

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.

Booming orders bolster e-commerce logistics

- Logistics companies that cater to online businesses in Bangladesh have prospered during the coronavirus pandemic, as an increasing number of people moved to digital platforms to make purchases. The convenience of being able to shop for most products from the comfort of one's home is a key driving force behind the massive growth in online retail platforms and e-commerce as well. Besides, online retail platforms make it possible for people to avoid the risk of infection since the goods are delivered to their doorstep, usually by independent logistics aggregators. This led to a 50% spike in home deliveries amid the pandemic, according to industry insiders.
- Logistics companies related to online sales have huge potential in Bangladesh as e-commerce currently accounts for just one% of the total retail sales, said the chief executive officer of AjkerDeal, an e-commerce platform. That's why many new players are coming into the business while existing players are ramping up their capacities, he added. Sensing the huge prospect of logistics in Bangladesh, Indian end-to-end e-commerce logistics solution provider Ecom Express acquired a majority stake in Bangladesh's home delivery service provider Paperfly for around BDT 1.00 billion in January.
- According to Ahmed, the main challenge for the growth of e-commerce in Bangladesh, and subsequently, logistics, lies in creating a broad range of sellers. In Bangladesh, when it comes to getting delivery orders from e-commerce platforms, they find most of the sellers are located in the capital. E-commerce logistics will get a shot in the arm if we can create millions of sellers outside Dhaka.

<https://www.thedailystar.net/business/news/booming-orders-bolster-e-commerce-logistics-2064665>

Jul-Feb agri loan flow grew by over 7.0%

- Farm credit disbursement grew by more than 7.0% in the first eight months of fiscal year (FY) 2020-21 as demand for such loan picks up for seasonal effects. Disbursement rose to BDT 161.81 billion in the July-February period from BDT 150.92 billion in the same period of FY '20, disclosed the latest data of the Bangladesh Bank (BB). BB seniors are scheduled to meet eight state-owned banks by the last week of March to review the state of disbursement and recovery, a BB official said. Of the BDT 161.81 billion, the eight state lenders disbursed BDT 73.32 billion. Private commercial banks and foreign commercial banks loaned the remaining BDT 88.49 billion.
- Loan recovery rose to BDT 174.92 billion during the period under review from BDT 155.08 billion in the same period of the previous fiscal. The exiting uptrend in agriculture loan disbursement is expected to continue until June 2021, BKB managing director said.

<https://today.thefinancialexpress.com.bd/last-page/jul-feb-agri-loan-flow-grew-by-over-70pc-1616348125>

Islamic banks to get quota on Sukuk

- Amid growing demand for the instrument, the central bank has decided to introduce a separate quota on Sukuk or Islamic bonds for the country's Shariah-compliant or Islamic banks, officials said. The Bangladesh Bank (BB) did not offer any quota while holding its first auction, they said, but would introduce it from the next auction scheduled to be held in June next. The debt management department of BB is expected to hold talks in this regard with the divisions concerned soon, he said, dropping a broader hint that it could be between 40-50% for the Islamic banks or Islamic banking windows of other banks. The rest of the bonds will be distributed among the individuals and other financial institutions.
- Individuals can purchase through a banking channel. They need to open a separate account with the banks. Like the bonds, there is 5.0% tax on profit at source (annualised). The central bank had applied to the national board of revenue for reviewing it. There are usually three parties involved in an Islamic Sukuk -- originator, special purpose vehicle (SPV) and investors. The government is the originator of the Sukuk. Bangladesh Bank acts as a SPV to administer it. It also acts as the trustee to resolve any crisis between the investors and the government.

<https://today.thefinancialexpress.com.bd/first-page/islamic-banks-to-get-quota-on-sukuk-1616347546>

BSEC approves Exim Bank's BDT 6.0 billion perpetual bond

- The stock market regulator has approved an unsecured contingent-convertible mudaraba perpetual bond worth BDT 6.0 billion in favour of Exim Bank. As per the BSEC approval, the bank will float unsecured contingent-convertible BASEL-111 compliant, Exim Bank's mudaraba perpetual bond worth BDT 6.0 billion through private placement. The price per unit of the bond is BDT 1.0 million which will be issued to the listed banks, mutual funds, insurance

companies, regional rural banks, private organisations, trust funds, autonomous organisations and eligible investors through private placement. The coupon rate of the perpetual bond is 6.0% to 10%.

- With the proceeds, the Exim Bank will improve its additional Tier-1 capital base. Green Delta Insurance is the trustee of the bond while City Bank Capital Resources is the mandated lead arranger. Besides, the bond will be traded on the capital market after listing.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-approves-exim-banks-BDT-60b-perpetual-bond-1616343410>
<https://www.tbsnews.net/economy/stock/exim-bank-gets-bsecs-nod-issue-BDT600cr-bond-220015>
<https://www.thedailystar.net/business/news/exim-bank-raise-BDT-600cr-through-mudaraba-bond-2064657>
<https://www.newagebd.net/article/133371/exim-bank-allowed-to-float-BDT-600cr-bond>

Index Agro's IPO draw today

- Index Agro Industries, the poultry and fish feed producer, will hold its initial public offering (IPO) lottery draw today (Monday) to allocate more than 8.25 million ordinary shares. The general investors have applied to buy 28.75 times higher the number of IPO shares being offered by the company, according to the final status of the IPO. Total subscription received from resident Bangladeshis is BDT 5.52 billion, affected small investors BDT 436 million, non-resident Bangladeshis BDT 314 million. Total subscription was oversubscribed by 28.75 times (received BDT 6.26 billion) against public issue of IPO (other than eligible investors) shares worth BDT 218 million,

<https://today.thefinancialexpress.com.bd/stock-corporate/index-agros-ipo-draw-today-1616343366>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$60.96	\$12.44	25.64%
Crude Oil (Brent)*	\$64.25	\$12.45	24.03%
Gold Spot*	\$1,736.52	(\$158.58)	-8.37%
DSEX	5,349.78	(52.29)	-0.97%
S&P 500	3,913.10	157.03	4.18%
FTSE 100	6,708.71	248.19	3.84%
BSE SENSEX	49,858.24	2,106.91	4.41%
KSE-100	44,901.31	1,145.93	2.62%
CSEALL	6,854.32	80.10	1.18%

Exchange Rates

USD 1 = BDT 84.69*
 GBP 1 = BDT 117.16*
 EUR 1 = BDT 100.66*
 INR 1 = BDT 1.17*

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

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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
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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