

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.

Bangladesh gets USD 2.7b investment proposals as summit ends

- The investors include Saudi Arabia's Engineering Dimension, Bangladeshi United Group and Turkish Aygaz. The country received around USD 2.7 billion investment proposals by foreigners as the two-day long investment summit concluded in Dhaka on Monday. "We did not have any target. We just wanted the investors to know about the new Bangladesh," Salman F Rahman, private industry and investment adviser to the prime minister, told the concluding session of the summit.
- "At the event, they [foreign investors] came to know about Bangladesh. They came to learn about the changes the country has gone through. They now know that there is a satisfactory investment environment here," Salman added. While detailing the investment proposals, Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority (Bida), said, "We are so very excited that this summit has attracted over USD 2.7 billion in investment proposals and deals including a USD 1.5 billion Saudi proposal in infrastructure and engineering." The investors include Saudi Arabia's Engineering Dimension, Bangladeshi United Group and Turkish Aygaz.

<https://www.tbsnews.net/economy/bangladesh-gets-27b-investment-proposals-summit-ends-336499>

Bangladesh to offer more incentives for foreign investment in energy, transport

- Bangladesh will offer additional incentives against foreign investments in power, energy, transport, and logistics as more development in these sectors to sustain the country's economic growth, said high-ups in the government. The government is even ready to share some risks relating to the investment by forming joint-ventures, they said while speaking at two parallel discussions on the closing day of the International Investment Summit 2021 held at Radisson Blu hotel in the capital on Monday.
- Dr Tawfiq-e-Elahi Chowdhury, adviser to the prime minister on power, energy and mineral resources affairs, chaired the second session of the day entitled "Power and Energy: Charge Ahead" while the first session was styled "Transport and Logistics: The Right Move." The adviser requested global oil and gas companies to invest in the country's shallow and deep sea. "We have already announced some incentives for deep and shallow sea exploration. But I would like to offer more incentives to the prospective international oil and gas companies to invest in this sector," he said, adding, "We could even share some risks by investing through joint ventures."

<https://www.tbsnews.net/economy/govt-offer-more-incentives-foreign-investment-energy-transport-336505>

Financial sector, legislation prepared to foster foreign investments

- Speakers at International Investment Summit 2021 urge for improvements in investment to GDP ratio. The banking sector, capital market and the legal framework in Bangladesh are well-prepared to foster foreign investments, with the government working fast on the remaining tasks, speakers said during different sessions on the second day of the International Investment Summit 2021 on Monday. At a session titled "Financial Services: Ensuring Sustained Growth", central bank officials and banking professionals said the banking sector of the country posed no risk to investors, even during the pandemic; it, instead, offered full support.
- The much discussed non-performing loans in the banking sector were manageable and would not be a problem for the business ecosystem as the central bank was trying to control it, said Bangladesh Bank Governor Fazle Kabir. "And we have an e-payment based financial ecosystem for foreign investors, alongside online transaction facilities, liberal foreign exchange regime, easy exit policy, liberal financial flows, and comprehensive green financing plan," he added. "So, the investors can come here without fear."

<https://www.tbsnews.net/economy/financial-sector-legislation-prepared-foster-foreign-investments-336502>

Govt, ADB sign USD 150m loan deals to finance CMSEs

- The government and the Asian Development Bank on Monday signed agreements for USD 150 million in loans to provide financing for cottage, micro, and small-sized enterprises (CMSEs) to create jobs for promoting socio-economic recovery after the coronavirus pandemic.
- The assistance under the 'Supporting Post-COVID-19 Small-Scale Employment Creation Project' will help rejuvenate CMSEs operated by youth, rural entrepreneurs, returning migrant workers, particularly women, who have been hit hard by the pandemic. Economic Relations Division secretary Fatima Yasmin and ADB country director Edimon Ginting signed the agreements on behalf of Bangladesh and the ADB, respectively at a ceremony at the ERD in Dhaka, an ADB press release said on Monday.

<https://www.newagebd.net/article/156024/govt-adb-sign-150m-loan-deals-to-finance-cmses>

Hassle-free online NITA system emphasized

- There is an urgent need for addressing the existing barriers to attract more local and foreign investors for the sake of further development of the country's stock market. Besides, more participation of institutional investors should be ensured along with popularizing mutual funds to avert possible volatilities in the stock market. The observations came Monday at the International Investment Summit 2021 at a city hotel.
- Dr. Mashiur Rahman said investors will be able to avail opportunities if the growth of the country's economy is accelerated by ample investments. The Prime Minister's adviser Mr. Rahman also said Bangladesh is in the juncture of a significant transformation of its economy and transitional obstacles should be addressed to facilitate economic growth. The vice chairman of Shanta Asset Management Arif Khan laid importance on expansion of capital through participation of local and non-resident Bangladeshis.

<https://today.thefinancialexpress.com.bd/stock-corporate/hassle-free-online-nita-system-emphasised-1638202522>

Non-food inflation highest in five years

- Food inflation in October also rose to 5.22%, still a year-on-year low of 7.34%. The non-food inflation ticked up to 6.48% in October – the highest in the last five years – thanks to a surge in demand owing to reopening of the economy, supply crunch, disrupted supply chain and depreciation of the taka, according to the latest data of state-run Bangladesh Bureau of Statistics (BBS).
- The latest figure is 1.48% year-on-year high as it was 5% in the corresponding month last year. Earlier in September this year, non-food inflation was 6.19%. The country in August 2016 logged the highest 7% non-food inflation. In October, food inflation rose to 5.22% from 5.21% in September. It was 7.34% in October last year. According to the BBS report released on Monday, a spike in both non-food inflation and food inflation in October drove up the general inflation to 5.70% from September's 5.59%. General inflation in October last year was recorded at 6.44%.

<https://www.tbsnews.net/economy/non-food-inflation-highest-five-years-336511>

Luxury hotels struggle to revive business from pandemic blues

- Luxury hotels thrive to revive business by cutting down on costs. Listed luxury hotels are struggling to revive business from the pandemic shock by reducing expenses and introducing new services. The revenue of Unique Hotel, the owning company of The Westin Dhaka, dropped 57% to BDT 67.54 crore and incurred a loss of BDT 12.77 crore in fiscal 2020-21. Despite the loss, it recommended a 10% cash dividend for the general shareholders but its sponsors and directors will not get any dividend.

- Although there were strict lockdowns in the first quarter of this fiscal year, the company achieved the growth in revenue but it was not sufficient to make a profit. In the July-September quarter, its revenue grew 113% to BDT 19.85 crore and still, the company incurred a loss of BDT 1.16 crore. Following the release of the first quarter financial statements, its share price jumped 12% over the last few days and closed at BDT 53.90 on Monday at the Dhaka Stock Exchange (DSE). But in the first quarter of the current fiscal year, it incurred a loss of BDT 1.05 crore although it achieved a 16% growth in revenue to BDT 16.32 crore.

<https://www.tbsnews.net/economy/luxury-hotels-struggle-revive-business-pandemic-blues-336538>

Export-import disrupted as central bank server down for 4 days

- Export-import activities were disrupted and dropped to half the usual over the weekend as the central bank's server went down on Thursday. Many exporters failed to ship on time, while importers were unable to unload goods as they could not log into the Bangladesh Bank server from 25 October. Chattogram's Kattali Textile Limited was scheduled to ship USD 1,36,000 worth of ready-made garments to the USA on Thursday, but the Agrabad branch of Islami Bank, which handles its banking, could not issue the export form as the central bank's server was down. The problem is temporary as the central bank is migrating to a new software, according to top BB official.
- On 24 November, a total of 9,003 bill-of-entries – 1,665 for import and 7,638 for export – were submitted. The effect of the central bank's server going down started to reflect in the number of bills of entries from the next day as 7,250 bills were submitted on 25 November. On 26 November, only 4,446 bill-of-entries were submitted, which went further down on 27 November, when only 4,257 bills were logged. On 28 November, it further dropped to 4,019.

<https://www.tbsnews.net/economy/export-import-disrupted-central-bank-server-down-4-days-336514>

13 banks hold 57% of defaulted loans

- Thirteen banks were holding more than half of the defaulted loans in the country's banking sector as of September 2021 as the banks mostly failed to attain any significant progress in recovering loans from the defaulters. The banks were holding more than 10% defaulted loans each against their outstanding loans with some of them having with defaulted loans above 50%. Bangladesh Bank data showed that the amount of defaulted loans held by the 13 banks increased by BDT 2,475.87 crore to BDT 57,416.21 crore as of September 30, 2021 compared with BDT 54,940.34 crore a year ago. The NPL in the 13 banks represents 56.76% of the total BDT 1,01,150.3 crore in defaulted loans of all banks in the country.
- There are 60 banks operating in the country. The 13 banks are Janata Bank, Sonali Bank, Agrani Bank, BASIC Bank, AB Bank, Rupali Bank, Padma Bank, National Bank of Pakistan, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, ICB Islami Bank, Bangladesh Development Bank and Habib Bank. Scams and irregularities in issuing loans were the major reasons for the high NPL in most of the banks, BB officials said.

<https://www.newagebd.net/article/156064/13-banks-hold-57pc-of-defaulted-loans>

USD 115b investment needed for power sector by 2041

- State minister for Ministry of Power, Energy and Mineral Resources Nasrul Hamid Monday said Bangladesh will require investment worth USD 50 billion only for electricity generation by 2041. The country will require further investment worth around USD 65 billion in power transmission and distribution system, he said.
- Mr Hamid spelled out the government plan to focus more on clean and renewable energy sources for electricity generation in future as part of its de-carbonization effort. It has set a target to reduce greenhouse emissions by 49% within 2031, he said. The government has already scrapped 8,500 megawatt (MW) generating coal-fired power plants to protect environment, said Mr Hamid.

<https://today.thefinancialexpress.com.bd/stock-corporate/us115b-investment-needed-for-power-sector-by-2041-1638202690>

Apparel makers seek investment to develop woven backward linkage

- A big investment coupled with policy support is needed to develop a strong backward linkage of woven and manmade fabrics within the next two years, thus coming out of dependence on imports for such fabrics, said apparel leaders on Monday. Apparel manufacturers now import around 65% of such fabrics to meet their needs, they noted at the two-day investment summit in Dhaka. "We need investment in manmade fabrics. If we get policy and utility support from the government, it will help to reduce import dependency and cut lead time too," said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association.
- "After the next two years, we do not have to import any fabrics from abroad," he added. While presenting a keynote, Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said Bangladesh is a greenfield for investments in textiles and high value-added items. He urged investors to make investments in potential sectors. "We need foreign direct investment in potential sectors, especially for diversification towards high-end products and technological up-gradation," the BGMEA president said.

<https://www.tbsnews.net/economy/rmg/apparel-makers-seek-investment-develop-woven-backward-linkage-336508>

M&S plans to buy more high-end garments from Bangladesh

- Bangladesh is the largest sourcing destination for M&S for apparel items, and the company buys more than USD 1.2 billion worth of garment items from the country every year. Shwapna Bhowmick, country manager of M&S, said she wanted to buy more garment items from Bangladesh because of the commitments of the suppliers and the diversification of products. She added that they are no longer interested in basic garments, suggesting suppliers produce more value-added items to receive higher prices.

<https://www.thedailystar.net/business/economy/industries/investments/news/ms-plans-buy-more-high-end-garments-bangladesh-2906101>

Give leather sector RMG-like facilities

- Bangladesh has huge prospect of attracting investors to the leather sector, especially to footwear, leather and leather goods production as the government offers a wide range of incentives to these businesses, Managing Director of Apex Footwear Ltd Syed Nasim Manzur said. In his keynote address, Syed Nasim Manzur also said that the government provides 17 types of incentives to the leather sector which indicates the government's interest in the sector. He also emphasised on the need for simplification of existing customs laws, providing leather sector with income tax rates similar to the apparel sector and declaring a credible action plan to implement CETP in Savar. He presented at the two-day international investment summit organised by the Bangladesh Investment Development Authority (BIDA) at a city hotel.

<https://today.thefinancialexpress.com.bd/trade-market/give-leather-sector-rmg-like-facilities-1638204366>

Stocks return to green after six-day fall

- DSEX inched up by 21.6 points or 0.32% to settle at 6,796. Stocks returned to green on Monday on the back of gains in bank shares after ending a six-day falling streak on the Dhaka Stock Exchange (DSE). DSEX, the prime index of the country's premier bourse, inched up by 21.6 points or 0.32% to settle at 6,796.
- The key index had earlier lost 318 points during the last six consecutive sessions. The turnover witnessed a decline on Monday as investors mostly remain on the sidelines owing to worries over the adverse impact of the new coronavirus variant on the country. The premier bourse's turnover declined to BDT 708 crore, from BDT 837 crore in the previous trading session on Sunday. The majority of the stocks closed in green territory. Out of 372 issues traded, 238 advanced, 89 declined, and 45 remained unchanged. Also, there is a panic among stock market investors as the Bangladesh Bank sought information from the capital market intermediaries.

<https://www.tbsnews.net/economy/stocks/stocks-return-green-after-six-day-fall-336517>

Square Pharma to start drug production in Kenya by January

- The company constructed a BDT 170 crore manufacturing plant in Nairobi. Square Pharmaceuticals Ltd is going to be the first Bangladeshi company to produce medicines in a foreign country as it is scheduled to start manufacturing in Kenya by January 2022. The trial operation will start in December this year. As per the company's financial statement, the construction of the project began in 2019 and was initially scheduled to be completed by early 2021. However, the global outbreak of Covid-19 impacted the construction work to a great extent.
- Finally, Square completed the construction of its manufacturing plant in Nairobi, the Kenyan capital in September 2021 at a cost of BDT 170 crore. The pharma giant looks to get hold of the USD 30 million drug market in Kenya and five other East African countries – Tanzania, Rwanda, Burundi, Uganda, and South Sudan – and fulfil the unmet demands of medicines in those countries. According to the company's 2017 disclosure on the Dhaka Stock Exchange, Square invested USD 20 million to set up a drug manufacturing plant in Kenya.

<https://www.tbsnews.net/economy/stocks/square-pharma-start-drug-production-kenya-january-336535>

Active Fine Chemicals, AFC Agro post stellar profit growths

- Both companies posted significant growths in revenue, thanks to the export incentives of Active Fine Chemicals and the sales from a big order of AFC Agro to the government. Active Fine Chemicals and AFC Agro Biotech – two companies of the AFC Group – posted a staggering increase in profits in the first quarter of the current fiscal year. Both companies posted significant growths in revenue, thanks to the export incentives of Active Fine Chemicals and the sales from a big order of AFC Agro to the government. The net profit of Active Fine Chemicals - a chemical reagent and active pharmaceutical ingredients (API) maker - increased 745% to BDT 6.34 crore in the July to September quarter of the current fiscal year, compared to the same period the previous fiscal. During the period, the company earned BDT 41.88 crore revenue, which was BDT 38.67 crore in the same period the previous year. Its earnings per share (EPS) was BDT 0.26, and net asset value (NAV) per share was BDT 22.27 in the first quarter of FY22
- The net profit of AFC Agro Biotech increased 192% to BDT 3.36 crore in the July to September quarter of the current fiscal year, compared to the same period of the previous fiscal. During the period, the company earned BDT 38 crore revenue, which was BDT 13 crore in the same period the previous year. Its EPS was BDT 0.29, and NAV per share was BDT 18.30 in the first quarter of FY22. Md Mahbur Rahman further said a remarkable BDT 37 crore sale to the government has helped the surge in total revenue. Earlier, the company declared that it will supply a total of 5 lakh RT-PCR Covid-19 testing kits worth BDT 43.45 crore to the government.

<https://www.tbsnews.net/economy/stocks/active-fine-chemicals-afc-agro-post-stellar-profit-growths-336529>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 71.10	USD 22.58	46.54%
Crude Oil (Brent)*	USD 75.05	USD 23.25	44.88%
Gold Spot*	USD 1,784.28	(USD 110.82)	-5.85%
DSEX	6,795.51	1,393.44	25.79%
S&P 500	4,669.46	913.39	24.32%
FTSE 100	7,109.95	649.43	10.05%
BSE SENSEX	57,260.58	9,509.25	19.91%
KSE-100	45,330.05	1,574.67	3.60%
CSEALL	11,202.09	4,427.87	65.36%

Exchange Rates**1 US Dollar = 85.77 BDT****1 GBP = 114.10 BDT****1 Euro = 96.65 BDT****1 INR = 1.14 BDT**

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