

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.

Covid infection rate drops to 12.07%

- Covid-19 infection rate in Bangladesh dropped further to 12.07 %, as 3,724 new virus cases were detected on Monday. On Sunday, the Covid-19 test positivity rate was 14.14 %, according to the Directorate General of Health Services (DGHS).
- A total of 6,186 people recovered from Covid-19 infection during the mentioned period. The rate of recovery from the disease remained almost unchanged at 94.97 %, the DGHS press release also said. A total of 1.49 million people were tested Covid-19 positive in Bangladesh until August 30 since March last year, and more than 1.42 million of them recovered from the deadly disease.

<https://today.thefinancialexpress.com.bd/first-page/covid-infection-rate-drops-to-1207pc-1630344889>

10 banks face show-cause for low deposit rates

- Bangladesh Bank (BB) has asked 10 banks to explain why they maintained a high interest rate spread for long depriving depositors. The spread, the gap between lending and deposit rates, was high ignoring the BB rules, which is why the central bank sent letters to them on August 10 seeking an explanation, said a BB official.
- The 10 are Dutch-Bangla Bank, Shimanto Bank, Brac Bank, Standard Chartered Bangladesh, State Bank of India, Woori Bank, The City Bank, Prime Bank, Eastern Bank and Trust Bank. As per the central bank rules, banks have to keep their spread either at or less than 4 percentage points. But the banks-maintained spreads of more than 4.50 percentage points, breaching the central bank policy, in order to make high profits.

<https://www.thedailystar.net/business/economy/banks/news/10-banks-face-show-cause-low-deposit-rates-2164881>

Nagad's BDT 510 crore bond gets nod

- The stock market regulator has approved Nagad's zero coupon bond on condition that some regulatory requirements are fulfilled for raising BDT 510 crore in funds. A zero-coupon bond is a debt instrument that does not pay interim coupons but instead trades at a deep discount, rendering profit at maturity, when the bond is redeemed for its full-face value.
- With a paid-up capital of BDT 3.5 crore, Nagad wants to raise the capital to pay off existing debts, support capital expenditure and meet working capital requirements to expand its business in the mobile financial service sector.

<https://www.thedailystar.net/business/economy/banks/news/nagads-Tk-510cr-bond-gets-nod-2164871>

The Bangladesh Small and Cottage Industries Corporation (BSCIC) seeks BDT 1,000cr stimulus fund

- BSCIC has sought a BDT 1,000 crore stimulus package from the government to disburse loans for the development and expansion of the cottage industry and SMEs. Existing entities and entrepreneurs in remote areas will be allocated BDT 500 crore while those seeking to start business afresh the rest, said the corporation functioning under the Ministry of Industries.
- The BSCIC has already disbursed BDT 50 crore that was allocated under a stimulus package last fiscal year, BSCIC Chairman told. Borrowers are to pay a 4 % interest for the loans having a repayment period of two years, including a six-month grace period.

<https://www.thedailystar.net/business/economy/news/bscic-seeks-Tk-1000cr-stimulus-fund-2164876>

Stimulus packages for expansion of Renewable Energy

- State Minister for Power, Energy and Mineral Resources said that the government has taken various stimulus packages for expansion of Renewable Energy (RE) in the country, reports BSS. Rooftop solar and net metering system is getting popularity day by day as a business model, he told British High Commissioner Robert Chatterton Dickson as the envoy met him virtually Monday.
- Huge land is needed for solar power. We have completed wind mapping but more researches on wind power and ocean power are required. In this case technical, economic and experience exchange is essential," the state minister added.

<https://today.thefinancialexpress.com.bd/last-page/stimulus-packages-for-expansion-of-re-1630345316>

AIIB to review projects for quicker execution

- The Asian Infrastructure Investment Bank (AIIB), new-generation development financier, is set to review Bangladesh projects shortly for speeding up execution by removing bottlenecks.
- AIIB has recently emerged as one of the key development partners of Bangladesh as it has so far confirmed a total of USD560 million worth of assistance during January-August period of this calendar year 2021 for the country's different development projects.

<https://today.thefinancialexpress.com.bd/first-page/aiib-to-review-projects-for-quicker-execution-1630344769>

Nordic companies urged to invest in Bangladesh

- Stakeholders at a virtual discussion urged the Nordic investors to take advantage of an improved business climate in Bangladesh, highlighting the reforms initiated by the government in recent times.
- Updating of the Company Act, Bankruptcy Act and Insurance Act, amongst others, will also positively impact FDI in the country. The economy is robust and stable, which makes it an attractive destination for Nordic investments. Additionally, the government has provided various incentives to promote investment and growth in the economy.

<https://thefinancialexpress.com.bd/economy/nordic-companies-urged-to-invest-in-bangladesh-1630312367>

Sheltech Ceramics shines in coastal Bhola

- Within two years since the real estate giant stepped into the ceramics industry by setting up a tiles manufacturing unit in Bhola, it is now setting up two more plants there – buoyed by the natural gas reserve, cheaper land and easier water transport in the island plus huge customer response and growing market demands.
- Once the new units go into production, Sheltech Ceramics will have a total daily production capacity of 4.20 lakh square feet of tiles and thus will become one of the top tiles manufacturers in the country.

<https://www.tbsnews.net/economy/sheltech-ceramics-shines-coastal-bhola-295402>

CMSME to get BDT200 crore at 4% interest to offset Covid-19 losses

- The Small and Medium Enterprise (SME) Foundation will provide another BDT200 crore in loans to Cottage, Micro, Small and Medium Entrepreneurs (CMSMEs) as part of the government's second round of stimulus packages to accelerate the country's economic recovery and improve the living standards of people in rural areas subject to marginal subsistence.
- To ensure credit to genuine small and medium entrepreneurs, half of all borrowers are to get less than BDT20 lakh each, women entrepreneurs at least 30%, and SME cluster entrepreneurs should get 10% of the total loan package of BDT200 crore, said SME Foundation Managing Director in a views-exchange meeting with representatives of banks and financial institutions on Monday.

<https://www.tbsnews.net/economy/cmsme-get-BDT200-crore-4-interest-offset-covid-19-losses-295318>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD68.84	USD20.32	41.88%
Crude Oil (Brent)*	USD73.00	USD21.20	40.93%
Gold Spot*	USD1,813.07	(USD82.03)	-4.33%
DSEX	6,823.60	1,421.53	26.31%
S&P 500	4,528.97	772.90	20.58%
FTSE 100	7,148.01	687.49	10.64%
BSE SENSEX	56,889.74	9,138.41	19.14%
KSE-100	47,365.70	3,610.32	8.25%
CSEALL	8,894.44	2,120.22	31.30%

Exchange Rates

USD 1 = BDT 85.21*

GBP 1 = BDT 117.29*

EUR 1 = BDT 100.58*

INR 1 = BDT 1.16*

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

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shaown, CFA	Head of Research	salim@bracepl.com	01708 805 221
Nazmus Saadat, CFA	Research Analyst	nazmus.saadat@bracepl.com	01708 805 229
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

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