

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.

Number of banks can be reduced a bit: Prime Minister's Economic Affairs Adviser

- It is difficult to go for mergers and acquisitions in the banking sector, given the country's financial system. Strong banks will be unwilling to merge with weaker ones. So, the number of banks can be reduced a bit the economic affairs adviser to the Prime Minister said on Sunday. More emphasis should be laid on enhancing the efficiency of banks. If a bank fails to select its customers, problems relating to default loans will not be lessened. Therefore, all, including the central bank and the government, should help banks in choosing good clients, he said at a webinar on how much the economy reflects on excess liquidity of banks.
- Noting that it is difficult to define intentional defaulters, he said the number of default loans will be reduced if banks lend selectively. The managing director of the Mutual Trust Bank, said the private sector is not getting the courage to increase investment amid uncertainty over the pandemic.

<https://tbsnews.net/economy/banking/number-banks-can-be-reduced-bit-dr-mashiur-201775>

Union Insurance to raise BDT 190 million through IPO

- Union Insurance Company Ltd has applied to the Bangladesh Securities and Exchange Commission (BSEC) to raise BDT 193.6 million capital by issuing 19.3 million ordinary shares on the capital market. The company aims to invest in fixed deposit receipt (FDR) in the capital market and purchase floor space. The company insures: property damaged by fire incidents, marine cargo, motor, liability, and engineering projects. Earlier, it applied to the commission but failed to comply with the securities rules.
- Later that year, BSEC exempted the insurance companies from the securities rule to enable them to get listed on the stock market under the fixed price method. Under the new facility, the insurance companies will be able to apply to the commission for IPO to raise less than BDT 300 million. Additionally, insurance companies which have less than BDT 300 million paid-up capital must invest at least 20% of their equity in the capital market if they want to get listed. After that Union Insurance applied to the commission for IPO.

<https://tbsnews.net/economy/stock/union-insurance-raise-BDT-19cr-through-ipo-201694>

Western Marine in stormy voyage

- The Western Marine Shipyard still stands out at Kolagaon on the southern bank of the River Karnaphuli but what is missing now is the whirring sound of shipbuilding and hustle and bustle of its around 3,000 workers. Now, those who did come here even a year ago will at first think that they have come to the wrong place. The shipbuilder's three shipbuilding yards covering 40 acres of land – equivalent to 30 football grounds – have been lying abandoned for the past one and a half years. Recently, the shipbuilder has faced some obstacles – internal conflicts of directors, mismanagement, high-interest loans on short terms and investment in long-term projects.
- Despite having enormous prospects, Western Marine is now on the verge of closure owing to a lack of working capital. The country's leading shipbuilder based in Chattogram has reportedly not paid its workers in the last 13 months. The outstanding salaries amount to BDT 80-100 million. It has also failed to pay rents of a portion of the land it took on a lease for the yards. While visiting the shipyard on 11 February, it was seen that Patiya Marine Shipbuilders has closed the Western Marine's main entrance and hung a signboard on it under the name of Saber Ahmed. It has also erected walls on more than half of the land used as Western Marine's yards.
- Seeking anonymity, a director of the Western Marine said 28 of its 40 acres of land were bought in the company's name. The remaining 12 acres were taken on a 30-year lease. But one of the lessors has put up a sign on his land as the company could not pay him monthly rent in the last 18 months. Another lessor has also issued a notice to the Western Marine, asking it to vacate his premises, he added.

<https://tbsnews.net/economy/industry/western-marine-stormy-voyage-201781>

Fire causes BDT 15 million in damage at Mozaffar Hossain Spinning Mill facility

- A fire incident at the Rugganj facility of Mozaffar Hossain Spinning Mills Ltd in Narayanganj on Friday evening caused damages worth BDT 15 million. The company informed shareholders that the fire came under control in two hours. The incident happened in the company's Rotor Unit's blow room mixing section at 9.00 pm on Friday. The fire damaged its raw cotton process area along with some process machine.
- In the first quarter of this fiscal year the company posted BDT 0.42 in losses per share but in the second or October-

December quarter it sold nearly double yarns compared to the July-September quarter. The increased sales helped the company return to profits in the second quarter.

<https://tbsnews.net/economy/fire-causes-BDT-15cr-damage-mozaffar-hossain-spinning-mill-facility-201712>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$60.74	\$12.22	25.19%
Crude Oil (Brent)*	\$63.53	\$11.73	22.64%
Gold Spot*	\$1,824.95	(\$70.15)	-3.70%
DSEX	5,447.64	45.57	0.84%
S&P 500	3,934.83	178.76	4.76%
FTSE 100	6,589.79	129.27	2.00%
BSE SENSEX	51,544.30	3,792.97	7.94%
KSE-100	45,808.36	2,052.98	4.69%
CSEALL	7,985.00	1,210.78	17.87%

Exchange Rates

USD 1 = BDT 84.69*
GBP 1 = BDT 117.70*
EUR 1 = BDT 102.74*
INR 1 = BDT 1.17*

**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