

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.

Government's Sukuk auction sparks huge interest

- The BDT 40 billion Sukuk was over-subscribed nearly four times to BDT 151.53 billion in its first auction held on Monday at the central bank. For the first time, the government is mobilising funds from the financial institutions by issuing the Islamic bond. The Bangladesh Bank held an auction, where a total of 39 institutions—both conventional and Shariah-compliant financial institutions—took part. This is the first bidding for the BDT. 80 billion Sukuk, the next auction for the remaining BDT 40 billion will be held on June 28, 2021.
- Official of Bangladesh Bank said that the participation by both conventional and non-conventional banks was allowed as a part of diversifying the investment base for the government-guaranteed securities and promoting the financial inclusion. They said the Sukuk has been distributed proportionately to the participating institutions where each gets on an average 25% of their buy-orders. This is a risk-free Shariah product and it will help create a benchmark profit rate for similar other products.

<https://today.thefinancialexpress.com.bd/first-page/govts-sukuk-auction-sparks-huge-interest-1609175563>
<https://www.dhakatribune.com/business/2020/12/29/bangladesh-issues-its-maiden-sukuk>
<https://www.thedailystar.net/business/news/sukuk-era-begins-2018825>
<https://www.newagebd.net/article/125613/first-govt-sukuk-draws-4-times-bid-against-offering>

November private credit growth slows

- Private sector credit growth decelerated further in November as fresh borrowing demand dropped after the second wave of Covid-19 hit the country, experts said. Private credit growth fell to 8.21% (year-on-year) in November this year from 8.61% a month ago, according to the Bangladesh Bank's (BB) latest statistics. This growth was 3.29% points lower than the BB's target of 11.50% for the first half (H1) of the current fiscal year (FY 2020-21).
- Former director general of the Bangladesh Institute of Development Studies (BIDS), suggested the policy makers lay emphasis on selecting and targeting investments to help increase the private sector credit growth in near future. The private sector credit growth has registered a falling trend in the last two months because both bankers and businessmen are now concerned following the second wave of Covid-19 pandemic, according to the director of the Bangladesh Institute of Bank Management (BIBM). Meanwhile, outstanding loans with the private sector rose to BDT 11,209.02 billion in November from BDT 10,358.15 billion from the same period a year ago. It was BDT 11,143.22 billion in October 2020.

<https://today.thefinancialexpress.com.bd/first-page/nov-pvt-credit-growth-slows-1609175687>
<https://www.dhakatribune.com/business/2020/12/29/pandemic-kills-appetite-for-credit-among-businesses>
<https://www.thedailystar.net/business/news/credit-growth-takes-another-beating-nov-2018817>
<https://tbsnews.net/economy/banking/private-sector-credit-growth-dips-further-177802>
<https://www.newagebd.net/article/125614/private-sector-credit-growth-drops-to-821pc-in-nov>

Big blow for the big industry

- For many, 2020 has been a year of despair. The unprecedented effects of Covid-19 have jolted economies and supply chains worldwide with Bangladesh being no exception. As a major player in the garments sector, Bangladesh has been severely affected by the coronavirus fallout. Primarily, the supply of raw materials to local garment factories was disrupted when China—Bangladesh's main source for such goods—halted all shipments between March and April due to the coronavirus outbreak. But despite all the gloom and doom, Bangladesh's apparel exporters hope for brighter days ahead with the arrival of a Covid-19 vaccine that would save both lives and businesses.
- Besides, amid the threat of a second wave of Covid-19 infections, exporters received 30% fewer work orders for next season (December to March) compared to the pre-pandemic levels. What followed were heated protests at major industrial hubs such as Ashulia, Gazipur, Savar, Narayanganj and Chattogram, where terminated workers took to the streets with a demand to get their jobs back.

<https://www.thedailystar.net/business/news/big-blow-the-big-industry-2018829>

External debt per capita on the rise

- The amount of foreign debt per capita rose by 6.8% in the fiscal 2019-20 compared to the previous financial year (2018-19). The per capita debt in FY20 was USD 389.53, which is 6.8% higher than in FY19 when it was USD 364.60. The total external debt stood at USD 65.27 billion in FY20, 8.1% up from the previous fiscal year. Of the foreign loans taken in the last financial year, the government took USD 48.68 billion, the private sector took USD 14.08 billion and

USD 2.5 billion was taken as Sovereign (Guaranteed) Debt. The executive director of the Policy Research Institute, opined that foreign debt is not very high in relation to Bangladesh's economic capacity.

- He said that loans from foreign sources are cheaper than domestic ones. This puts less pressure on the government to meet the budget deficit. He said a country combining domestic and foreign sources could borrow up to 50% of GDP. He also stated that the amount of foreign loans in the private sector is also on the rise as the interest rate on foreign loans is lower than domestic sources.

<https://tbsnews.net/economy/external-debt-capita-rise-177832>

Rahima Food's trading resumes on DSE today

- Trading of the shares of Rahima Food Corporation will resume today (Tuesday) on the Dhaka Stock Exchange's main board after 30 months as the prime bourse approved the resumption of trading. Earlier on 19 July, 2018, the DSE de-listed the company from its trading platform while the CSE suspended trading then as the company's share price soared abnormally despite remaining out of operation for a prolonged period. Rahima Food was incorporated in 1990 and listed in stock exchanges in 1997. According to the audited financial report ended 30 June this year, the company's loss per share was BDT 1.20 and its net asset value per share was BDT 9.57.

- The trading of shares of Rahima Food will resume today (Tuesday) on main board of the DSE under 'A' category as the company is already traded at CSE under 'A' category, the DSE said in a statement on Monday. At DSE, trading code for Rahima Food is "RAHIMAFOD" and DSE company code is 14281. The reference price will be the close price of the company traded at CSE on Monday since the shares of the company are already being traded in CSE, according to the statement. The reference floor price will be the floor price of the company traded at CSE which is BDT 175.40.

<https://today.thefinancialexpress.com.bd/stock-corporate/rahima-foods-trading-resumes-on-dse-today-1609169704>

<https://tbsnews.net/economy/stock/rahima-food-resume-trading-dse-today-after-2-years-177694>

<https://www.newagebd.net/article/125610/share-trading-of-rahima-food-resumes-today-on-dse>

DSE market cap hits an all-time high

- Market capitalisation of Dhaka Stock Exchange (DSE) stood at an all-time high at BDT 4.41 trillion yesterday thanks to increased investor participation. The value of listed securities with the country's premier bourse rose BDT 518.49 billion, or 13%, over the past month, when investors started pouring their money into the market. Investors started coming back to the stock market in the last few months since many stocks have become lucrative amid the pandemic driven index fall, said a portfolio manager of a top asset management company.

<https://www.thedailystar.net/business/news/dse-market-cap-hits-all-time-high-2018809>

Lub-rref IPO subscription begins 26 January

- Lub-rref (Bangladesh) Ltd is going to start its initial public offering (IPO) subscription on 26 January next year. General investors can apply to buy the company's primary shares until 1 February. On 18 November, Lub-rref received the securities regulator's approval to publish its IPO prospectus with a view to collecting BDT 1.50 billion to expand its business. According to the book building method of IPO, half of the company's shares will be issued to eligible institutional investors who have set the cut-off price at BDT 30 each through bidding. The general public can apply to buy the remaining half of the local lubricant company's shares at a 10% discount on the cut-off price.

<https://tbsnews.net/economy/stock/lub-rref-ipo-subscription-begins-26-january-177691>

BSEC forms body to probe Familytex's irregularities

- The stock market regulator has formed a two-member inquiry committee to investigate the irregularities in the sales of shares of Familytex (BD) Ltd directors without any declaration. The committee – formed a few years after the irregularities took place – will submit its report within 30 working days to the commission. The commission formed the committee to know the company's actual business scenario as well as that of the shareholding of the sponsors and directors. Sources said the company's sponsors and directors started selling shares in 2015 without any declaration. In 2017, they had sold 41% of their total holdings. On 31 December, 2018, the company's sponsors and directors held 22.43% of shares. But on 31 January, 2019, their shareholding came down to 4.02%. The board of directors sold 110 million shares without any declaration. At the time, the company's share price was BDT 15 each.

<https://tbsnews.net/companies/bsec-forms-body-probe-familytexs-irregularities-177826>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$47.86	(\$13.77)	-22.34%
Crude Oil (Brent)*	\$50.86	(\$17.58)	-25.69%
Gold Spot*	\$1,879.03	\$357.56	23.50%
DSEX	5,344.01	891.08	20.01%
S&P 500	3,735.36	504.58	15.62%
FTSE 100	6,502.11	(1,084.94)	-14.30%
BSE SENSEX	47,353.75	5,711.61	13.72%
KSE-100	43,674.28	2,939.20	7.22%
CSEALL	6,704.89	575.68	9.39%

Exchange Rates

USD 1 = BDT 84.83*

GBP 1 = BDT 114.29*

EUR 1 = BDT 103.74*

INR 1 = BDT 1.15*

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

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