

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's services sector grows fast to 54pc of GDP

- Bangladesh's services sector has expanded by nearly 90 per cent over the past five years to BDT 18.98 trillion, a latest official count shows. The size of the services sector stretching over accommodation, education, financial, transport, and wholesale and retail trading stood at BDT 18.98 trillion or nearly 54% per cent of the BDT 34.84 trillion nominal GDP in FY21.
- Human-health and social-work activities saw the fastest growth to BDT 1.2 trillion till the last fiscal year, up by 117% from FY16 mark, followed by administrative and support-service activities that experienced 90.48% growth to BDT 271.33 billion. Financial and insurance activities, accommodation and food services, wholesale and retail trade, repair of motor vehicles, transportation and storage as well as real estate saw tremendous growth.

<https://thefinancialexpress.com.bd/economy/bangladeshs-services-sector-grows-fast-to-54pc-of-gdp-1639622355>

Gold prices drop by Tk1,166 per bhoari

- Jewellers in the country have reduced gold prices by BDT 1,166 per bhoari (11.664 grams). According to the new rate, the price of 22-carat bhoari (11.664gm) of gold will cost BDT 73,133, 21-carat gold BDT 69,984, 18-carat gold will be available at BDT 61,236 and gold acquired in the traditional method will cost BDT 50,913. BAJUS has kept the price of silver unchanged. Each bhoari of 22-carat silver will be sold at BDT 1,516, while 21-carat and 18-carat silver are still available at BDT 1,435 and BDT 1,225 respectively. The prices of silver acquired in traditional methods will remain at BDT 933 per bhoari.

<https://www.tbsnews.net/economy/gold-prices-drop-tk1166-bhoari-343789>

Monetary policy powers recovery; Central bank still signals downside risks

- The ongoing rebound in economic activities may continue in the current fiscal year, guided by continued expansionary monetary and prudent fiscal policies, as per a latest review, which, however, bears a bellwether. In its reappraisal of the situation the central bank signaled three downside risks in economic activities from both domestic and global fronts in the near future. The headwinds the Bangladesh Bank (BB) foresees are a sharp rise in global inflation, tightening monetary conditions in global markets, and the threat of Omicron—a new wave of the latest variant of the coronavirus.

<https://thefinancialexpress.com.bd/trade/monetary-policy-powers-recovery-central-bank-still-signals-downside-risks-1639537773>

Showing inflated profit might worsen cash flow crisis

- The inclusion of unrealised income in the balance sheet, as offered by the Bangladesh Bank, will allow banks to show inflated profits, which might exacerbate the ongoing cash flow crisis, say bankers. With such a big offer in place, banks will offer dividends against the profits that will exist only on paper.
- The central bank, in a circular on Wednesday, said banks will be allowed to show unrealised interest incomes as profits if borrowers pay only 25% of their payable amounts for the current year. Moreover, as banks are taking a high risk in showing unrealised interest income as profits, they will have to maintain an additional 2% provision against those moratorium loans, according to the circular. The central bank's latest circular did not include any instruction for non-bank financial institutions (NBFIs) on loan moratorium facilities. At present, NBFIs borrowers have been enjoying a special offer by the central bank, under which they will only need to repay 50% of the total loan to not be regarded as a defaulter.

<https://www.tbsnews.net/economy/banking/showing-inflated-profit-might-worsen-cash-flow-crisis-344359>

Bangladesh makes a name in suit export

- Bangladesh has emerged as a major supplier for high-value suits for many reputed retailers and brands in Europe and the US, propelled by the investment in the segment and adoption of advanced technologies to grab a pie of the global market valued more than USD 160 billion. The number of export-oriented suit-making factories has gone up to 13, which are fetching nearly USD 500 million annually. The UK retailer now purchases nearly USD 20 million worth of suits and trousers from Bangladesh every year, out of its total sourcing value of USD 1.2 billion from the country.
- The export price of a mid-range suit is between USD 150-300, while a low range suit is priced between USD 99 -150 per piece, according to Humayun Rashid, chairman of Energypac Fashions Ltd. The sourcing of suits, blazers and other woven formal garment items from Bangladesh had slowed down during the peak of the coronavirus pandemic as demand dropped. The business is now rebounding thanks to the waning of infections.

<https://www.thedailystar.net/business/economy/news/bangladesh-makes-name-suit-export-2919481>

IPO issuer employees to get 15% share allotment

- As per the new module, when a company goes public, its employees will be allotted 15% of its shares without a deposit of BDT 20,000 in their beneficiary owner's (BO) accounts, which is mandatory for general investors. The Dhaka Stock Exchange (DSE) has introduced a new module with a provision of allotting 15% shares of an initial public offering (IPO) for the employees of the issuer.
- About the new module, BSEC Executive Director Mohammad Rezaul Karim said that due to an increase in compliance and accountability when a company gets listed, employees often have a negative perception of listing in the capital market. He added that an employee will not be able to apply for a general quota. The software provides a way to prevent a company from applying for the primary shares by 'employing new people' during the IPO.

<https://www.tbsnews.net/economy/stocks/ipo-issuer-employees-get-15-share-allotment-344299>

Beacon Pharmaceuticals profit jumps five times in July-September quarter

- In 1QFY22, the company posted a net profit of BDT 35 crore and earnings per share of BDT 1.52, which was BDT 5.77 crore and BDT 0.25, respectively, during the corresponding period a year ago. Meanwhile, in FY21, its revenue was BDT 712 crore, which was 27% higher than the previous year. Its net profit stood at BDT 86.39 crore in that fiscal year, which was BDT 38.07 crore the previous year.

<https://www.tbsnews.net/economy/beacon-pharmaceuticals-profit-jumps-five-times-july-september-quarter-343723>

Beximco Sukuk subscription completed

- The subscriptions of the Beximco Green-Sukuk Al Istisna have been completed, according to its issue manager. General investors had earlier subscribed only 56% of the total public offer of BDT 750 crore through the Dhaka Stock Exchange (DSE). Elaborating on the pattern of subscriptions, the issue manager said 70% of the subscriptions have come from the banking industry – both private and public – followed by the corporate investor and the mutual fund, respectively. Besides, individual investors have subscribed below 2% while Beximco shareholders subscribed only 1% in the debt security.

<https://www.tbsnews.net/economy/stocks/beximco-sukuk-subscription-completed-344314>

2 Alif Group concerns post higher profits in Q1, FY22

- Two of Alif Group's listed textile firms have posted higher profits in 1QFY22 with their sales having increased compared to the last fiscal. Alif Manufacturing Company posted a 14% year-on-year gain, and Alif Industries posted a 12% YoY increase in net profit for the 1QFY22. Alif Manufacturing produces cotton yarn of different counts. The company's net profits rose to BDT 3.82 crore in 1QFY22 from BDT 3.35 crore in 1QFY21.

<https://www.tbsnews.net/economy/stocks/2-alif-group-concerns-post-higher-profits-q1-fy22-344731>

Sonali Paper's price jumps 237pc in six months

- Sonali Paper & Board Mills is witnessing an unprecedented price hike and increase in volume of shares despite the overall market is facing a choppy trading. Within the two weeks, the company's share price soared 41% to close at BDT 769.50 on Wednesday while its share price jumped over 237% in the past six months. Sonali Paper came back to the main board of the stock exchanges from the over-the-counter market (OTC) on July 26, 2020. In May'21, the company disclosed that they are going to install a new plant to produce aluminum foil paper boxes. In Sep'21, the company also decided to issue one rights share against two existing shares at par after considering a 20% stock dividend for the year ended on June 30, 2021, subject to regulatory approval.
- The company's share price is rising based on its higher profit growth and rights shares issue news, according to a stockbroker. Sonali Paper & Board Mills - a concern of Younus Group of Industries - has reported 957% YoY growth in profit in 1QFY22. The company's EPS stood at BDT 6.66 for during the period, as against BDT 0.63 in 1QFY21.

<https://thefinancialexpress.com.bd/stock/sonali-papers-price-jumps-237pc-in-six-months-1639627589>

Union Insurance's IPO subscription begins

- The IPO subscription of Union Insurance opened on Wednesday, aiming to raise BDT 193.60 million from the capital market under the fixed price method. The general insurer's IPO subscription through the electronic subscription system of the stock exchanges will continue until December 22 at 5:00 pm.
- The IPO proceeds will be invested in fixed deposit receipts (FDR), stock market investment, purchase of floor space and IPO related expenses. According to the financial statements, which ended on December 31, 2020, the company's net asset value (NAV) per share stood at BDT 17.39 while the basic earnings per share (EPS) stood at BDT 2.14. Sonar Bangla Capital Management Ltd is acting as the issue manager for the company's IPO process.

<https://thefinancialexpress.com.bd/stock/union-insurances-ipo-subscription-begins-1639548666>

Navana Pharma to raise Tk 750m from capital market

- Navana Pharmaceuticals Ltd has planned to raise BDT 750 million from the capital market through initial public offering (IPO) under the book-building method to expand its business. In this regard, the drug maker will hold a road show on December 21 (Tuesday), where eligible institutional investors will get detailed information about various aspects of the company, according to issue managers. A road show is a requirement under the book building regulations before the price discovery of a company's shares.
- Eligible investors such as merchant bankers & portfolio managers, asset managers, stock dealers, banks, financial institutions, insurance companies, alternative investment funds, foreign investors, and other institutions approved by the securities regulator are expected to join the event. The company has reported earnings per share of BDT 2.24 for FY21, which was BDT 1.64 in the previous year. Its net asset value per share stood at BDT 40.9 in the FY21. EBL Investments Ltd and Asian Tiger Capital Partners Investment Ltd are working as issue managers, while AFC Capital Limited is working as the registrar for Navana Pharma's IPO process.

<https://thefinancialexpress.com.bd/stock/navana-pharma-to-raise-tk-750m-from-capital-market-1639539302>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 72.13	USD 23.61	48.66%
Crude Oil (Brent)*	USD 74.83	USD 23.03	44.46%
Gold Spot*	USD 1,802.59	(USD 92.51)	-4.88%
DSEX	6,868.17	1,466.10	27.14%
S&P 500	4,668.67	912.60	24.30%
FTSE 100	7,260.61	800.09	12.38%
BSE SENSEX	57,901.14	10,149.81	21.26%
KSE-100	43,731.20	-24.18	-0.06%
CSEALL	11,678.65	4,904.43	72.40%

Exchange Rates**1 US Dollar = 85.57 BDT****1 GBP = 114.01 BDT****1 Euro = 96.91 BDT****1 INR = 1.12 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

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