

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.

NSC sales exceeds FY21 target by BDT 93.11bn in 8 months

- Net sales of National Savings Certificate remained significantly high in the July-February period of the current fiscal year as the government's borrowing using the tools exceeded BDT 93.11 billion from its target of BDT 200.00 billion for the fiscal year 2020-2021. Officials of the Bangladesh Bank and other commercial banks said that the plunge in the interest rate in banks against savings products was the main reason behind the surge in the NSC sales which had far better interest rates than bank deposits. In July-January, the National Savings Directorate sold NSC worth BDT 752.27 billion against its principal payments of BDT 459.16 billion.

- As a result, the government's net borrowing against the NSC sales increased to BDT 293.11 billion in the first eight months of FY21 against its BDT 96.65 billion borrowing in the same period of the previous year. In February, the NSD sold NSC worth BDT 96.09 billion against its principal payment of BDT 60.00 billion. With the sales and principal payment, net NSC sales rose to BDT 36.09 billion in February 2021 against BDT 19.92 billion in the same period of the previous year. Although there was scope to borrow funds at a lower interest rate from the banking sector, the government continued to borrow against the NSC and refrained from lowering the interest rate keeping in mind the needs of pensioners and other fixed income groups, an official of the central bank said.

<https://www.newagebd.net/article/134556/nsc-sales-exceeds-fy21-target-by-BDT-9311cr-in-8-months>
<https://www.tbsnews.net/economy/saving-certificate-sale-exceeds-fiscal-target-BDT-10000-227341>

Revenue collection gains slight momentum

- Revenue collection gained slight momentum in the last two months after witnessing a slow upward trend at the beginning of the fiscal year. Officials of National Board of Revenue (NBR), however, assumed that the collection growth may become slow again due to the fresh countrywide lockdown announced by the government from yesterday restricting business activities. Total revenue collection rose by 5.17% year-on-year to BDT 1.53 trillion in the first eight months till February of the current fiscal year.

- Out of this, revenue collection in import and export stage rose by 7.86% to BDT 462.37 billion, local value-added tax (VAT) by 3.27% to BDT 599.86 billion and income tax 5.05% to BDT 468.79 billion. Overall receipts reached 78.06% of the NBR's total tax collection target of BDT 1.96 trillion for the first eight months of fiscal 2020-21. This means the tax authority was BDT 430.43 billion short of the goal for the period. The total revenue collection rose by 4.55% year-on-year in the first seven months. All authorities concerned, including NBR, are making tireless efforts to boost revenue collection, Finance Minister said while presenting a report on budget implementation in the parliament on Sunday.

<https://www.thedailystar.net/business/news/revenue-collection-gains-slight-momentum-2072845>

Covid clouds Q4 revenue collection

- The government's tax revenue collection efforts, economists have feared, might face a setback in the final quarter (April-June) of the current fiscal year (FY) because of the latest lockdown. The government has only recently downsized the tax receipt target for the FY'21. The National Board of Revenue (NBR) could collect tax revenues equivalent to 50% of the original target, set for the July-February period of the FY. However, the amount collected was 4.55 higher than that of the corresponding period of the previous year. Taxmen are optimistic about better revenue collection in the last quarter of the current FY.

- The Q4 is the most productive period for the National Board of Revenue (NBR). During the period, it collects almost half of its total annual earnings. If the current phase of the lockdown goes beyond one week, tax officials said, the VAT collection at the local level might suffer. Achieving the revised revenue might become difficult. During the first eight months of the current FY, the tax collection had been picking up, taxmen said. Due to a significant shortfall, the finance division had revised down the FY's collection target to BDT 3.01 trillion from the original target of BDT 3.30 trillion.

<https://today.thefinancialexpress.com.bd/first-page/covid-clouds-q4-revenue-collection-1617645647>

BSEC plans to allow large firms on small cap board

- The Bangladesh Securities and Exchange Commission (BSEC) plans on relaxing rules on qualified investors offer (QIO) to enlist firms with more than BDT 300-million paid-up capital on the small capital board of the bourses. The securities regulator made this decision considering that the small capital platform was formed in 2019 to attract businesses with a small capital base to the stock market. This objective has virtually failed and become invalid, as no company has yet got approval to be listed with the board on either the Dhaka Stock Exchange or the Chittagong Stock

Exchange.

- With a view to making the small cap board active, the commission now wants to enlist some companies in the board within this financial year. If companies whose paid-up capital is above BDT 300 million but are not able to go for an IPO to be listed with the small cap board for the QIO, they can get a waiver of rules, says the commission. This would make it easy for such companies to comply with the rules when they go for an IPO. As per existing rules, companies with paid-up capital of BDT 300 million or less can apply to get listed with the small capital platform on the bourses.
- The executive director of the BSEC, said no small-cap company got approval to be enlisted with the small cap board in the past two years due to a number of reasons. But now the commission wants to activate this board. It will amend the rules to allow companies with more than BDT 300-million paid-up capital to come to this board, he added. Issue managers are not interested in bringing small capital companies to the market as they pay low fees, sources said.

<https://www.tbsnews.net/economy/stock/bsec-plans-allow-large-firms-small-cap-board-227278>

Index Agro to debut on bourses Wednesday

- Share trading of Index Agro Industries Limited will commence on both the Dhaka and Chittagong stock exchanges on Wednesday (7 April) under the 'N' category. The poultry and fish feed maker raised BDT 500 million on the capital markets with its initial public offering (IPO) under the book building method. The company will use these funds to construct buildings, execute other civil works, acquire new machinery and equipment, and meet the cost of the IPO process.

<https://www.tbsnews.net/economy/stock/index-agro-debut-bourses-wednesday-227275>

<https://today.thefinancialexpress.com.bd/stock-corporate/index-agro-makes-debut-trading-tomorrow-1617639332>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$59.32	\$10.80	22.26%
Crude Oil (Brent)*	\$62.83	\$11.03	21.29%
Gold Spot*	\$1,734.17	(\$160.93)	-8.49%
DSEX	5,177.48	(224.59)	-4.16%
S&P 500	4,077.91	321.84	8.57%
FTSE 100	6,737.30	276.78	4.28%
BSE SENSEX	49,159.32	1,407.99	2.95%
KSE-100	43,548.21	(207.17)	-0.47%
CSEALL	7,217.83	443.61	6.55%

Exchange Rates

USD 1 = BDT 84.71*

GBP 1 = BDT 117.72*

EUR 1 = BDT 100.02*

INR 1 = BDT 1.16*

*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.

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 also 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

Ayaz Mahmud, CFA	Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229
Md Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Research 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