-for-17-days-1606062198>

Social Islami Bank Limited (SIBL) plans to help mega projects through indirect financing

- When a lack of credit demand – amid the Covid-19 pandemic – squeezed banks' lending activities, Social Islami Bank Limited (SIBL) adopted a different strategy for sustainable business by focusing on non-funded business coming out of core banking activities. The bank will emphasise non-direct financing instead of direct lending, targeting the implementation of mega development projects, said the managing director of the bank. Non-funded business is lending in the form of bank guarantees instead of direct financing.
- According to the managing director of SIBL, credit growth will rebound slowly until next year so banks must pursue different business strategies to survive. Keeping that in mind, SIBL focused on non-funded business and expansion of alternative banking tools like digital products, sub-branch and agent banking. As the risk of rising non-performing loans (NPLs) will be high next year, SIBL will be conservative in direct financing.
- Even though the bank had continuously profited since October 2017, after a massive overhaul of the bank's management, the pandemic eroded its profit by 13% in the July-September period of this year. The bank made a net profit of BDT 273.9 million in the quarter, down from BDT 315.8 million in the same period of last year. However, the bank's profit in the first nine months of the current year was 9% higher than the previous year, according to the bank's financial statement.

<https://tbsnews.net/economy/banking/sibl-plans-help-mega-projects-through-indirect-financing-161152>

Bangladesh Bank appoints observer to One Bank

- The Bangladesh Bank on Sunday appointed an observer to One Bank as the latter's present performance is not good. The central bank usually appoints observers to banks and financial institutions when they face crisis. Sajjad Hossain, general manager of the Department of Banking Inspection-1, has been appointed as the supervisor, the official said. Against this backdrop, the central bank inspected the bank's overall aspects and recommended the appointment of an observer, the official also said.
- ASM Shahidullah Khan has been performing his duty as the chairman of One Bank since 15 October, while M Fakhru Alam, managing director of the Bank, has been in charge since 2016. The bank's operating income declined to BDT 6.1 billion during January-September this year in contrast to BDT 6.8 billion over the same period last year. However, the bank's profit after tax has increased to BDT 1.1 billion during the time from BDT 570 million at the same time a year ago.

<https://tbsnews.net/economy/banking/bangladesh-bank-appoints-observer-one-bank-161545>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 42.45	(USD 19.18)	-31.12%
Crude Oil (Brent)*	USD 45.09	(USD 23.35)	-34.12%
Gold Spot*	USD 1,873.44	USD 351.97	23.13%
DSEX	4,845.09	392.16	8.81%
S&P 500	3,557.54	326.76	10.11%
FTSE 100	6,351.45	(1,235.60)	-16.29%
BSE SENSEX	43,882.25	2,240.11	5.38%
KSE-100	40,187.18	(547.90)	-1.35%
CSEALL	6,085.00	(44.21)	-0.72%

Exchange Rates

USD 1 = BDT 84.72*

GBP 1 = BDT 112.75*

EUR 1 = BDT 100.61*

INR 1 = BDT 1.14*

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

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BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229
Md Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	CEO (Acting)	bappi@bracepl.com	01730 357 991
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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