

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.

Over 200 Covid deaths for ten consecutive days

- As the delta variant continues to take a toll on the country, 235 more people died of the virus in the past 24 hours until Tuesday 8am. This is the 10th day in a row that the country reported over 200 single-day deaths.
- Bangladesh also reported more than 15,000 infections for the second day with 15,776 people contracting the virus in the 24 hours. The positivity rate saw a slight slope dropping at 28.54%, down from 29.91% a day ago as the health officials tested the highest ever 55,284 samples across the country.
- With the latest figures, the death toll stands at 21,397 and the case tally increased to 12,96,093. Chattogram division has been witnessing a rise in deaths over the week as 65 deaths were reported there following the highest 73 deaths in Dhaka. Besides, 32 people died in Khulna, 21 in Rajshahi, 12 each in Rangpur, Sylhet and Mymensingh, and eight died in the Barishal division.
- Despite an alarming surge in the numbers of coronavirus infection and subsequent fatalities, the government on Tuesday decided to allow operations of shops, businesses, offices and transport on a limited scale from August 11.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/covid-19-claims-235-more-lives-283015>
<https://today.thefinancialexpress.com.bd/first-page/virus-curbs-ease-from-august-11-1628015540>
<https://today.thefinancialexpress.com.bd/first-page/bd-records-235-more-deaths-15776-cases-1628015600>

Merchandise exports fall by 11.2% in July

- The country's merchandise export fell by 11.2% to USD 3.47 billion in July'21 year on year, mainly because of decline in exports of major goods including readymade garment (RMG), according to Export Promotion Bureau (EPB) data. Bangladesh fetched USD 3.9 billion in July'20. The overall earnings also fell short of target by 6.85% set for the month, according to the EPB.
- Out of the total USD 3.47 billion export income in July'21, the RMG sector fetched USD 2.88 billion recording an 11.02% decline, compared to the corresponding month in 2020. The country's earnings from RMG products were USD 3.24 billion in July'20. The sector's earnings also fell short of the target by 4.17% set for July'21.
- Earnings from knitwear items stood at USD 1.65 billion, registering a negative growth of 5.25%. Bangladesh fetched USD 1.75 billion from knitwear exports in July'20. Woven garments fetched USD 1.22 billion in the last month, down by 17.79%. The woven items earnings were USD 1.49 billion in July'20, according to EPB data.

<https://today.thefinancialexpress.com.bd/trade-market/merchandise-exports-fall-by-1119pc-in-july-1628007141>
<https://www.tbsnews.net/economy/export-earnings-see-11-fall-july-283057>
<https://www.thedailystar.net/business/export/news/exports-slip-11pc-july-2144306>

Trade deficit snowballing as imports far outstrip exports

- Trade deficit of Bangladesh widened by nearly 28.0% in the just-concluded fiscal year for higher import-payment pressure on the economy amid lower receipts from external trade. The trade deficit with the rest of the world crossed USD 22.5-billion level to USD 22.8 billion during the July-June period of FY 2020-21, from USD 17.86 billion a year before, according to the central bank's latest statistics.
- The Bangladesh Bank (BB) data showed that import expenses jumped by nearly 20.0% while export earnings recorded over 15% growth in FY '21. The overall imports cost USD 60.68 billion in July-June period of FY '21 against USD 50.69 billion in the same period a year earlier.
- Meanwhile, the country's current-account deficit improved slightly in FY'21 following higher growth inward remittances despite the ongoing Covid-19 pandemic that left many furloughed on the labour market. The current-account deficit came down to USD 3.81 billion in the outgoing fiscal year from USD 4.72 billion in the previous fiscal.

<https://today.thefinancialexpress.com.bd/last-page/trade-deficit-snowballing-as-imports-far-outstrip-exports-1628016057>

Remittance earnings drop 28.0% in July

- The flow of inward remittances dropped by 28.0% to USD 1.9 billion in July this year when compared to the corresponding period of last year, according to the latest data provided by the Bangladesh Bank. The country's remittance earnings reached an all-time high of USD 24.8 billion last year amid the coronavirus pandemic.
- Of the banks, Islami Bank Bangladesh Limited collected the highest USD 550.3 million in remittance sent by expatriate Bangladeshis in July this year. Agrani Bank collected USD 194.8 million, Dutch-Bangla Bank USD 229.1 million and Sonali Bank

brought USD 117.5 million in remittance last month.

- According to the Bureau of Manpower, Employment and Training, the number of overseas jobs held by Bangladeshi expatriates rose to 0.19 million during the January–May 2021 period from 0.18 million in 2020. The overseas employment of Bangladeshi nationals reached its all-time peak at 1.0 million jobs in 2017 when the country's remittance income was USD 13.5 billion.

<https://www.tbsnews.net/economy/remittance-inflows-drop-28-july-282619>

<https://www.dhakatribune.com/business/2021/08/02/remittance-drops-to-5-month-low-in-july>

MFS transactions reach fresh record of BDT 712.5 billion in May

- Transactions through the mobile financial services reached a fresh record of BDT 712.5 billion in May due to addition transactions during Eid-ul-Fitr, one of the biggest religious festivals of the Muslims, and restrictions on public movement amid the Covid outbreak.

- Bangladesh Bank data showed that the transaction volume in May is 12.3% or BDT 78.1 billion higher than the BDT 634.4 billion in transactions in April 2021.

- The transaction volume in April was the second highest transaction. The third highest transaction volume, BDT 630.0 billion, through MFS took place in July 2020 during Eid-ul-Azha. The total number of transactions through all the MFS licensees of the central bank was 346.7 million in May, the BB data showed.

- Though the MFS of Nagad constitutes a notable portion of MFS transactions, the BB is yet to include the MFS operator's transaction data in its report. The MFS operator also observed a significant surge in transactions through its platform in May. Transactions through Nagad reached to around BDT 200.0 billion in May.

- The BB data showed that shipping spending through MFS reached BDT 36.5 billion, salary disbursement stood at BDT 27.9 billion, the government's payments stood at BDT 13.1 billion and utility bill payment reached BDT 11.1 billion, among others.

<https://www.newagebd.net/article/143108/mfs-transactions-reach-fresh-record-of-BDT-71247cr-in-may>

Inflation does not reflect real consumption amid Covid: Centre for Policy Dialogue (CPD)

- The Bangladesh Bureau of Statistics calculates the overall inflation based on the consumption basket created in 2005, which does not reflect the current consumption pattern, said the Centre for Policy Dialogue (CPD). To portray the actual picture of inflation, the think tank suggested changing the consumption basket. According to the Consumer Price Index, expenditure doubled on the back of rising healthcare cost, house rent and transportation cost, while people's income declined during the pandemic.

- According to CPD Executive Director, when incomes go up, the share of earnings spent on food falls. During 2010-16 Bangladesh's low-income households saw their income rise by 7.7% while the annual increase in real household income was 0.16%. According to statistics, food expenditure dropped from 2010 to 2016. But since people's consumption pattern has changed, the current inflation does not bring forth the real scenario of people's living cost.

<https://www.tbsnews.net/economy/inflation-doesnt-reflect-real-consumption-amid-covid-cpd-283147>

<https://www.thedailystar.net/business/economy/news/mop-excess-liquidity-curb-asset-bubble-cpd-2144296>

<https://www.dhakatribune.com/business/2021/08/03/cpd-finds-5-3-inflation-rate-unrealistic-as-living-cost-goes-up>

Ten companies responsible for 40.0% of total VAT in FY21

- Tobacco manufacturers, telecom operators among the top VAT payers, dishing out BDT 381.1 billion in total. A total of 10 companies from the large taxpayer's unit (LTU) were responsible for depositing the most value added tax (VAT) to the state coffers in fiscal year 2020-21, in the line of BDT 381.1 billion.

- Total VAT and supplementary duty (SD) paid in FY21 was BDT 975.1 billion, of which the 10 companies paid about 40.0% of that. The LTUs paid BDT 492.5 billion in VAT of the total. Calculated, the 10 companies contributed to more than 77% of that amount.

- According to the latest figures from the National Board of Revenue (NBR), the highest VAT payers were tobacco manufacturers, telecom operators and pharmaceutical companies. Overall, the tobacco companies paid BDT 270.0 billion, the telecom operators BDT 84.7 billion and the pharmaceuticals companies BDT 31.3 billion.

- According to NBR data, British American Tobacco Bangladesh (BATB) was the highest VAT payer, depositing a whopping BDT 249.1 billion into the state coffer. Mobile operator Grameenphone (GP) came in second, paying BDT 44.9 billion, or 23.0% more than FY20. Around BDT 30.0 billion has been paid as VAT from the banking sector, as banks levy VAT, SD and excise duty on various types of services.

<https://www.newagebd.net/article/143104/bsec-okays-prans-BDT-150cr-green-bond>

Financial houses shy about Public Private Partnership (PPP)

- Domestic funding for public-private partnership development projects have thus become hard to come by as banks and financial institutions are reluctant to finance such projects considered risky by them. So, the Public Private Partnership (PPP) Authority has hit a major stumbling block in realising its PPP projects as only a single domestic financial institution has stepped in to finance a project out of the 14 the PPP Authority had roped in five years back.
- The deals were penned with the banks and non-bank financial institutions to ensure domestic funding for PPP projects. Only the Bangladesh Infrastructure Finance Fund Limited (BIFFL) has so far come forward. Other financial institutions have stayed away from such projects for various reasons, including collateral-related problems, putting a damper on the PPP projects, according to a letter sent by the PPP Authority to the finance ministry in June this year.
- The government has till date finalised 79 projects, involving USD 29.0 billion, to be implemented under the PPP mechanism since the PPP concept in infrastructure development with the private sector's involvement was pitched from the fiscal 2009-10.
- Investment deals to the tune of BDT 240.8 billion have so far been signed for six ongoing PPP projects. Of the amount, BDT 81.8 billion are coming from the government coffer, while the lone domestic financial institution, BIFFL, provided only BDT 10.8 billion in the Dhaka bypass expressway project. The remaining funds will come from foreign sources.

<https://www.tbsnews.net/economy/financial-houses-shy-about-ppp-283141>

BEXIMCO gets final nod for BDT 30.0 billion Sukuk

- The Bangladesh Securities and Exchange Commission on Thursday gave the final approval to Bangladesh Export Import Company Limited for issuing BDT 30.0 billion Shariah-compliant Sukuk. The BSEC for the first time has approved a Sukuk in the country.
- Earlier on June 23, the BSEC gave BEXIMCO a primary approval regarding issuing the green Sukuk on condition that the company would submit all necessary documents and fulfil regulatory requirements.
- The Sukuk proceeds will be utilised for the expansion projects, including financing and refinancing (non-interest bearing) of the textile machinery for expansion of the textile division of the originator, which will ensure energy efficient production, including wastewater treatment, waste prevention and recycling.
- Tenure of the green Sukuk is five years or 60 months from the issuance date. The face value of each Sukuk is BDT 100 and minimum subscription is BDT 5,000 or 50 green Sukuk.

<https://www.newagebd.net/article/143144/beximco-gets-final-nod-for-BDT -3000cr-sukuk>

Bangladesh Securities and Exchange Commission (BSEC) okays PRAN's BDT 1.5 billion green bond

- The Bangladesh Securities and Exchange Commission on Wednesday allowed PRAN Agro Limited to float non-convertible coupon bearing green bond worth BDT 1.5 billion. PRAN Agro will utilise the bond proceeds in strengthening its capital and liquidity with keeping environmental balance.
- The face value of each unit of the bond is BDT 1.0 million. The coupon rate of PRAN Agro's bond is 9.0%.
- Only banks, financial institutions, insurance companies, listed banks, trust funds, corporate institutions and other eligible investors will be allowed to purchase the bond through private placement.

<https://www.newagebd.net/article/143104/bsec-okays-prans-BDT -150cr-green-bond>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 70.48	USD 21.96	45.26%
Crude Oil (Brent)*	USD 72.46	USD 20.66	39.88%
Gold Spot*	USD 1,814.16	(USD 80.94)	-4.27%
DSEX	6,535.87	1,133.80	20.99%
S&P 500	4,423.15	667.08	17.76%
FTSE 100	7,105.72	645.20	9.99%
BSE SENSEX	53,823.36	6,072.03	12.72%
KSE-100	47,758.32	4,002.94	9.15%
CSEALL	8,222.55	1,448.33	21.38%

Exchange Rates

USD 1 = BDT 84.86*
GBP 1 = BDT 118.24*
EUR 1 = BDT 100.77*
INR 1 = BDT 1.14*

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

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