

*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.*

### **Thailand offers duty-free market facility to Bangladesh until 2026**

- Thailand has decided to offer the duty-free, quota-free (DFQF) facility for Bangladeshi products in its market until 2026 to enhance bilateral trade volume, officials said. The previous such arrangement between the countries expired on December 31, 2020. The Thai Embassy in Dhaka has recently conveyed its government's latest decision on the DFQF scheme to the Ministry of Commerce (MoC).
- The Southeast Asian country has announced to extend the facility for the Least Developed Countries (LDCs), including Bangladesh, until December 2026, a senior official of the MoC said. Bangladesh exports products like knitwear, household articles, sewing thread, and jute rope and bags to the country.

<https://thefinancialexpress.com.bd/trade/thailand-offers-duty-free-market-facility-to-bangladesh-until-2026-1640744716>

### **Development budget implementation snails far behind set goals**

- Government agencies couldn't speed up development-budget implementation to anywhere near pre-covid levels, officials said Tuesday, and two of them moved at the slowest pace. They said the Shipping Ministry joined the 'weak club' with the Health Services Division in project execution as both performed "worst" in the first five months of the current fiscal year (FY), 2021-22.
- The ministry and the division both implemented only one-third of the average project-execution rate of all the ministries and agencies during the July-November period of this fiscal, the officials said. Implementation Monitoring and Evaluation Division (IMED) data show that the ministries all together had spent 18.61% of the Annual Development Programme (ADP) allocations during the five months.

<https://thefinancialexpress.com.bd/economy/development-budget-implementation-snails-far-behind-set-goals-1640747861>

### **NPLs out of control now**

- Prime Minister's Economic Affairs Adviser Dr Mashiur Rahman has stressed reining in default loans which he felt have gone out of control at present. He has suggested strengthening the capacity of the central bank and reviewing the bankruptcy law to reduce the burden on the country's banking sector.
- Classified loans in Bangladesh's banking system swelled to more than BDT 1.0-trillion mark, as of September, despite receiving state policy support. The volume of non-performing loans (NPLs) grew by nearly 14% or BDT 124.16 billion to BDT 1011.50 billion as on September 30, from BDT 887.34 billion as on December 31, 2020, according to the central bank's latest statistics.

<https://today.thefinancialexpress.com.bd/first-page/npls-out-of-control-now-1640797910>

### **HSBC completes first insurance-backed receivables transaction**

- The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh has recently completed country's first insurance backed receivables finance transaction for MBM Garments Ltd., one of the leading Ready-made Garment (RMG) exporters in Bangladesh.
- This proposition has been rolled out in line with HSBC's own receivables finance model and within local regulation, wherein the customer gets early payment against their deferred term exports from HSBC Bangladesh, said a

statement. It also comes with a bespoke insurance solution to cover and manage buyer's non-payment risk through HSBC's business partners.

<https://today.thefinancialexpress.com.bd/stock-corporate/hsbc-completes-first-insurance-backed-receivables-transaction-1640788525>

### **Govt to build 660MW plant in Mirsarai**

- The government is going to build a 660-megawatt gas or liquified natural gas-based power plant in Mirsarai of Chattogram. A consortium of Confidence Power Holdings Ltd, GE Capital US Holding Inc, Confidence Power Ltd, and Electropac Industries Ltd will implement the project. A unit of electricity from the plant will cost 3.037 US cents, or BDT 2.943, if the plant is gas-based, while it will be 6.796 US cents, or BDT 5.436, if it is based on re-gasified liquified natural gas. The move came after the government scrapped plans to build eight coal-fired power projects recently considering the environmental issues.

<https://www.thedailystar.net/business/economy/news/govt-build-660mw-plant-mirsarai-2928596>

### **Govt extends tenure of four rental power plants**

- Four rental power plants have been given tenure extension on Wednesday while one new power plant has also been given go-ahead for setting up in Chattogram. Of them, a 53 MW gas-based rental power plant in Ashuganj, Brahmanbaria, sponsored by United Energy Ltd, has been extended for five years. The Kumargaon 50 MW gas-based rental power plant, located in Sylhet gets a tenure extension until December next year. Another gas-based 50MW rental power plant of Energy Prima Ltd in Fenchuganj, Sylhet gets a tenure extension of three years. The Energy Prima Ltd's another 20 MW gas-based rental power plant in Bogra district has also been extended for three more years.

<https://thefinancialexpress.com.bd/trade/govt-extends-tenure-of-four-rental-power-plants-1640770281>

### **21 firms to invest BDT 10b in three hi-tech parks**

- Some 21 technology companies are set to invest BDT 10 billion in three hi-tech parks, creating about 2,500 new jobs. To this effect, all the companies signed agreements with the Bangladesh Hi-Tech Park Authority (BHTPA) in a signing ceremony at the ICT Tower in the city's Agargaon area on Wednesday.
- Of the signee organisations, four companies got land allocation in Bangabandhu Hi-tech City at Kaliakoir, 16 companies in Sheikh Jamal Software Technology Park in Chattogram, and one in Sheikh Kamal IT Incubation and Training centre in CUET. Among the firms, Bangladesh Card Limited alone will invest BDT 8.6 billion to manufacture smart card and security gears as well as assemble ATM in a plant, to be established on seven acres of land in Bangabandhu Hi-tech City.

<https://today.thefinancialexpress.com.bd/trade-market/21-firms-to-invest-tk-10b-in-three-hi-tech-parks-1640795155>

### **Half of beneficiary owners' accounts exist in name only!**

- Around half of the active BO (beneficiary owner) accounts have not played any role in daily transactions over the years as those accounts either have zero balance or have never been used in share trading. According to the Central Depository Bangladesh Limited (CDBL), the number of active accounts was above 2.53 million as on June 30, 2021. Of those accounts, above 1.41 million had a share balance while 0.81 million accounts were active with zero balance and the remaining 0.32 million accounts were never used. As a result, 1.13 million or 44.36 per cent of the active accounts played no role in daily share trading during the fiscal year (FY) 2020-21. The number of active accounts having no role in transactions was 51.39 per cent in the FY 2019-20, 54.68 per cent in the FY 2018-19, 53.10 per cent in the FY 2017-18 and 55.63 per cent in the FY 2016-17, according to the CDBL.

<https://thefinancialexpress.com.bd/stock/bangladesh/half-of-beneficiary-owners-accounts-exist-in-name-only-1640832164>

**Hungry market devours govt Sukuk**

- Bangladesh's hungry securities market swallows a gain-only bond as the BDT 50-billion government Sukuk was oversubscribed nearly five times to BDT 233.04 billion in its auction held Wednesday.
- A total of 31 institutions -- both conventional and Shariah-compliant financial institutions -- along with three individuals took part in the auction of the Bangladesh Government Investment Sukuk (BGIS), generally known as Ijarah Sukuk, held at the central bank, officials say.
- A financial unit styled special-purpose vehicle (SPV) allocated the bond certificates as per set quota for the auction of the blue chip, Sukuk. Bangladesh Bank (BB) had earlier set the quota with priority given to Shariah-based Islamic banks, non-banking financial institutions (NBFIs) and insurance companies for staking their bets. A separate Islamic securities unit under the Debt Management Department of the central bank acts as SPV.

<https://today.thefinancialexpress.com.bd/first-page/hungry-market-devours-govt-sukuk-1640798120>

**Banks get full discretion in giving interest to bond holders**

- The Bangladesh Securities and Exchange Commission on Wednesday informed the Bangladesh Bank that it exempted banks who issued perpetual bonds from complying with the BSEC instruction of providing interest to bondholders. The regulator issued a letter in this regard on Wednesday, which was forwarded to relevant banks. Earlier, the BSEC had put a condition that the bank must not have full discretion at all time to cancel distribution or payments to the bondholders. Now, the BSEC has withdrawn the condition and given full discretion to banks regarding paying interest or profits to the bondholders.

<https://www.newagebd.net/article/158577/banks-get-full-discretion-in-giving-interest-to-bond-holders>

**Navana CNG capitulates to debts**

- To diversify its business, Navana CNG entered the bottled liquefied petroleum gas (LPG) sector three years ago but it has ended up with an increasing debt burden by failing to make sales to the expected level.
- Navana CNG started bottled LPG business under a subsidiary company – Navana LPG – in 2018 and, to set up a new plant, it borrowed around BDT 300 crore from several banks with high interest. But its LPG business did not grow at its expected rate in the last three years, and due to insufficient income from LPG, it cannot repay the loan instalments in full.

<https://www.tbsnews.net/economy/stocks/navana-cng-capitulates-debts-350617>

**Emerald Oil returns to production after four years**

- Emerald Oil Industries Ltd has resumed production of its rice bran edible oil after a hiatus of four years thanks to fresh investment by Minori Bangladesh Limited, a subsidiary of Japanese farming company Minori Co Limited.
- The company, which has completed a successful trial run, is expected to go into full-fledged commercial production from January, said its officials. The newly restructured board of directors are hoping to overcome outstanding losses and reach a break-even point within six months as there is a significant demand for their rice bran edible oil, which is marketed under the brand name Spondon.

<https://www.tbsnews.net/economy/stocks/emerald-oil-returns-production-after-four-years-350644>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change YTD</b>	<b>% Change YTD</b>
Crude Oil (WTI)*	USD 76.54	USD 28.02	57.75%
Crude Oil (Brent)*	USD 79.20	USD 27.40	52.90%
Gold Spot*	USD 1,802.24	(USD 92.86)	-4.90%
DSEX	6,731.15	1,329.08	24.60%
S&P 500	4,793.06	1,036.99	27.61%
FTSE 100	7,420.69	960.17	14.86%
BSE SENSEX	57,806.49	10,055.16	21.06%
KSE-100	44,260.11	504.73	1.15%
CSEALL	11,915.18	5,140.96	75.89%

**Exchange Rates****1 US Dollar = 85.81 BDT****1 GBP = 115.84 BDT****1 Euro = 97.37 BDT****1 INR = 1.15 BDT**

## 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 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 Shawon, CFA	Head of Research	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Nazmus Saadat, CFA	Research Analyst	<a href="mailto:nazmus.saadat@bracepl.com">nazmus.saadat@bracepl.com</a>	01708 805 229
Anika Mafiz	Research Analyst	<a href="mailto:anika.mafiz@bracepl.com">anika.mafiz@bracepl.com</a>	01708 805 206
Fahim Hassan	Research Associate	<a href="mailto:fahim.hassan@bracepl.com">fahim.hassan@bracepl.com</a>	01709 636 546

#### International Trade and Sales

Ahsanur Rahman Bappi	CEO	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-----	--	---------------

### BRAC EPL Stock Brokerage Limited

[www.bracepl.com](http://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](mailto:research@bracepl.com)