

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.

Record exports bring home new hopes

- Despite all the lockdowns, travel restrictions, and pandemic-induced economic downturn, Bangladesh recorded its highest ever single-month export earnings amounting to USD 4.72 billion this year. According to Export Promotion Bureau (EPB) data, export receipts surpassed the USD 3.46 billion target set for October, registering a whopping 60.37% year-on-year growth. Apparel shipment grew by 53.27% to USD 3.56 billion in the same month, raising the total export earnings to USD 15.74 billion in 4MFY22.
- The highest earnings, USD 2.04 billion, came from knitwear shipment, while woven items fetched USD 1.51 billion, both posting over 52% YoY growth. Meanwhile, export earnings for agricultural products rose by 29.34%, leather and leather products rose 28.85%, engineering products 142.49%, however, jute and jute products dropped by 24.11%. Apparel exporters are hopeful of export growth to continue but are concerned about lower unit prices compared to soaring costs of raw materials.

<https://www.tbsnews.net/economy/record-exports-bring-home-new-hopes-347143>

Finance eyes 12% growth in revenue for FY23

- With the pandemic situation turning the corner, the finance ministry is going to set a target of a little over 12% growth in revenue generation for the National Board of Revenue (NBR) in FY23's budget. Keeping the next budget deficit at 5.5%, the ministry will target to collect BDT 3.7 trillion, equal to 8.5% of GDP in the fiscal 2022-23, through the NBR. In a virtual meeting on Wednesday, the Finance Division estimated a budget size to the tune of BDT 675,139 crore for FY23, which is 15.5% of GDP and nearly 12% higher than that of FY22.
- The finance ministry has estimated that investment will account for 32.2% of the GDP in 2022-23 the fiscal year. Of this, 25.3 percentage points is expected to come from the private sector and 6.9 pp from the public sector. Although the size of the budget is estimated to increase by BDT 0.7 trillion in the next financial year, a large part of it will be spent on management and repayment of interest on government loans. Of the BDT 6.85 trillion budget estimated for FY23, BDT 2.50 trillion will go to the annual development programme while expenditure on management and other sectors will be BDT 4.25 trillion, which is 9.8% of GDP.

<https://www.tbsnews.net/economy/finance-eyes-12-growth-revenue-fy23-347590>

World Bank lends USD500m to modernise power system in Bangladesh

- The World Bank has approved USD 500 million to help Bangladesh expand and modernise the electricity distribution system and support the sustainable transformation of its electricity system. The 'Electricity Distribution Modernization Program' will deliver improved electricity services to about 40 million people in Dhaka and Mymensingh Division, said a media release on Wednesday. The lend, approved on Tuesday, will upgrade and construct more than 31,000 km of distribution lines, 157 distribution substations, and related infrastructure, and incorporate measures to increase climate resilience of network infrastructure in 25 rural electric cooperatives (Palli Bidyut Samities) in Bangladesh Rural Electrification Board, said the release.
- Network investment will be paired with new and advanced technologies to help modernising and transform the electricity system, it added. The programme will introduce a modern grid system that can support the two-way flow of electricity and information, minimising and recovering quickly from climate and cyber risks, including natural disasters and extreme weather events. The credit is from the World Bank's International Development Association (IDA), which provides concessional financing, has a 30-year term, including a five-year grace period. In addition, the programme

also includes a USD15 million grant from the Clean Technology Fund (CTF), the media release mentioned.

<https://thefinancialexpress.com.bd/economy/world-bank-lends-500m-to-modernise-power-system-in-bangladesh-1640167369>

OFID to give Bangladesh USD75m as budgetary aid

- The OPEC Fund for International Development (OFID) is going to provide USD 75 million loans shortly to support Bangladesh's high-deficit budget, officials said on Tuesday. The Vienna-based lender would provide the budgetary support mainly for facilitating recovery from the Covid-19 pandemic shocks, they added. Since the country's budget deficit is estimated to exceed 6.0 % of the Gross Domestic Product (GDP) in the current fiscal year (FY), 2021-22, the fund from the development partner would be very helpful, he added.
- According to the ERD officials, the OFID would charge LIBOR plus 1.35 % interest rate per annum for its USD 75 million loan. The lender would charge 0.25% per year as commitment fee, and 0.25% as front-end fee from Bangladesh. The maturity of the loan is 20 years with a grace period of five years.

<https://thefinancialexpress.com.bd/economy/ofid-to-give-bangladesh-75m-as-budgetary-aid-1640146497>

Bangladesh gets BDT 11b Swiss investments

- Switzerland will invest around 119 million Swiss francs (CHF) or BDT 11 billion to implement its programme in Bangladesh over the next four years. The programme is aligned with the Agenda 2030 and Bangladesh's development priorities, including the Eighth Five-Year Plan. The overall goal of the Swiss Cooperation Programme 2022-2025 is to support Bangladesh's sustainable LDC graduation, promote a prosperous, just and resilient society, and contribute to peaceful coexistence.

<https://thefinancialexpress.com.bd/economy/bangladesh-gets-tk-11b-swiss-investments-1640172248>

Bangladesh to receive USD27.21m from Japan for two projects

- The government of Japan will provide an overall amount of USD 27.21 million to Bangladesh against two projects. Out of the amount, Japan will provide USD 4.21 million for the project titled 'The Project for Human Resource Development Scholarship (JDS)' as a grant for the Year 2021. Besides, Japan will also provide USD 23.00 million for the project titled 'The Project for the Improvement of Governance and Management Research and Training Facilities'.

<https://thefinancialexpress.com.bd/economy/bangladesh-to-receive-2721m-from-japan-for-two-projects-1640185218>

Govt bank borrowing surges as NSC sales plunge

- The net government borrowing has surged in FY22 amid a drastic fall in the net sales of national savings certificates. As per Bangladesh Bank data, the government's borrowing from the banking sector stood at BDT 27,110.35 crore from July 1 to December 12 of the current fiscal year. For deficit financing, the government has targeted to borrow BDT 76,452 crore from the banking system in FY22.
- In 1HFY21, the government borrowing from the banking sector was only BDT 595.4 crore against BDT 44,946.8 crore in the same period of FY20. High sales of NSCs were the reason for the drastic fall in bank borrowing in FY21. In FY22, the government took several budgetary and taxation measures to contain the high sales of NSCs. In 4MFY22, the net sales of NSCs were 40% lower than 4MFY21.

<https://www.newagebd.net/article/157994/govt-bank-borrowing-surges-as-nsc-sales-plunge>

Deposits in NBFIs contract in July-Sept

- Deposits in the non-bank financial institutions dropped by 1.26% year-on-year in 3QCY21 as the sector is suffering from the customers' trust deficit. The NBFIs suffered a deposit contraction at a time when the banks posted a 12.3%

growth in deposits in the same period. Bangladesh Bank data showed that the deposits in the NBFIs dropped to BDT 44,121.03 crore at the end of September quarter 2021 from BDT 44,684.75 crore in deposits a year ago.

- Deposits in banks and NBFIs usually increase in a gradual manner but the situation has changed recently following the surfacing of massive irregularities in the NBFIs sector. Though the deposit interest rate in the NBFIs is still far better than the banks, the NBFIs could not capitalise the situation to improve their liquidity base. Most of the banks are offering interest rates below 6% while many of the NBFIs are offering around 10% interest against their deposit products.

<https://www.newagebd.net/article/157993/deposits-in-nbfis-contract-in-july-sept>

Country's largest solar project in Mongla set to begin operations 25 December

- The country's largest solar park in Mongla is all set to begin supplying 134.3 MW peak (solar power measuring unit) of electricity to the national grid from 25 December. Energon Renewables, a subsidiary of the industrial conglomerate Orion Group, has built the plant on a 350-acre site that had originally been developed for a coal power project in 2014. The Orion Group shelved the coal project and struck a deal with the Bangladesh Power Development Board (BPDB) in February 2019 on building the solar park at the cost of USD 196 million.
- The Power Development Board will purchase electricity from this solar plant for 20 years under a "no electricity, no payment" term. A kilowatt-hour of electricity will cost 13.8 cents. Bagerhat is now home to Bangladesh's largest solar PV plant after overtaking the 73MW Mymensingh solar power facility. Orion Group has five fuel-based power plants with a capacity to generate 511MW of electricity.

<https://www.tbsnews.net/bangladesh/energy/countrys-largest-solar-project-mongla-set-begin-operations-25-december-347596>

BSEC speeds up IPO approval process

- The Bangladesh Securities and Exchange Commission (BSEC) can approve a company's proposal to raise funds from the capital market within two weeks, provided the firms produce the required documents, according to a senior official of the regulator.

<https://www.thedailystar.net/business/economy/news/bsec-speeds-ipo-approval-process-2923791>

UCB to issue BDT1,000cr subordinated bond

- The United Commercial Bank (UCB) will issue a bond worth BDT 1,000 crore and use the proceeds to increase the private sector lender's capital base. The unsecured, non-convertible and redeemable subordinated bond is expected to help the bank fulfil its Basel-III requirements. The bank has set the tenure of the bond for seven years, which will be implemented after getting approval from the Bangladesh Securities and Exchange Commission and the Bangladesh Bank.

<https://www.tbsnews.net/economy/banking/ucb-issue-tk1000cr-subordinated-bond-347557>

Navana Pharma holds IPO road show for raising BDT 750m

- Navana Pharmaceuticals Ltd held a road show for raising BDT 750 million from the capital market through initial public offering (IPO) under the book-building method to expand its business. The company will utilize the IPO proceeds for construction of new general production building (BDT 232.40 million), construction of new utility and engineering building (BDT 97.30 million), refurbishment of cephalosporin unit (BDT 178.50 million), partial loan repayment (BDT 211.80 million) and IPO related expenses (BDT 30 million), according to its red-herring prospectus.
- According to its audited financial report for the year ended on June 30, 2021, the net profit of the company stood at BDT 202.29 million, which was BDT 137.39 million in the previous year. During the period, the revenue of the company

was BDT 3.60 billion, which was BDT 3.15 billion in the previous year. The company has reported earnings per share of BDT 2.52 for the year ended on June 30, 2021, which was BDT 1.71 for the year ended on June 30, 2020. The company's net asset value (NAV) per share stood at BDT 41.19 as of June 30, 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/navana-pharma-holds-ipo-road-show-for-raising-tk-750m-1640187477>

IBBL and SJIBL set debut trading dates for their perpetual bonds

- Islami Bank Bangladesh Ltd (IBBL) and Shahjalal Islami Bank Ltd (SJIBL) have announced the debut dates for the trading of each of their perpetual bonds at the Dhaka Stock Exchange (DSE). Of the two bonds, IBBL 2nd Perpetual Mudaraba Bond will commence at DSE from 23 December, and SJIBL Mudaraba Perpetual Bond from 26 December. Shahjalal Islami Bank raised BDT 500 crore and Islami Bank BDT 800 crore through issuing perpetual bonds to strengthen their additional Tier-I capital.

<https://www.tbsnews.net/economy/stocks/ibbl-and-sjibl-set-debut-trading-dates-their-perpetual-bonds-347563>

Union Capital MD barred from joining Islamic Finance

- The central bank has asked Islamic Finance and Investment Ltd (IFIL) not to recruit Chowdhury Manzoor Liaquat as its managing director, who has recently resigned from the Union Capital. Islamic Finance and Investment in September requested the central bank to inform it whether it had any objection to the lender hiring Liaquat. The BB gave its reply on December 21.
- Officials of the BB said Union Capital was now facing a lack of corporate governance and Liaquat was one of the persons responsible for its current state. The central bank has recently unearthed that Union Capital had waived loans given to a subsidiary of the NBFIL, violating banking norms. The total outstanding loans extended to the subsidiary stood at BDT 500 crore.

<https://www.thedailystar.net/business/economy/banks/news/union-capital-md-barred-joining-islamic-finance-2923776>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 73.04	USD 24.52	50.54%
Crude Oil (Brent)*	USD 75.54	USD 23.74	45.83%
Gold Spot*	USD 1,804.72	(USD 90.38)	-4.77%
DSEX	6,754.45	1,352.38	25.03%
S&P 500	4,696.56	940.49	25.04%
FTSE 100	7,341.66	881.14	13.64%
BSE SENSEX	56,930.56	9,179.23	19.22%
KSE-100	44,174.97	419.59	0.96%
CSEALL	11,814.37	5,040.15	74.40%

Exchange Rates**1 US Dollar = 85.75 BDT****1 GBP = 114.48 BDT****1 Euro = 97.23 BDT****1 INR = 1.14 BDT**

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