

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.

Jul-Jan imports jump 52.5pc

- Bangladesh's overall imports jumped by 52.5% in 7MFY22 due to higher imports of fuel oil and capital machinery, officials said. The settlement of letters of credit (LCs) rose to USD 45.48 Bn during the period from USD 29.82 Bn in 7MFY21. The opening of LCs also grew by more than 49% to USD 52.36 Bn from USD 35.12 Bn in the same period of FY21.
- A Bangladesh Bank official said the upward trend in imports may continue in the coming months ahead of the holy month of Ramadan. Echoing the BB official, managing director (MD) and chief executive officer (CEO) of Dhaka Bank Limited Emranul Huq said the upward trend in imports may continue until the middle of May next.
- The import of petroleum products rose by 89.24% to USD 4.04 Bn in 7MFY22. The central banker added that the import of petroleum products may increase further in the coming months mainly due to seasonal impact. Import of industrial raw materials jumped by 52% to USD 16.61 Bn during 7MFY22, while import of consumer goods jumped by more than 49% to USD 5.16 Bn.
- The import of capital machinery or industrial equipment jumped by over 61% to USD 3.05 Bn during the period, as readymade garment (RMG), leather, pharmaceuticals and electronics sectors have contributed to the increase, according to the MD of Dhaka Bank.
- Another BB official told the FE that construction materials, imported as intermediate goods, pushed up the overall import payments in 7MFY22. He also said that different mega infrastructure projects, including Padma Bridge and metro rail, largely contributed to the increased imports of intermediate goods.

<https://today.thefinancialexpress.com.bd/first-page/jul-jan-imports-jump-525pc-1647540036>

Registrar of Joint Stock Companies and Firms takes initiative to speed up company registration

- In order to speed up company registration, the Office of Registrar of Joint Stock Companies and Firms (RJSC) has launched model articles and memorandums of association. The initiative will enable companies to accept and use model articles that are universal and in full compliance with the Companies Act 1994, instead of drafting articles of association for their companies.

<https://www.tbsnews.net/economy/registrar-joint-stock-companies-and-firms-takes-initiative-speed-company-registration-386366>

BAMMA demands withdrawal of AIT on agri machinery import

- Agricultural machinery importers have demanded that the government withdraw 5% advance income tax on imports of agricultural machinery run by diesel motors to modernise the country's agricultural sector. They also demanded withdrawal of the turnover tax on annual turnover below BDT 5.0 Mn.
- The business leaders said that though the government withdrew the advance trade VAT in the budget for FY22, but imposed 5% AIT on imports of agricultural machinery. The association also requested the government to reduce 5% VAT at the wholesale and retail levels to 0.05% and 1.5% respectively to overcome the Covid fallout.

<https://www.newagebd.net/article/165715/bamma-demands-withdrawal-of-ait-on-agri-machinery-import>

Bangladesh to ratify ILO convention by March

- Bangladesh is likely to ratify the International Labour Organisation's convention 138 on minimum age by this month, setting 14 years as minimum age under which no one will be admitted to employment or work in any occupation. Ratifying the convention was one of the actions on labour rights the European Union suggested to sustain the existing generalised scheme of preferences in the market.
- The government officials said that the ratification of the convention would bring a positive development in eliminating child labour from the country as the government made commitment to eradicate all forms of child labour by 2025.

<https://www.newagebd.net/article/165719/bangladesh-to-ratify-ilo-convention-by-march>

BD banking on new financier NDB

- Bangladesh looks to New Development Bank (NDB), as the government is now scrutinising some priority projects for its fund support, officials say. A senior Economic Relations Division (ERD) official told that Bangladesh formally became member of the NDB in September last. He says the NDB has assured funds for some 2-3 projects in the first year of launching of the financing to Bangladesh.
- Bangladesh has already attained 1.84% voting power at the NDB after joining as its sixth-shareholding member, officials said Thursday. Bangladesh has paid USD 15 Mn in the first installment, the Ministry of Finance (MoF) officials said. ERD officials said Bangladesh would have to pay a total of USD 188 Mn in seven installments, out of its USD 942 Mn commitment. The remaining USD 754 Mn worth of subscription will be treated as the "callable fee" which will not have to be paid at this moment.
- The board in September this year approved membership of three countries-Bangladesh, the United Arab Emirates and Uruguay. Bangladesh then negotiated with the lender for getting more than 1.0-per cent stake in the newly established BRICS nations' banking institution.

<https://today.thefinancialexpress.com.bd/last-page/bd-banking-on-new-financier-ndb-1647540267>

Fiscal space shrinks as debt servicing up

- Fiscal headroom is shrinking in Bangladesh as interest payments on public debts topped during 6MFY22 reached BDT 334.33 Bn, for both domestic and foreign debt servicing. Economists say Bangladesh borrows heavily not only to finance current expenditures but also to service existing debts, constituting the largest part of the expenditure.
- Out of the total sum of BDT 685.89 Bn earmarked for interest payments on debts, BDT 620 Bn will go for servicing domestic debt. A senior official involved with government development planning, on condition of anonymity, told the FE that domestic borrowing is unsustainable.
- Dr Reaz, chairman at the Policy Exchange of Bangladesh, feels that the government should borrow from concessional sources where the rate of interest usually remains much low. He said the government can accrue surpluses by controlling "fiscal waste". Dr Zahid Hussain, an independent economist of Bangladesh, says government needs to widen the tax base using technology for tax enforcement while reducing expenditures on losing state-owned enterprises. He opined that there is no quick fix to this.

<https://today.thefinancialexpress.com.bd/first-page/fiscal-space-shrinks-as-debt-servicing-up-1647539868>

Cash recycling machines fast coming to the fore

- Banks are installing cash recycling machines at a faster pace as part of their efforts to provide deposit and cash withdrawal services to clients under the same platform. The number of machines stood at 1,261 as of January this

year, up 59% year-on-year. Total transactions grew 97% year-on-year to BDT 37.45 Bn in Jan'22, which is 13% higher compared to Dec'21.

<https://www.thedailystar.net/business/economy/news/cash-recycling-machines-fast-coming-the-fore-2985486>

BD to get more LNG supply in summer

- The world's leading LNG (liquefied natural gas) producer Qatargas has agreed to re-schedule its LNG cargo-delivery plan for Bangladesh to boost the fuel supplies during summer by slashing winter deliveries. Bangladesh sought to ramp up LNG deliveries from the long-term Qatari supplier during summer season, as the country was struggling to arrange LNG from spot market due to volatility in international energy prices. The state-run Petrobangla did not find any bid from global LNG suppliers to purchase LNG from spot market for late March.
- Qatargas however, did not agree to the Petrobangla's proposal to supply Bangladesh an additional 1.0 Mn tonnes per year (MTPA) of LNG from 2023. Instead, Qatargas assured Bangladesh to consider additional LNG supplies after 2024, as it has 'tight long-term commitments' with buyers across the world.
- As per the annual delivery programme, Qatargas will supply a total of 40 LNG cargoes to Bangladesh during 2022, whereas it supplied 39 cargoes during 2021. The remaining long-term LNG supplier - Oman Trading International, now known as OQ, however, will maintain its LNG supplies as per previous schedule.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-get-more-lng-supply-in-summer-1647540373>

GP postpones eSIM launch for regulatory hiccups

- Grameenphone (GP) has postponed the launch of their eSIM service. Initially announced to be launched on March 7, the service is not yet accessible to the public. The postponement took place after Bangladesh Telecommunication Regulatory Commission (BTRC) withheld the launching of Grameenphone eSIMs last week.
- Sources close to the National Board of Revenue (NBR) has informed that the NBR has voiced their concern to the BTRC about the impact on revenue collection from the issuance of new SIMs if the eSIM was launched.
- "We at BTRC welcome new technologies but as a regulator, we have to evaluate the technology as well as the impact it will have on the user's end," said BTRC Vice-Chairman Subrata Roy Maitra. "That's why we have withheld the launch of eSIM," he said.

<https://www.thedailystar.net/business/organisation-news/news/gp-postpones-esim-launch-regulatory-hiccups-2985526>

Why investors not upbeat about bank stocks anymore

- Bank stocks have the lowest overall price-to-earnings (PE) ratio among all 16 sectors in the market as it closed at 7.9 by the end of last week, according to data from Dhaka Stock Exchange (DSE). Market players say investors normally buy bank shares during Dec-Feb period, as the banks usually provide cash dividend in the 10-15% range.
- Analysts say the reasons why investors lack interest in the sector are the low asset quality of many banks, huge pile up of non-performing loans (NPLs), Bangladesh Bank's relaxed policies, and bank stocks being considered as non-gambling shares. Besides, investors are concerned about the sector's future as they believe the profits posted by banks in the country are fictitious, said a stockbroker on condition of anonymity.
- A top official of a listed bank, preferring anonymity, said that the asset quality of all banks are deteriorating year after year. He also said that bank loans may turn into sour loans at times for economic reasons, but most of the NPLs were forcefully given even though it was known that the borrowers could default. The political pressure on banks and influence of their directors should be reduced in order to improve the sector's overall quality, he added.

- Shahidul Islam, chief executive officer of VIPB Asset Management, said there are some irrationalities in the market as good companies sometimes have low share prices while those which perform poorly trade at higher rates.

<https://www.thedailystar.net/business/global-economy/news/why-investors-not-upbeat-about-bank-stocks-anymore-2985541>

Two banks declare dividends for 2021

- Bank Asia declared a 15% cash dividend for its shareholders for 2021. Consolidated EPS was BDT 2.34 and NAV per share was BDT 23.33 as of 31 December 2021.
- Shahjalal Islami Bank declared 10% cash dividend and 5% stock dividend for 2021. Consolidated EPS was BDT 2.52 and NAV per share was BDT 19.27 as of 31 December 2021.

<https://www.tbsnews.net/economy/stocks/two-banks-declare-dividends-2021-386754>

Most listed MNCs see EPS surge in 2021

- Earnings of most of the multinational companies (MNCs) listed with the country's stock market increased in 2021 compared to the previous year thanks to lower operating cost and reduction of corporate tax rates.
- Currently, twelve listed multinational companies account for 21% of DSE's total market capitalisation. The EPS of five multinational companies, out of eight that declared annual earnings rose, while three fell marginally in 2021, according to data available with the DSE.
- EPS of LafargeHolcim Bangladesh, British American Tobacco Bangladesh, Linde Bangladesh, Reckitt Benckiser (BD), Robi Axiata rose between 3.03 per cent and 64.53 per cent in 2021 compared to the previous year. On the other hand, EPS of Unilever Consumer Care, Grameenphone and Singer Bangladesh fell between 0.32 per cent and 35.48 per cent in 2021.

<https://today.thefinancialexpress.com.bd/stock-corporate/most-listed-mncs-see-eps-surge-in-2021-1647533177>

Aramit Cement continues lending to affiliate firms, violating regulatory order

- Aramit Cement Ltd has continued lending money to its affiliate firms without collecting due payments for the last 17 months, thus violating a regulatory order and depriving investors of expected returns. Expressing concern about the dues, the Bangladesh Securities and Exchange Commission (BSEC) recently issued a letter to Aramit seeking an explanation. The regulator has also asked the company to submit a list of its top 20 customers in the last two fiscal years.
- According to media reports at the time, Aramit Cement Limited had provided interest free loans of around BDT 770 Mn to its affiliate companies in the five years running up to 2020. The dues have continued to grow in amount since then without any significant progress in loan recovery. According to Aramit Cement's FY20 financial statement, the company is owed BDT 892.7 Mn by its affiliate companies. In 2021, the dues increased to BDT 1.04 Bn.

<https://www.tbsnews.net/economy/stocks/aramit-cement-continues-lending-affiliate-firms-violating-regulatory-order-386798>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------------|-------------------------|---------------------|
| Crude Oil (WTI)* | USD 105.40 | USD 30.19 | 40.14% |
| Crude Oil (Brent)* | USD 108.87 | USD 31.09 | 39.97% |
| Gold Spot* | USD 1,934.96 | USD 105.76 | 5.78% |
| DSEX | 6,765.59 | 8.93 | 0.13% |
| S&P 500 | 4,411.67 | -354.51 | -7.44% |
| FTSE 100 | 7,385.34 | 0.80 | 0.01% |
| BSE SENSEX | 57,863.93 | -389.89 | -0.67% |
| KSE-100 | 43,358.13 | -1,237.94 | -2.78% |
| CSEALL | 10,394.13 | -1,831.88 | -14.98% |

Exchange Rates**1 US Dollar = 86.27 BDT****1 GBP = 113.55 BDT****1 Euro = 96.63 BDT****1 INR = 1.13 BDT**

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