

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.

Four firms get nod to invest abroad

- The Bangladesh Bank has given permission to four private business entities to invest USD10 million in foreign countries, in a major leap forward for reining in capital flight alongside easing global marketing of local products. One of the permitted companies, Square Pharmaceuticals Limited, a subsidiary of Square Group, will invest USD1 million in The Philippines, opening up an opportunity for the company to gain a foothold in the import-dependent USD6 billion pharmaceutical market – the third largest in the Asean region. Renata Pharmaceuticals, is going to invest USD2 million in Ireland as part of increasing the paid-up capital in its already established subsidiary.
- Besides, Renata will also make an investment amounting to USD5 million in the United Kingdom for the same target. ACI Pharmaceuticals, with the central bank's permission on a case-to-case basis, invested USD100 million in 2015 to grab a huge drug market in the United States. Another company that secured the seal of approval is Bangladesh Steel Re-Rolling Mills Ltd (BSRM) will invest USD0.5 million to enhance its paid-up capital in its existing subsidiary in Hong Kong.
- Besides, Colombia Garments Limited, a subsidiary of M&J Group - a leading global manufacturer specialised in jeans production, was given permission to invest USD1.5 million in Hong Kong for procurement and business promotion. The companies that failed to secure approval are Sonargaon Seeds Crushing Mills Ltd, a subsidiary of Meghna Group of Industries and Bangladesh Venture Capital Limited. The Sonargaon Seeds Crushing Mills wanted to invest USD 25,000 to set up a subsidiary in Singapore to expand its business. On the other hand, Venture Capital Limited sought permission to invest USD10,000 to acquire 0.85% stake in BrioAgro, a Spanish agro-tech based startup.

<https://www.tbsnews.net/economy/four-firms-get-nod-invest-abroad-365731>

Goods exports post 41% growth in January

- The country's merchandise export earnings maintained hefty growth this January recording over 41-% rise year on year following a strong rebound of apparel shipments from the pandemic-spawned recession. Bangladesh fetched USD 4.85 billion during the period in question than last year's USD 3.43 billion. Since last September, the country's single-month export earnings have been surpassing the four-billion mark. The January 2022 earnings also surpassed the target set for the month by 19.73 %.
- Besides, overall merchandise exports in 7MFY22 also grew 30.34% to USD 29.54 billion. The FY21, which fell into full flash of the pandemic, were USD 22.67 billion. Of the total, RMG sector fetched USD 23.98 billion, posting 30.3% growth than last fiscal's rate. Earnings from agricultural items, including vegetable, fruit and dry food, witnessed 26.23% growth.
- Earnings from pharmaceutical exports stood at USD117.11 million, marking 20.93-% growth. Bangladesh has fetched USD 682.74 million from leather and leather goods export, registering 29.66% growth. Export earnings from frozen and live fishes increased 22.6 % to USD 377.94 million during the same period. According to the EPB, export of plastic products witnessed 38.7-% growth to USD87.38 million.

<https://today.thefinancialexpress.com.bd/stock-corporate/goods-exports-post-41pc-growth-in-january-1643823948>

Padma Bridge fund cut proposed

- The Bridges Division has sought BDT 10 billion lower funds than its allocation in the current development budget for the Padma Bridge project following less utilisation, officials say. It has sought BDT 24.99 billion in the upcoming

revised annual development programme (RADP) instead of the current allocation of BDT 35 billion for failing to complete the targeted works in time.

- After the revised allocation for FY22, BDT 42.41 billion of the total BDT 301.93 billion project cost for the bridge will remain unspent in the terminal fiscal year (FY2023), the deadline for completing the megaproject.

<https://thefinancialexpress.com.bd/national/padma-bridge-fund-cut-proposed-1643855521>

Jute exports improve, but still in negative territory

- Earnings from jute exports, which went into free fall at the beginning of the current fiscal year, are now on the mend with prices of raw jute dropping to some extent – even though its growth still tanks 9% at the end of the July-January period. A steep rise in raw jute price, shrinking global demand and skyrocketing freight costs, which registered around 32% rise in FY21, had caused the exports to slip into the negative territory with a big margin as high as 40% in July, according to industry insiders.
- The anti-dumping duty imposed by India also played a part in dragging down export exports. Bangladesh's exports of jute goods to the neighbouring country dropped by 60% in the wake of the protective measure that took effect in 2017, they say. The jute and jute goods fetched USD 696 million in export earnings in July-January, a fall from USD 766 million in the same time a year ago.

<https://www.tbsnews.net/economy/jute-exports-improve-still-negative-territory-365728>

Merchant banks for cut in corporate tax rate to 15% for listed companies

- Merchant bankers have made a set of proposals including the reduction of corporate tax rate to 15 % for listed companies in next national budget. As per existing rules, the listed companies, other than the banks, insurers, financial institutions, tobacco companies and telecom operators pay corporate tax at a rate of 22.5%. The BMBA has also made the proposal of setting corporate tax at 25 % for the merchant bankers instead of 37.5 % to facilitate their operations.
- Presently, the stock brokers and asset management companies pay corporate tax at the rate of 30 % and 15 % respectively. The association has urged the revenue board to consider their advance income tax (AIT), which is imposed on dividend, as final settlement to avoid double taxation. The merchant bankers made another proposal of fixing uniform VAT rate for the listed and non-listed companies as the latest ones are availing different facilities without offloading shares.

<https://today.thefinancialexpress.com.bd/stock-corporate/merchant-banks-for-cut-in-corporate-tax-rate-to-15pc-for-listed-companies-1643823911>

ISPs for revoking double taxation

- Internet service providers (ISPs) have sought steps from the government to resolve the issue of double taxation in providing advertisements to Google, facebook and other social media platforms. Banks deduct 15% VAT at the time of repatriating earnings of the global technological giants from Bangladesh, and service-seekers also have to pay 15% VAT against advertisement bills of the companies. The Internet Service Providers Association of Bangladesh (ISPAB) recently urged the National Board of Revenue (NBR) to consider VAT rebate for all types of online advertisements.
- The ISPs said now they have to pay 32.5 % VAT to avail services from Google, facebook and other social media. In a recent proposal, the ISPAB also demanded to exempt tax on ISP revenues and employee wages until 2030. The service providers also requested to consider the ISPs as IT-enabled services to enjoy tax exemption until 2024. The organisation also requested to cut tax to 5.0 % against import of ISP equipment, such as - router, switch, OLT, ONU,

and fibre optic cable, etc. Once tax on dial-up modem tax was above 40%, which was cut to 5.0 % to facilitate users. Now, ONU has replaced dial-up modem, but the tax on it is still about 40 to 50 %.

<https://today.thefinancialexpress.com.bd/last-page/isps-for-revoking-double-taxation-1643826950>

Maersk to set up 0.2m sft warehouse in Chattogram

- Danish logistics company A.P. Moller - Maersk has moved to expand its footprint in Bangladesh by building a 200,000-square-foot customs bonded warehouse in Chattogram. The initiative aims to contribute towards decongesting the logistics ecosystem and solving longstanding challenges for local exporters and overseas buyers. Maersk is building the warehouse in partnership with Ispahani Summit Alliance Terminals Limited (ISATL), the largest of its kind in Chattogram. Maersk Bangladesh has partnered with ISATL to build a 200,000-square-foot customs bonded warehouse, it said.
- Under the scope of this partnership, ISATL will construct a brand new customs bonded warehouse within the existing premises of the facility located at Pahartali in Chattogram. The new warehouse will double the existing capacity at ISATL and add around 8 % additional space to the existing ecosystem in Chattogram. Maersk will also offer customers garment on hanger facility, sorting, product audit, labelling, barcode and RFID scanning, among others.

<https://today.thefinancialexpress.com.bd/first-page/maersk-to-set-up-02m-sft-warehouse-in-chattogram-1643826571>

Include more banks in financing to maintain exposure limit

- Bangladesh Bank has asked Agrani Bank, the lead arranger of a six-bank syndicate loan to a BDT 5,790 crore-gold refinery of Bashundhara Group, to include more banks in the financing. The central bank's instruction came after Agrani Bank applied for a no-objection to issue the syndicate loan to the gold refinery in violation of single borrower exposure limit.
- A BB official said that the excessive lending to a small number of business groups mounted risks of the banking sector. Due to the growing risk of the banking sector, the central bank in January 2022 tightened the single borrower exposure limit.

<https://www.newagebd.net/article/161692/include-more-banks-in-financing-to-maintain-exposure-limit>

Confidence group gets govt nod for 660MW power plant

- Confidence Power Holdings Limited has received government approval for 660MW power plant. It said that Confidence Power, GE Capital US Holdings Inc., Confidence Power Limited and Electropac Industries Limited received a letter of intent from Bangladesh Power Development Board on January 31 for the development of Gas/R-LNG based combined cycle power generation facility of 660 MW capacity power plant at Mirsarai in Chattogram on build-own-operate basis under power purchase agreement. The PPA agreement will be for 22 years from the date of commencement of commercial operation. Confidence Power Holdings (lead member) holds 62 %, GE Capital 20 %, Confidence Power 9% and Electropac Industries holds 9% shares of the power plant.

<https://www.newagebd.net/article/161655/confidence-group-gets-govt-nod-for-660mw-power-plant>

Listed govt firms post mixed performances in Q2 F22

- The state-run listed companies in different sectors have posted mixed performances in terms of profit during the October-December period of FY22 when the Covid-19 pandemic situation was gradually returning to normal. Out of the 19 government firms listed on the stock market, sixteen published half-yearly financial reports as of 2 February as they follow the June-July fiscal. Among them, five companies reported year-on-year profit growth, four reported a decline, one returned to profit from losses and six continued posting losses.

- According to the financial statements, telecommunication service providers and electricity, petroleum, and oil suppliers posted higher profits while lubricant blender, gas supplier, and power transmission companies posted lower profits in the second quarter of FY22, compared to the same time of the previous fiscal. Meanwhile, sugar manufacturers, electrical, engineering, and glass product makers, which have been incurring losses for many years, continued their losing streak.
- Dhaka Electric Supply Company or Desco's operating revenue grew by 18% to BDT175 crore, while its profit jumped by 686% to BDT14.86 crore in the second quarter of this fiscal compared to the same time of the previous one. Padma Oil's net profit increased by 23% to BDT58.19 crore and its EPS increased to BDT5.92. Six state-owned firms in the sugar, glass, electric, and engineering sectors have incurred losses as they failed to compete with the private companies. Eastern Cables, Renwick Jaineswar, and Atlas Bangladesh's loss per share declined by 61%, 53%, and 39% respectively.

<https://www.tbsnews.net/economy/stocks/listed-govt-firms-post-mixed-performances-q2-f22-365716>

Listed textile makers' profits more than double

- Listed textile manufacturers logged a staggering 152 per cent higher profits year-on-year in the October to December period of the current financial year of 2021-22. Analysts reason higher yarn prices, unexpended stocks of cotton, higher exports and devaluation of the local currency against the dollar.
- The total profits of the 44 companies rose to BDT 250 crore in the second quarter of the financial year while it was BDT 99 crore in the same period of the previous year. The price of the widely consumed 30 carded yarn had increased to USD 4.71 per kg in December last year while it was USD 3.9 per kg a year ago. On average, yarn prices rose around 40%.

<https://thefinancialexpress.com.bd/national/padma-bridge-fund-cut-proposed-1643855521>

Brac EPL Stock Brokerage sign agreement to share CSE API

- Brac EPL Stock Brokerage has signed a contract with the Chittagong Stock Exchange (CSE) to get its application program interface (API). The API sharing would help the top tier brokerage firm further improve its services, said a statement. Brac EPL CEO Ahsanur Rahman said that the transaction process at CSE has become easier with this agreement. The bourses are sharing their API with the brokers to allow them to integrate the bourses' core trading systems with their own order management system (OMS) that reduces loads on the bourses default OMS and also creates opportunity for brokers to offer customized OMS to their clients.

<https://www.tbsnews.net/economy/stocks/brac-epl-stock-brokerage-sign-agreement-share-cse-api-365473>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 87.76	USD 12.55	16.69%
Crude Oil (Brent)*	USD 89.12	USD 11.34	14.58%
Gold Spot*	USD 1,806.53	(USD 22.67)	-1.24%
DSEX	7,016.76	260.10	3.85%
S&P 500	4,589.32	-176.86	-3.71%
FTSE 100	7,583.00	198.46	2.69%
BSE SENSEX	59,558.33	1,304.51	2.24%
KSE-100	46,119.15	1,523.08	3.42%
CSEALL	12,584.02	358.01	2.93%

Exchange Rates**1 US Dollar = 85.77 BDT****1 GBP = 116.41 BDT****1 Euro = 96.98 BDT****1 INR = 1.15 BDT**

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