

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.

Build metro rail in Chattogram too: PM

- Chattogram is going to have a metro rail network as the second city in the country after Dhaka where the service is due to be launched in December this year. Prime Minister Sheikh Hasina on Tuesday asked the authorities concerned to build the metro rail from the Shah Amanat International Airport to the Chattogram Railway Station in the port city. She issued the directive at a meeting of the Executive Committee of the National Economic Council (Ecneec).

<https://www.tbsnews.net/bangladesh/infrastructure/build-metro-rail-chattogram-too-pm-352990>

FBCCI proposes withdrawal of tax benefits for foreign investors

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has come up with a proposal to scrap fiscal incentives, such as tax exemption, offered to foreign investors, lenders and workers, to address the discrimination between local and foreign businesses.
- Citing eight specific areas of fiscal facilities that foreigners are currently enjoying, the FBCCI has made recommendations on what kinds of initiatives should be taken to ensure equal opportunities for both local and foreign businesses.

<https://www.tbsnews.net/economy/fbcci-proposes-withdrawal-tax-benefits-foreign-investors-353215>

Railway mulls switching to LNG, electric engines from diesel

- The Bangladesh Railway is planning to reduce dependency on diesel-run locomotives. As part of the state-owned service provider's modernisation, the authorities are planning to introduce electric-, CNG- and LNG-run engines, Railway Minister Md Nurul Islam Sujon said on Tuesday while sharing his recent experience of visiting railways in some European countries.

<https://www.tbsnews.net/bangladesh/railway-mulls-switching-Ing-electric-engines-diesel-353170>

Mirsarai economic zone's cost up 74%

- The estimated expenditure for the under-construction Mirsarai economic zone has spiralled by about 74% due to changes for further development works and increase in the number of industrial plots. Moreover, it will take another two years, meaning until June 2023, to complete the project, which was first approved in September 2018 and due to be complete by June 2021.
- According to Planning Commission documents, one of the major reasons for the implementation time period and cost hikes is the increase in the number of industrial plots from 250 to 539, increasing the cost of land development and construction works. Other developments are purchase of fire station equipment, construction of factory buildings, footpaths and three residential buildings and repairs of vehicles, increasing costs by BDT 182 crore.

<https://www.thedailystar.net/business/economy/news/mirsarai-economic-zones-cost-74pc-2932661>

RAKUB disburses BDT 600m loans

- Rajshahi Krishi Unnayan Bank (RAKUB) has disbursed BDT 600 million in loans to the cottage, micro, small and medium enterprises (CMSMEs) under the government's stimulus package in the country's northwest region in 2020-21 financial year. The government had announced the bailout package for the CMSME sector to help the stakeholders overcome the Covid-19 fallout and the RAKUB attained 100% target in terms of disbursement of the CMSME loan.

- RAKUB has set a target of disbursing agricultural loans of BDT 30 billion in the country's northwest (NW) region during the current fiscal year to help increase crop production and boost rural economy. Target has also been set to recover loans of BDT 26 billion, including classified loans with BDT 5.8 billion, and raise deposit collection to BDT 5.0 billion

<https://today.thefinancialexpress.com.bd/trade-market/rakub-disburses-tk-600m-loans-1641311258>

Interest rate spread of 30 banks increases in November

- The overall weighted average interest rate spread of 30 banks increased in November as they managed to reduce their cost against deposits. Tightened sales process of national savings certificates and the downward trend of Bangladesh's stock market in the last couple of months enabled the banks to attract more funds, bankers said. As a result, the banks got the scope for offering lower interest rate against their deposit products as they were still having adequate amount of liquidity in their hands, they said.
- The officials said that the credit demand in the country's private sector was inadequate to absorb the excess liquidity and so the banks were reluctant to offer higher interest against deposit products. According to the latest Bangladesh Bank data, still 22 banks' weighted average deposit rates were less than 4 per cent. Overall interest rate spread of the banks inched up to 3.16 percentage points in November against 3.14 percentage points in the previous month.
- Of the banks, weighted average interest rate of spread was highest 5.15 percentage points in the foreign commercial bank, the rate was 3.3 percentage points in private commercial bank, 2.18 percentage points in state-owned commercial banks and 1.54 percentage points in specialised banks.

<https://www.newagebd.net/article/159114/interest-rate-spread-of-30-banks-increases-in-november>

Sonali bank announces record-breaking operating profit Tk2,205 cr for 2021

- Sonali Bank Limited has made a record-breaking operating profit of BDT 2,205 crore in the year 2021. Previously, the bank earned an operating profit of BDT 2,153 crore in 2020. According to the data of the bank, the classified loan of the bank also came down to 14.14% at the end of 2021, 4.23% less than the previous year. The bank's Managing Director CEO and Managing Director said that his main objective is to bring the classified loan to single digit by end of year 2022.
- Loans and advances of the bank increased to BDT 69,317 crore, while total deposit increased to BDT 134,307 crore. The bank has attained a satisfactory operating profit in the outgoing year amid a slower growth both in foreign trade as well as in private sector credit due to the Covid-19 pandemic. The number of loss branches has also come down to 16 at the end of 2021, 13 less than previous year. The bank data also confirms that Sonali Bank's advances to deposit ratio is 51.61 at the end of 2021, it was 46.57 in the previous year.

<https://www.tbsnews.net/economy/banking/sonali-bank-announces-record-breaking-operating-profit-tk2205-cr-2021-353056>

Investment Galore in spinning despite Covid

- The spinning sector in Bangladesh witnessed a major jump in investment last year as entrepreneurs set up 26 new mills to meet rising demand despite uncertainty in the global apparel supply chain owing to the pandemic. Entrepreneurs invested BDT 5,970 crore in the new manufacturing plants, adding more than 745,400 new spindles to their combined capacity, according to data from the Bangladesh Textile Mills Association (BTMA).
- Garment shipment rose 28.02 % year-on-year to USD19.9 billion between July and December. Of the sum, USD11.16 billion came from knitwear sales, which was up 30.91%, and USD8.73 billion from woven items, an increase of 24.50%.

<https://www.thedailystar.net/business/economy/news/investment-galore-spinning-despite-covid-2932676>

DSE app download up 51pc in pandemic

- Investors are apparently increasingly opting for executing trade through the Dhaka Stock Exchange (DSE) mobile app as its download has soared by around 51% during the last two years amidst the coronavirus pandemic. At the end of 2021, it had been downloaded 77,064 times, up from 51,199 times on January 1, 2020.
- Due to the pandemic, many investors chose to conduct trade through the app staying back at home, so the figure could be inflated and not reflecting the real scenario, according to market analysts. Turnover through the app in 2021 reached BDT 42,681 crore, which was 12% of the total turnover worth BDT 354,052 crore, according to the DSE data.

<https://www.thedailystar.net/business/organisation-news/news/dse-app-download-51pc-pandemic-2932636>

Shyampur Sugar Mills losses mounting

- Shyampur Sugar Mills, a state-run company under the Bangladesh Sugar and Food Industries Corporation (BSFIC), has been burdened with huge losses. The accumulated loss per share of the company mounted by BDT1,114 at the end of the 2020-21 fiscal year.
- Due to the obsolescence of machinery, sugar is extracted at the rate of about 6%, which does not match income with expenditure. Even though the mill is open for a few months during the season, its workers have to be paid their wages even during the off-season

<https://www.tbsnews.net/economy/shyampur-sugar-mills-losses-mounting-353218>

Shahjalal Islami Bank sponsor keeps repaying loans with shares

- Representatives of Mohammed Hasan, whose businesses have been dying due to his poor health, are repaying his bank loans by giving away Shahjalal Islami Bank shares in tranches. The Dhaka Stock Exchange (DSE) has approved a plan for off-platform transfer of 24.5 lakh Shahjalal Islami Bank shares from the account of the bank's sponsor Mohammed Hasan to the Mercantile Bank Ltd, which lent him money.
- The miserable condition of Mohammed Hasan came into discussion in 2017 when the DSE suddenly found that out of his 2.32 crore Shahjalal Islami Bank shares, 56 lakh were sold off without any prior announcement, which is required when a listed company's sponsor or director wants to buy or sell shares. Later, it was found that a bank forcefully sold off the shares to recover their money from Hasan who was not even in a position to discuss the matter with anyone.

<https://www.tbsnews.net/economy/stocks/shahjalal-islami-bank-sponsor-keeps-repaying-loans-shares-353206>

eGeneration invests Tk 8 crore of its IPO fund to buy office space

- The publicly listed IT company – eGeneration Ltd – has invested BDT 8 crore of its initial public offering (IPO) fund to acquire office space, as it had declared in its IPO prospectus. Last year, the company raised BDT15 crore through an IPO.
- In the first year of availing the fund, the company has used around 87% of the fund to accomplish three of its IPO fund utilisation plans by acquiring an office space, paying off debts, and financing the IPO expenses. However, its plan of developing a digital healthcare platform by using the rest of the IPO fund is yet to be implemented.

<https://www.tbsnews.net/economy/stocks/egeneration-invests-tk8-crore-its-ipo-fund-buy-office-space-353176>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 77.11	USD 1.90	2.53%
Crude Oil (Brent)*	USD 80.10	USD 2.32	2.98%
Gold Spot*	USD 1,813.17	(USD 16.03)	-0.88%
DSEX	6,892.99	136.34	2.02%
S&P 500	4,793.54	27.36	0.57%
FTSE 100	7,505.15	120.61	1.63%
BSE SENSEX	59,855.93	1,602.11	2.75%
KSE-100	45,390.84	794.77	1.78%
CSEALL	12,800.54	574.53	4.70%

Exchange Rates**1 US Dollar = 85.60 BDT****1 GBP = 115.85 BDT****1 Euro = 96.55 BDT****1 INR = 1.15 BDT**

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BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, 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
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Md. Mahmudul Hasan	Junior Research Associate	mmahmudul.hasan@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
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BRAC EPL Stock Brokerage Limited

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