

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.

July-Feb exports drop 1.45%

- The country's earnings from export of merchandise goods during the first eight months of the current fiscal year (FY), 2020-21, fell short of the strategic target by 3.61% and reached USD 25.86 billion. Besides, the total export receipts during July-February period of this fiscal also declined by 1.45% over that of the corresponding period of last fiscal, according to the Bangladesh Export Promotion Bureau (EPB) data. Bangladesh fetched nearly USD 26.24 billion through shipment of goods during the first eight months of FY 2019-20.
- Such downtrend in the aggregate export earnings was primarily due to decline in the earnings from shipment of ready-made garment (RMG) products, specially woven, during the July-February period of the current fiscal. The total export receipts from RMG products - knitwear and woven - during the July-February period of FY 21 fell by 3.73% to over USD 21.03 billion compared to that of the matching period of last fiscal.

<https://tbsnews.net/economy/trade/exports-down-4-february-210562>
<https://today.thefinancialexpress.com.bd/first-page/july-feb-exports-drop-145pc-1614796247>
<https://www.thedailystar.net/business/news/pandemic-keeps-hurting-exports-2054637>

Most government banks not capable of dealing with risks: Bangladesh Bank data

- Most of the government banks are not capable of handling any kind of financial crisis. They do not have the capital adequacy required by international standards, according to the central bank's data. The data shows that these banks also failed to take advantage of the fact that there was no additional cost pressure for provisions as loan classification was closed last year. The government banks with capital shortfall are – Agrani Bank, BASIC Bank, Janata Bank, Rupali Bank, Sonali Bank, Bangladesh Krishi Bank, and Rajshahi Krishi Unnayan Bank. The two government banks with adequate capital are – Bangladesh Development Bank and Probashi Kallyan Bank.
- At the end of December 2020, the defaulted loans of government commercial and specialised banks stood at BDT 420 billion and BDT 40 billion respectively, which is 21% and 13% of their total disbursed loans, respectively. Last year, the default rate in the overall banking sector was 7.66%. An analysis of the Bangladesh Bank's report shows that private banks are more capable of dealing with risks than the public sector banks. By the international standards, only three of the private banks have deficiency in capital adequacy. These are – Bangladesh Commerce Bank, ICB Islamic Bank and Padma Bank.

<https://tbsnews.net/economy/banking/most-govt-banks-not-capable-dealing-risks-bb-data-210067>

A price war brewing in MFS industry

- Until last year, the charge for withdrawing cash from the mobile financial services platform, introduced in 2011, was BDT 18.5 for every BDT 1,000. That changed when Nagad, the digital financial service provider of the postal department, brought down the charge and also made sending money to other accounts on their network through the mobile app free of charge. The move appears to have worked in its favour, with the two-year-old player eating into the market share of Rocket, the MFS arm of Dutch-Bangla Bank and the number two player after bKash for long.
- This week, bKash announced it was making sending money within its network free of charge to five numbers. Once the transactions to the five numbers hit BDT 25,000 in a month, a BDT 5 charge would be applicable in the subsequent transactions. When the transactions hit BDT 50,000 in the month, a BDT 10 charge is applicable on the following transactions. About 77% of the charges go to the agents and the distributors, said the head of corporate communications at bKash. It is difficult to reduce the charges but we are now emphasising the use of digital money, which will reduce instances of cashing out. We hope soon, customers would not be cashing out their money at all, he added.
- In December last year, the average daily transactions through the MFS operators stood at BDT 18.24 billion. Five years earlier, it was BDT 7.74 billion, according to data from the Bangladesh Bank.

<https://www.dhakatribune.com/business/banks/2021/03/04/a-price-war-brewing-in-mfs-industry>

Nearly 3.5 million vaccinated so far

- Some 118,654 more people received the first dose of Covid-19 vaccine in Bangladesh on Wednesday, according to the official figures. With these, the government vaccinated a total of 3,460,159 people until March 3 since the beginning of the mass vaccination programme on February 27 last. Of them, 2,221,269 were men and 1,238,890 women, official data revealed. A total of 547,930 people have, so far, been infected with coronavirus in Bangladesh

and 499,627 of them recovered from the deadly disease.

<https://today.thefinancialexpress.com.bd/last-page/nearly-35m-vaccinated-so-far-1614796529>

Covax brings good news

- Bangladesh will get 10.9 million doses of the Oxford vaccine for free under the Covax facility by May. These are part of the 68 million doses the country will receive from the Covax. Officials hope that all of these will eventually be free. Officials said the vials would arrive in several phases between March and May. Health officials on November 25 last year said the government would be paying between USD 1.62 and USD 2 for each dose.

<https://www.thedailystar.net/frontpage/news/covax-brings-good-news-2054437>

Beximco to issue Sukuk

- Beximco Ltd. will issue asset backed bond namely Islamic Shariah compliant Sukuk Al Istisna worth BDT 30 billion for the purpose of business expansion. The fund which will be raised through the bond will be utilised in construction of the solar projects of Teesta Solar and Korolola Solar, two subsidiaries of Beximco Power Company, and in financing and refinancing the machinery and equipment required for expansion of Beximco's textile division. 50% of the Sukuk would be privately placed while 25% would be reserved for Beximco shareholders and the remaining 25% would be floated through public offers.

- The Sukuk units will have a face value of BDT 100 each, while minimum subscription size will be BDT 5,000 only in public offer with a five years tenure. The base rate of the Sukuk has been set at 9.0%, which means investors would be getting 9.0% secured annual return. The margin was set at 10% of the difference between the base rate and the annual dividend that Beximco will pay in a specific year. The margin would be added to the base rate if Beximco's dividend for the specific year surpasses the base rate. If the dividend is lower than the base rate, there would be no negative margin.

- Sukuk holders can gradually convert their 100% Sukuk to Beximco shares over its five-year tenure, but they can convert a maximum of 20% of the total in a year. 25% discount to the weighted average market price in Dhaka Stock Exchange (DSE) of 20 trading days prior to the record date for conversion.

<https://www.thedailystar.net/business/news/beximco-stocks-fall-despite-BDT3000cr-sukuk-plan-2054597>
<https://today.thefinancialexpress.com.bd/stock-corporate/beximco-to-issue-sukuk-1614793466>

Tax receipts from DSE double in 8 months

- The government's revenue earnings from the prime bourse marked a whopping 101% rise in the first eight months of the current fiscal year (FY) compared to the same period of the previous fiscal amid rising trading volume. Market insiders said on the back of rising trading volume, the government earnings from the Dhaka Stock Exchange (DSE) rose accordingly, as earning is related to turnover. The market turnover and index marked rise during the period under review amid growing confidence of investors riding on regulatory measures to bring discipline in the market, said a top broker. The government bagged tax worth BDT 1,998 million in July-February period of FY 2020-21 as against BDT 994 million in the same period in the previous fiscal year, climbing by 101%, according to statistics from the DSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-double-in-8-months-1614793430>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$61.39	\$12.87	26.53%
Crude Oil (Brent)*	\$64.26	\$12.46	24.05%
Gold Spot*	\$1,713.58	(\$181.52)	-9.58%
DSEX	5,488.08	86.01	1.59%
S&P 500	3,819.72	63.65	1.69%
FTSE 100	6,675.47	214.95	3.33%
BSE SENSEX	51,444.65	3,693.32	7.73%
KSE-100	46,160.78	2,405.40	5.50%
CSEALL	7,193.09	418.87	6.18%

Exchange Rates

USD 1 = BDT 84.78*

GBP 1 = BDT 118.18*

EUR 1 = BDT 102.21*

INR 1 = BDT 1.16*

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

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