

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 govt's tax collection rises 14.22% in July-Dec period

- Tax-revenue collection grew 14.22 %, year on year, in the first six months of the current fiscal year but the amount stood BDT 170.81 billion short of the half-yearly target. The National Board of Revenue (NBR) achieved 88.08 % of its target or BDT 1.26 trillion in 1HFY22 thanks to hefty growth in import-stage revenues to compensate for a bit subdued economic activity in recovery stage.
- Hike in global commodity prices in economic fallout from production and supply-chain disruptions by the coronavirus pandemic -- helped the government revenue collector like a blessing in disguise in collecting higher taxes from imports. The NBR collected BDT 465.85 billion VAT, BDT 394.21 billion income tax and BDT 402.02 billion import and export duty in the July-December period.

<https://thefinancialexpress.com.bd/economy/bangladesh-govts-tax-collection-rises-1422pc-in-july-dec-period-1641783636>

Forex reserve dips by USD 3.73b in 4 months, dollar appreciates more

- The country's foreign exchange reserve has decreased by USD3.73 billion in the last four months after reaching a record high of USD48 billion due to the recent surge in import payments and a sharp decline in remittance earnings. The latest Bangladesh Bank data showed that the country's foreign exchange reserve dropped to USD44.36 billion on January 6, 2022, down USD3.73 billion from USD48.09 billion on September 1, 2021.
- The country's import grew by 53 % against a 22.65 % growth in export earnings in the July-November period of the current fiscal year 2021-2022.As a result, the country's trade deficit grew by more than three times in the July-November period when there was a sharp decline in remittance earnings.
- The recent BB data showed that the import of intermediate goods, petroleum and industrial raw materials grew by 69 %, 101 % and 48 % respectively year-on-year in the July-November period of FY22.Despite the fact, the exchange rate of US dollar on the interbank money market increased to BDT 86 on January 9 from BDT 84.8 on August 1.

<https://www.newagebd.net/article/159633/forex-reserve-dips-by-373b-in-4-months-dollar-appreciates-more>

Dhaka Bank to launch AI-based instant loans

- Dhaka Bank will soon be able to disburse small-scale personal loans (BDT 10,000 and BDT 3 lakh) within two hours after clients submit their application and without requiring any paper documents. Dhaka Bank signed an agreement with CASHe Alliance Ltd in order to manage technological support to roll out the new product.
- The lender will disburse the loan by using artificial intelligence (AI) technology, which will verify the clients' behaviour through their accounts on social media, and types of smartphones and apps used by the clients. This will help the lender know the attitude and aptitude of its clients. A dedicated mobile application has already been prepared and loan seekers will have to download it with their smartphone. In addition, clients will no longer need to visit bank branches to manage small loans.

<https://www.thedailystar.net/business/economy/banks/news/dhaka-bank-launch-ai-based-instant-loans-2936746>

BB delineates CSR fund use

- Bangladesh Bank yesterday issued guidelines on how banks and NBFIs should use corporate social responsibility (CSR) funds, with focus on education, health and climate issues. In addition, the regulations gave priority to disaster

management, building sustainable infrastructures in remote areas, sport and culture, and women empowerment.

- As per the guideline, lenders have to spend at least 30% of their annual CSR funds in the educational sector, and minimum 30% for the health sector. 20% of the fund will have to be used to mitigate the crisis stemming from the ongoing climate change.
- The BB barred lenders to disburse the fund in some specific sectors, such as those which recruit children as workers, while sponsorship in sports and cultural activities at the international level, and branding business developments of a company should not be considered for CSR funds from banks.

<https://www.thedailystar.net/business/economy/banks/news/bb-delineates-csr-fund-use-2936676>

BB to weaken taka in phases

- Bangladesh Bank is considering to follow the path of a gradual depreciation of the Taka against the US dollar to protect the interests of exporters and remitters. The move, however, may stoke the inflationary pressure, which is building up owing to the kinks in the global supply chain, rising imports and shipping costs, and a slowdown in remittances.
- The central bank devalued the interbank exchange rate on Sunday, allowing the local currency to rise to BDT 86 against USD for the first time. The country's import payments have escalated due to the global supply chain disruption and the rising domestic demand from the industrial sector soon after the economy reopened.
- Banks have purchased around USD 2.50 billion from the central bank to settle import bills. BB allowed the local currency to be cheaper by more than BDT 1.0 in the last one year as the interbank exchange rate stood at BDT 84.80 on January 10 last year. The exchange rate in the kerb market is, however, BDT 89.70 per dollar.

<https://www.thedailystar.net/business/economy/e-commerce/news/qcoom-foster-provide-incomplete-refund-list-2936761>

Two more RMG factories get recognised as green

- The United States Green Building Council (USGBC) has recognised two more RMG factories of Bangladesh as green, raising the total number of environment-friendly establishments in the apparel sector to 155. The latest, Sharmin Apparels and Sharmin Fashions Limited were rated with platinum while AM Design Limited received a gold rating.
- Bangladesh is the global leader having the highest number of green garment buildings, where 46 are platinum rated, 95 gold rated, 10 silver, and 4 have no rating. Dozens more units are in the process of achieving LEED certification.

<https://www.tbsnews.net/economy/rmg/two-more-rmg-factories-get-recognised-green-355738>

Some RMG suppliers struggling for export payments

- Some local garment suppliers are struggling to avail payments from troubled Western clothing retailers and brands even nearly two years past making shipments while Covid-19 was initially running riot. Between April and August of 2020, international retailers and brands suspended, cancelled or demanded unusual payment deferrals worth USD 3.18 billion, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- However, some 95 per cent of the payments were made, although after unusual delays of as much as 220 days and under big discounts from suppliers.

<https://www.thedailystar.net/business/economy/news/some-rmg-suppliers-struggling-export-payments-2936691>

Fareast Islami Life share price soars 65% in nine days

- Publicly listed Fareast Islami Life Insurance Company Ltd posted a 65% share price hike during the last nine trading days at the Dhaka Stock Exchange (DSE). The life insurer's stock price reached BDT 82.6 per share on Monday, which was BDT 50.1 on 29 December last year.
- It is alleged that Fareast Islami Life does not meet customer claims duly for which they suffer even after the policies mature. Also, an investigation by BSEC found that the company's owners embezzled and laundered more than BDT 2,125 crore from the company in the past decade.

<https://www.tbsnews.net/economy/stocks/fareast-islami-life-share-price-soars-65-nine-days-355693>

Dacca Dyeing makes robust comeback after years of trouble

- Dacca Dyeing and Manufacturing Company – one of the country's oldest home textile makers – has made a strong comeback from years of losses thanks to the securities regulator's supervision and owners' efforts. The company's share price has risen six and a half times in the last year and is being traded at BDT 23 on the Dhaka Stock Exchange.
- The textile manufacturer suffered losses for consecutive years from the 2015-16 to 2018-19 fiscal years. During the four years, it incurred a loss of BDT 136 crore mainly because its factory went out of production after the disconnection of its gas lines and the power crisis.
- Following the combined efforts, the company could report a 362% year-on-year growth in net profit to BDT 5.22 crore in fiscal 2020-21. Its net profit grew 138% to BDT 2.70 crore in 1QFY22. The company declared a 2% cash dividend for its shareholders for FY21.

<https://www.tbsnews.net/economy/stocks/dacca-dyeing-makes-robust-comeback-after-years-trouble-355699>

CSE begins trading of 3 Mudaraba Perpetual Bonds issued by UCB Investment

- The inauguration ceremony for three Mudaraba perpetual bonds issued and arranged by UCB Investment Limited was held on 6 January in the port city. The AIBL, IBBL and SJIBL Mudaraba Perpetual Bonds have recently been listed by the Chittagong Stock Exchange (CSE), said a press release.

<https://www.tbsnews.net/economy/stocks/cse-begins-trading-3-mudaraba-perpetual-bonds-issued-ucb-investment-355561>

BSEC to allow listing of loss-making startups with high business potentials

- The Bangladesh Securities and Exchange Commission has initiated a move to allow listing of loss-making startups having high growth potentials on the stock market. According to the current rules, a company needs to have the net profit after tax at least for preceding two financial years if it offers its securities above par value. It would be the first approach from the BSEC to list loss-making concerns on the country's capital market.
- During valuation of a startup, the regulator may consider the company's past performance, examining the expected long-term development of the company's markets, the potential size of the market and the company's market share as well as the level of returns on capital the company might be able to earn, BSEC officials said.
- The regulator may also consider different probability-weighted scenarios as long-term projections are highly uncertain for startups. Earlier in March 2021, 12 startup firms, including Sheba.xyz and Chaldal, held a meeting with the securities regulator and expressed their interest to be listed on the market.

<https://www.newagebd.net/article/159629/bsec-to-allow-listing-of-loss-making-startups-with-high-business-potentials>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 78.65	USD 3.44	4.57%
Crude Oil (Brent)*	USD 81.19	USD 3.41	4.38%
Gold Spot*	USD 1,805.72	(USD 23.48)	-1.28%
DSEX	6,994.15	237.50	3.52%
S&P 500	4,670.29	-95.89	-2.01%
FTSE 100	7,445.25	60.71	0.82%
BSE SENSEX	60,395.63	2,141.81	3.68%
KSE-100	45,887.63	1,291.56	2.90%
CSEALL	13,117.07	891.06	7.29%

Exchange Rates**1 US Dollar = 85.91 BDT****1 GBP = 116.74 BDT****1 Euro = 97.44 BDT****1 INR = 1.16 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