

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.

Korea seeks new areas of ties

- After its successful development collaboration in decades, South Korea now looks for areas of new investment and cooperation in Bangladesh to take the bilateral ties to a new height. Korean ambassador Lee Jang-Keun has said many Korean big companies are eager to explore and expand partnership with Bangladesh to make the latter's dream towards a developed nation by 2041.
- Bangladesh is the second-largest recipient of Korean ECDF (economic development cooperation fund) loan under which 24 projects worth \$1.2 billion are implemented. A framework agreement under Korean Exim Bank's ECDF loan was signed amounting to \$700 million to invest in infrastructure projects here until 2025. The amount may increase after Bangladesh's graduation from its least-developed country status.

<https://today.thefinancialexpress.com.bd/trade-market/korea-seeks-new-areas-of-ties-1635355649>

UK ready to increase trade, investments in Bangladesh: Envoy

- British High Commissioner to Bangladesh Robert Chatterton Dickson on Wednesday said that the UK would work with new and existing investors to ensure they could add benefit to, and benefit from, the success of Bangladesh's economy.
- Referring to the first bilateral UK-Bangladesh Trade and Investment Dialogue last February, he said the UK hoped the market could be opened up more than in the past, to high-value services, including in finance, education and health services.

<https://www.tbsnews.net/economy/uk-ready-increase-trade-investments-bangladesh-envoy-321880>

Signing fresh preferential trade agreement with EU stressed

- Bangladesh's success stories with multinational businesses can help attract more foreign investment, especially from European countries, experts say while suggesting signing fresh preferential trading pact with the EU. Besides, they feel, both Bangladesh and EU countries can benefit by investing in the country as favourable investment climate and technology transfer are mutually rewarding.
- DCCI President Rizwan Rahman in his brief presentation said Bangladesh is one of the main trading partners of Europe, accounting for around 35 per cent of Bangladesh's total trade as of 2020. He said Bangladesh should sign FTAs/PTAs with the European Union (EU) and its decoupled-member UK, which will guarantee preferential market access for exports to the European market. The business leader invited European investors to invest in pharmaceuticals and API sector as well as in the high-tech parks and SEZs in Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/signing-fresh-preferential-trade-agreement-with-eu-stressed-1635361201>

Roadmap to \$5 billion IT exports by 2025

- The government is making a roadmap to facilitate the production of digital devices in the country to boost export earnings in the information and technology sector from the current \$1 billion to \$5 billion by 2025. At the same time, the domestic market for ICT products and IT-enabled services is expected to reach \$5 billion.
- Proper implementation of this roadmap is expected to create at least one lakh jobs in the digital device manufacturing industry. The country will then be able to export laptops and mobile phones worth about \$2 billion after meeting the domestic demand.

<https://www.tbsnews.net/tech/roadmap-5-billion-it-exports-2025-321373>

Tax receipts treble in 3yrs

- The surge in sales of state-backed savings instruments has become a major source of income for the revenue collector in recent years as it charges up to 10 per cent tax on the profits made mainly by pensioners and middle-class families. The Department of National Savings (DNS) said it deducted Tk 2,907 crore as the source tax on interest income of investors of pensioner savings certificates, family savings certificates and Bangladesh savings certificates. The source tax deducted in the last fiscal year was 49 per cent higher from Tk 1,946 crore from the previous year. It was Tk 638 crore in the fiscal year 2016-17.
- Currently, a 5 per cent tax is payable on the interest earnings for accumulated investments of up to Tk 5 lakh in savings certificates. No tax is payable for the same amount of investment in pensioners savings certificate, according to tax officials. Investors of all types of savings certificates see a 10 per cent tax from their interest incomes.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/tax-receipts-treble-3yrs-2208261>

New income tax law in the offing

- The National Board of Revenue (NBR) on Wednesday unveiled a draft of new income tax law - 2022 with updated provisions for global business practices. The draft has proposed a changed structure of the existing Income Tax Ordinance -1984 to make the law simple and flexible. Domestic transfer pricing, amortisation of pre-commencement expenditures of a business, Earning Striping Rules (ESR) provision with de-minimis threshold are the new provisions of the draft law to increase tax potentiality.

<https://today.thefinancialexpress.com.bd/last-page/new-income-tax-law-in-the-offing-1635361494>

BB intensifies intervention as dollar hits new high

- The central bank has intensified its efforts to keep the exchange rate of the local currency stable in the face of rising demand for US dollars. Bangladesh Bank has sold about \$1.38 billion worth of US dollars so far this fiscal year to protect the taka from any volatility and meet the demand of the economy. The sales were nil during the same period a year ago. Rather, the BB bought the American greenback last fiscal year.
- The US dollar is increasingly becoming dearer in Bangladesh because of a confluence of factors such as a surge in imports, a pickup in international travels, moderate exports and falling remittance, which may create inflationary pressure. The average interbank exchange rate was Tk 85.65 per USD on October 19, up from Tk 84.80 a year ago, BB data showed. Four private commercial banks were selling USD at Tk 88 to Tk 89 yesterday, according to their website. A money exchange operator said he sold USD at Tk 90.30 yesterday. "The price has gone past Tk 90 in the last three days."

<https://www.thedailystar.net/business/economy/banks/news/bb-intensifies-intervention-dollar-hits-new-high-2208271>

RMG orders pour in as Western economies reopen

- The reopening of economies in the EU and US has created new opportunities for Bangladesh to recover from the severe fallout of Covid-19, according to apparel exporters. "This is because garment exporters have been receiving a lot of work orders from international clothing retailers and brands ever since Western economies reopened," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- The demand for garment items made of artificial fibres has increased worldwide and so, local apparel makers could use this chance to grab a bigger share of the market. As such, the BGMEA is preparing a recovery roadmap for domestic suppliers in this regard, he added.

<https://www.thedailystar.net/business/economy/news/rmg-orders-pour-western-economies-reopen-2207381>

Foreign aid disbursement surges in Jul-Sep, but commitments fall by 88%

- Loan and grant disbursement by international development partners rose in the first three months of the current fiscal year but commitments for new ones declined by more than 88% year on year, thanks to post-Covid changes in aid budget priorities.

- Foreign aid disbursement surging by 34% to \$1,938 million in July-September this year, which was \$1,444.62 million in the corresponding period last year. During the period this year, Bangladesh received \$94.03 million aid commitments, which was \$797.46 million in the first three months last year.
- Economic Relations Division (ERD) officials said an agreement has been signed with the World Bank this year for \$1.5 billion aid. On top of that, there will be loan agreements for about \$3 billion for six projects funded by the Japan International Cooperation Agency (Jica).

<https://www.tbsnews.net/economy/foreign-aid-disbursal-surges-jul-sep-commitments-fall-88-321877>

Five lenders arrange Tk 167cr for first electric vehicle plant

- Five banks and non-bank financial institutions are going to provide a syndicated loan of Tk 167 crore for the country's first electric vehicle (EV) manufacturing plant of Bangladesh Auto Industries Ltd (BAIL). Bangladesh Infrastructure Finance Fund Ltd (BIFFL) is the loan's lead arranger. The others are Agrani Bank Ltd, Islami Bank Bangladesh Ltd, Bangladesh Development Bank Ltd and First Security Islami Bank Ltd. According to the BAIL, the BIFFL would contribute Tk 75 crore and the banks the rest Tk 92 crore.
- The proposed project's cost is estimated to be Tk 335 crore. managing director of the BAIL hopes to go for commercial operations within next month and for products to hit the market by June or July of 2022. Chairman of BAIL said their target was to provide sedans and sport utility vehicles (SUVs) at reasonable prices to the middle and lower-middle income groups.

<https://www.thedailystar.net/business/organisation-news/news/five-lenders-arrange-tk-167cr-first-electric-vehicle-plant-2208266>

Electronics, bike makers can now reinvest exempted tax money in 3 years

- The National Board of Revenue (NBR) has relaxed conditions for the manufacturers of refrigerator, air conditioner, compressor and motorcycle to qualify for the reduced tax benefit. The revenue board has extended the obligatory tenure for these entrepreneurs to reinvest 10% of the reduced tariff from one year to three years and lifted the obligation to invest in the stock market, according to a statutory regulatory order (SRO) issued by the NBR on 21 October this year.
- The government has already reduced the corporate tax rate on the income of the electronics and motorcycle industries to 10%. At present, the tax rate for non-listed companies is 30% while that for listed ones is 22.5%. However, in order to obtain this benefit, the companies had to invest 10% of the exempted tax within one year.

<https://www.tbsnews.net/dropped/nbr/electronics-bike-makers-can-now-reinvest-exempted-tax-money-3-years-321874>

Stocks rise slightly as recovery continues

- The domestic stock market yesterday continued its slow recovery as investors are cautiously waiting to see which way the prime index of the Dhaka bourse may move. The DSEX edged up by 6 points, or 0.08 per cent to 7,011 yesterday. Turnover at the DSE rose to Tk 1,497 crore yesterday, up from Tk 1,386 crore a day earlier. Of the stocks to witness trade at the country's premier bourse, 180 advanced, 166 declined and 29 remained unchanged.

<https://www.thedailystar.net/business/economy/stock/news/stocks-rise-slightly-recovery-continues-2208186>

Prime Bank secures \$30m from UK dev lender

- UK-based finance institution CDC Group has committed a \$30 million trade finance loan to Prime Bank Limited. The loan will enhance the ability of the Bangladeshi bank to meet the US dollar funding needs of local corporates, bolstering necessary import and export activities, the bank said in a statement yesterday.
- The loan facility will provide Prime Bank with a stable source of much-needed trade finance funding, according to the statement. The liquidity will also enable the bank to extend more foreign currency trade credit with longer tenures to local businesses, and the facility is expected to generate up to \$60 million of additional trade every year across key

economic sectors such as manufacturing, readymade garments, food and agriculture, it said.

<https://www.thedailystar.net/business/economy/banks/news/prime-bank-secures-30m-uk-dev-lender-2208236>

Islam Oxygen to raise Tk 930m

- Islam Oxygen, an oxygen manufacturer and supplier, held its IPO road show for eligible investors as the company plans to go public using the book building method. The company wants to raise Tk 930 million from the capital market for its business expansion subject to approval from the Bangladesh Securities and Exchange Commission (BSEC).
- The company will spend Tk 907 million on the expansion. According to the spending breakdown, Tk 871.5 million will be used for buying new capital machinery and Tk 35.5 million on the construction of sheds for generators and a new plant. The company's earnings per share were Tk 4.37 for the fiscal year (FY) 2020-21, which was Tk 2.77 in the previous year. The net asset value per share with revaluation stood at Tk 38.37 and without revaluation at Tk 25.09 during the period under review.

<https://thefinancialexpress.com.bd/stock/islam-oxygen-to-raise-tk-930m-1635309179>

Runner's profit grows 37%

- Runner Automobiles, the manufacturer of Runner, UM and Piaggio two wheelers, also the sole distributor of KTM motorcycles, Bajaj three wheelers, and Eicher commercial vehicles, posted 37% growth in its annual profits. Amid a slowdown in the commercial vehicle market over 2018 and 2019 and a 66-day long nationwide shutdown had drastically dragged Runner's earnings per share (EPS) down to Tk1.97 in the 2019-20 fiscal year, from Tk4.41 in the previous year. From the dent, the company recovered its profits partially as the EPS in 2020-21 fiscal year stood at Tk2.70.

<https://www.tbsnews.net/economy/runners-profit-grows-37-321859>

Saif Powertec's profit soars 62% as revenue grows, interest and tax rate drops

- Saif Powertech Limited, the operator of the Chattogram Sea Port, has posted 62% growth in annual profits for the 2020-21 fiscal year. The company's earnings per share (EPS) for the 12 month up to the end of June this year grew to Tk1.75, which was Tk1.08 in the previous year. The company's Chief Financial Officer (CFO) Md Hasan Reza told The Business Standard, the profit jump was mainly due to the one-fourth growth in revenue that did not cost the company a lot.

<https://www.tbsnews.net/economy/saif-powertecs-profit-soars-62-revenue-grows-interest-and-tax-rate-drops-321850>

RAK Ceramics to invest Tk52.50cr for increasing production capacity

- RAK Ceramics (Bangladesh) Limited will invest Tk52.50 crore in increasing its tiles production capacity by upgrading machinery in their existing factory. After the completion of upgrading, the company's production capacity will increase by 8.76 lakh square meters per annum. The company has expressed hope that the upgrade work in its plant will finish by next year.
- RAK Ceramics has four tile plants in Bangladesh with an annual production capacity of 12.30 crore square metres.

<https://www.tbsnews.net/economy/corporates/rak-ceramics-invest-tk5250cr-increasing-production-capacity-321847>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 81.25	USD 32.73	67.46%
Crude Oil (Brent)*	USD 83.20	USD 31.40	60.62%
Gold Spot*	USD 1,796.70	(USD 98.40)	-5.19%
DSEX	7,011.89	1,609.82	29.80%
S&P 500	4,551.68	795.61	21.18%
FTSE 100	7,253.27	792.75	12.27%
BSE SENSEX	61,143.33	13,392.00	28.05%
KSE-100	45,851.04	2,095.66	4.79%
CSEALL	10,146.90	3,372.68	49.79%

Exchange Rates**1 US Dollar = 85.54 BDT****1 GBP = 117.41 BDT****1 Euro = 99.17 BDT****1 INR = 1.14 BDT**

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