

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.

Fitch forecasts 7pc GDP growth

- Global credit ratings agency Fitch said Bangladesh's economy would grow 7 per cent in FY22, powered by declining coronavirus infections and easing of supply chain disruptions. Fitch affirmed "BB-" long-term foreign-currency issuer default rating with a stable outlook for Bangladesh. The rating reflects Bangladesh's resilient external finances, relatively strong growth despite the pandemic and government debt levels that are below the peer median, against low government revenues, and weak governance indicators and the banking sector, said Fitch
- The agency believes the large year-on-year increase in remittance flow in 2020 is unlikely to be repeated as some of the factors that drove the big jump were temporary. Fitch estimated the FY21 budget deficit at 5.8 per cent of GDP, slightly above the 5.7 per cent forecast made for the countries with a similar rating. Fitch expects spending on Covid-19 relief measures to continue until FY22 and withdrawn from FY23.
- Fitch pointed out the fiscal risks coming from contingent liabilities have increased due to the economic fallout of the pandemic on state-owned enterprises and forbearance measures still in place for the banking sector. Bangladesh's low government revenue-to-GDP ratio remains a key weakness in the sovereign's credit profile. The official revenue-to-GDP ratio in FY20 was 9.8 per cent, a fraction of the 'BB' median of around 28 per cent.
- Introduction of a new VAT law from July 2019 has not been effective in raising the revenue ratio so far, the rating agency said. Fitch also says the health of Bangladesh's banking sector and its governance standards remain weak, especially among public-sector banks. Fitch expects both to rise significantly when repayment relief is withdrawn next year, provided it is not extended again.
- Bangladesh's structural indicators remain a weakness relative to its peers, according to the agency. In addition to weaker governance indicators, foreign direct investment remains constrained by large infrastructure gaps, although the government's focus on building large infrastructure projects in the next few years could bode well for investment.

<https://www.thedailystar.net/business/economy/news/fitch-forecasts-7pc-gdp-growth-2226191>

Merck's COVID-19 pill molnupiravir hits Bangladesh markets

- Bangladesh's pharmaceutical companies have begun marketing generic versions of Merck's COVID-19 antiviral drug molnupiravir, the first of its kind, upon approval from regulators. Beximco began the sales on Tuesday after getting the emergency production and marketing authorization on Monday, said Maj Gen Md Mahbubur Rahman, director-general of the Directorate General of Drug Administration.
- Eskayef and Square Pharmaceuticals, who received nods for the production and marketing of the drug, will begin marketing the pill within the next week. Incepta, General Pharma, Beacon Pharma, Renata and three other companies have also received the production go-ahead from the DGDA. Beximco Pharma is supplying the drug with the brand name Emorivir at BDT 70 per capsule. Eskayef has priced its pills, Monuvir, at BDT 50 each.

<https://thefinancialexpress.com.bd/national/mercks-covid-19-pill-molnupiravir-hits-bangladesh-markets-1636466994>

Trade deficit rose by three times in July-September

- The foreign exchange market sees mounting pressure as trade deficit rose by three times in the July-September of the current fiscal year compared to the same period last year. The trade deficit rose to USD 6.50 billion in the July-September period of the current fiscal year, from USD 2.04 billion during the same period last fiscal year.
- The trade deficit increased by 58% in one month from August to September, according to the Bangladesh Bank data released on Tuesday. The declining trend of remittance in recent months also contributed to the widening trade deficit. Remittance receipts in October dropped 21.65% year-on-year to USD 1.64 billion despite an upward trend in the country's trade and commerce activities amid the improving pandemic situation.

<https://www.tbsnews.net/economy/trade-deficit-rose-three-times-july-september-327427>

Lending dismal under second stimulus package

- Banks in Bangladesh are less keen on giving out loans under the second round of stimulus packages as many clients are in trouble to pay off their current debts, a development that may hurt the economic recovery. Lenders are also cautious in lending as the central bank has beefed up monitoring on how stimulus funds are being used.
- Banks disbursed only 9 per cent of Tk 20,000 crore among the borrowers of the cottage, micro, small and medium enterprises (CMSMEs) between Jul'21-Oct'21. During 4MFY22, banks disbursed 14.6 per cent against the central bank's allocation of Tk 33,000 crore for large industries and service units. The repayment tenure of the loans, disbursed in the form of working capital, under the two packages is one year.
- Syed Mahbubur Rahman, managing director (MD) of Mutual Trust Bank, thinks that there is no way but to provide the loan renewal facility to clients for the sake of the business sector. He said that banks had lent to their best clients in the first phase, but many of them were now unable to pay instalments, making it difficult for banks to select new clients. Similar sentiment is echoed by MDs from Jamuna Bank and Janata Bank.

<https://www.thedailystar.net/business/economy/banks/news/lending-dismal-under-second-stimulus-package-2226211>

New GSP requires 40% value addition, RMG wants 20% for incentive

- Apparel makers are pleading for lowering the threshold for local value addition set for the government's cash incentives at a time when they are required to add more local value to get duty-free access to the European Union (EU) after three years.
- To be eligible for the EU's proposed new GSP (generalised scheme of preferences) framework, Bangladeshi garment makers will need a "double transformation", which, as industry leaders assess, will amount to 40% local value addition – a level achieved by knit garment makers.

<https://www.tbsnews.net/economy/new-gsp-requires-40-value-addition-rmg-wants-20-incentive-327520>

Construction industry's assoc demands price adjustment of govt projects

- The Bangladesh Association of Construction Industry (BACI) has urged the authorities concerned to adjust the prices of ongoing government funded projects through a special circular to help them recover from the losses caused by the high prices of raw materials.

- They also wanted the government to include the rate of water and power bills with the schedule of public work department. The association made the demands at a press conference held at Dhaka Reporters' Unity in the capital today. Sheikh Md Rafiqul Islam, former president of the organisation, read out the keynote at the press briefing.

<https://www.thedailystar.net/business/news/construction-industrys-assoc-demands-price-adjustment-govt-projects-2225771>

ILO predicts 5.0m job losses in Bangladesh due to pandemic

- The International Labour Organisation (ILO) has projected 7.4 % less working hours or the loss of 5.0-million full-time jobs for Bangladesh in 2021 than the 2019 pre-crisis baseline. The Covid-19's impact on labour markets attributes that the recovery in lower middle and low-income countries, including Bangladesh, continued to suffer larger losses than the high- and upper-middle-income countries.
- The latest ILO report styled 'ILO Monitor: Covid-19 and the world of work' says labour market recovery has stalled during 2021, with little progress being made since the fourth quarter of 2020. Bangladesh's working hours in 2020 were 11.9 % below the level attained in the fourth quarter of 2019 which were nearly 8.0-million full-time jobs. The eight edition of the report, published on October 27, shows a stalled global recovery and significant disparities between advanced and developing economies in recovering the labour market from Covid-19 fallout.

<https://thefinancialexpress.com.bd/economy/bangladesh/ilo-predicts-50m-job-losses-in-bangladesh-due-to-pandemic-1636425965>

Soaring gas prices: Demand and supply management 'getting tough'

- The escalating price of liquefied natural gas (LNG) has put the Energy and Mineral Resources Division into a "trouble" over its demand and supply management following the diesel and kerosene price hike. According to official sources, top policymakers are now weighing different options, including further upward adjustment in gas price, enhancing LNG import from long-term contracts and increasing local gas production.
- "But There's no easier option for the government to find a suitable solution to manage the situation, particularly in 2022," said a top official at the Energy and Mineral Resources Division, wishing not to be named. Eminent energy expert Dr M Tamim, a professor at Petroleum and Mineral Resources Engineering Department of Bangladesh University Engineering and Technology (Buet), said there is little option for the government to pursue without an upward readjustment in the gas price as there is an indication that the higher energy price will continue in the coming days until the end of 2022.

<https://thefinancialexpress.com.bd/national/soaring-gas-prices-demand-and-supply-management-getting-tough-1636460947>

Most pharma companies post higher annual profits

- Most listed pharmaceutical and chemical companies have registered a higher profit in fiscal 2020-2021 compared to the previous year riding on a jump in sales during the Covid-19 pandemic. Eight of the companies will pay a higher dividend than the previous fiscal year, four will disburse the same amount as it did a year ago while three firms, which reported a decline in profit, will reduce their dividend. Drugs and hygiene products manufactured by pharmaceuticals and chemicals companies saw a sharp surge in sales during the pandemic.
- It helped the pharmaceutical companies in the country to post good growth in terms of both revenue and profit compared to the previous fiscal year, according to industry insiders. Until 8 November, 20 out of 31 including two

listed foreign multinational companies in the pharmaceuticals and chemicals sector have published their annual financials for the 2020-2021 fiscal year.

<https://www.tbsnews.net/economy/most-pharma-companies-post-higher-annual-profits-327493>

DBL Pharma starts journey

- DBL Group, a leading business conglomerates, has started their journey in the pharmaceutical industry after their success in export-based readymade garments products and ceramic tiles, says a statement. Health Minister Zahid Maleque inaugurated the DBL's BDT 7.0 billion pharmaceutical factory at Kashimpur in Gazipur on Sunday. The factory was set up following the guidelines of the US FDA, WHO and GMP.
- Dr Habib-E-Millat MP, Maj Gen Md Mahbubur Rahman, Director General, DGDA; Prof Dr SM Abdur Rahman, Dean, Faculty of Pharmacy, University of Dhaka, were present at the inaugural ceremony as special guests. From DBL Group, Abdul Wahed, Chairman; MA Jabbar, Managing Director; MA Rahim, Vice Chairman; MA Quader, Deputy Managing Director & Group CEO, were present.

<https://today.thefinancialexpress.com.bd/stock-corporate/dbl-pharma-starts-journey-1636473830>

BTRC limits telcos' scope for issuing bonus against sales of packages

- The Bangladesh Telecommunicating Regulatory Commission on Tuesday limited the scope of issuing bonus by telecom operators to their subscribers at subsidised rates against the sale of data, talk time and SMS packages. The commission imposed the limit under the newly issued Mobile Data Package Guidelines that would come to force on March 1, 2022. The commission launched the guidelines at an event held at its office in Dhaka on Tuesday. Posts and telecommunications minister Mustafa Jabbar, among others, were present in the event.
- As per the guidelines, the mobile phone operators would be allowed to issue bonus to their subscribers against the sale of regular and customer-centric special packages through their own app, digital platforms or authorised channels. However, the number of regular package or customer-centric special packages cannot be more than 50. Besides, the telecom operators were allowed to issue 10 packages for research and development purposes.

<https://www.newagebd.net/article/154183/btrc-limits-telcos-scope-for-issuing-bonus-against-sales-of-packages>

Stocks rebound after two days slump

- DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), soared 68.44 points or 1.0 % to settle at 6,868, after losing 107 points in the past two consecutive days. Two other indices also closed higher with the DS30 index, comprising blue chips, jumped 32.34 points to finish at 2,616 and the DSE Shariah Index rose 17.37 points to close at 1,454.
- Turnover, a crucial indicator of the market, dropped to a fresh six months low and amounted to BDT 10.07 billion on the country's premier bourse, in a further decline by 6.32 % over the previous day's tally of BDT 10.75 billion. A total number of 157,384 trades were executed in the day's trading session with a trading volume of 217.89 million shares and mutual fund units. The market capitalization of the DSE also rose to BDT 5,491 billion on Tuesday, up from the previous day's mark of BDT 5,454 billion.

<https://thefinancialexpress.com.bd/stock/stocks-rebound-after-two-days-slump-1636452685>

Hamid Fabrics price keeps rising despite huge losses

- Share price of Hamid Fabrics is witnessing an unprecedented hike despite the company has reported huge losses recently for the year ended on June 30, 2021. The fabrics-manufacturer recommended 5.0 % cash dividend only for general shareholders for the financial year (FY) 2020-21, down from 10 % cash dividend in 2019-20. Hamid Fabrics reported that it incurred losses of BDT 160 million in 2020-21 after making profits of BDT 38 million in the previous year. The company reported a loss of BDT 1.76 per share for the year ended on June 30, 2021 as against profit of BDT 0.42 per share for the same period a year earlier.
- Its revenue has significantly decreased in the last fiscal year mainly due to the economic impacts of Covid-19, the company said in a filing. The reduced profitability has severely affected the company's earnings per share. As such, the net operating cash flow has been affected due to lower revenue amid the pandemic. Despite all this bad news, Hamid Fabrics saw its share price jump over 67 % on October 28 after the dividend declaration as there was a price limit on that day.

<https://today.thefinancialexpress.com.bd/stock-corporate/hamid-fabrics-price-keeps-rising-despite-huge-losses-1636473769>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 83.73	USD 35.21	72.57%
Crude Oil (Brent)*	USD 84.46	USD 32.66	63.05%
Gold Spot*	USD 1,829.14	(USD 65.96)	-3.48%
DSEX	6,868.10	1,466.03	27.14%
S&P 500	4,680.42	924.35	24.61%
FTSE 100	7,274.04	813.52	12.59%
BSE SENSEX	60,433.45	12,682.12	26.56%
KSE-100	46,399.91	2,644.53	6.04%
CSEALL	10,361.80	3,587.58	52.96%

Exchange Rates**1 US Dollar = 85.64 BDT****1 GBP = 116.20 BDT****1 Euro = 99.27 BDT****1 INR = 1.16 BDT**

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BRAC EPL Stock Brokerage Limited**Research**

Salim Afzal Shaown, 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 Limitedwww.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