

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.

FDI to triple within couple of years, hopes Salman

- Prime Minister's Private Industry and Investment Adviser Salman F Rahman expressed on Monday his optimism that the Foreign Direct Investment (FDI) to Bangladesh would increase two to three times within the next couple of years. The adviser expressed the hope when a high-level delegation, led by Hartwig Schafer, Vice-President, South Asia Region of the World Bank, held a meeting with him.
- The meeting discussed various issues including expansion of trade and investment opportunities in Bangladesh and capital market development. Hartwig Schafer highly praised the inclusive growth achieved by Bangladesh in the last decade. The vice-president drew the attention of the adviser to the lower GDP-FDI ratio of Bangladesh. In response, the adviser apprised the delegation that the ratio had been steady in the last decade. "As the size of GDP is increasing every year, the inflow of FDI is also growing," he added.

<https://today.thefinancialexpress.com.bd/trade-market/fdi-to-triple-within-couple-of-years-hopes-salman-1638805955>

Export of plastic products see nearly 30pc rise

- The export of plastic products has witnessed an uptrend as its earnings reached USD 57.06 million during 5MFY22, which was also 29.8% higher year-on-year, which was USD 43.96 million during 5MFY21. Earlier, the government set a target of attaining USD 127 million from the export of plastic products in the current fiscal year. According to the Export Promotion Bureau (EPB), out of the total plastic products, the export of PVC bags bagged USD 9.73 million during this five-month period while that of plastic waste earned USD 6.34 million during this period.
- Talking to BSS, Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) President Shamim Ahmed said that the Bangladeshi plastics goods are exported to some 23 countries including the USA, the UK, Germany, France, Poland, Spain and Canada while various items like house décor items, automobiles, medical equipments and other supportive products of export industries are being made from plastics. According to the Association, there are some 5,000 small, medium and large plastic industries across the country manufacturing products in 15 categories.

<https://thefinancialexpress.com.bd/trade/export-of-plastic-products-see-nearly-30pc-rise-1638766289>

Easier transaction needed to boost trade with Russia: Tipu Munshi

- Commerce Minister Tipu Munshi yesterday said trade and commerce between Russia and Bangladesh would increase significantly if double taxation and trade transaction hurdles in banking channels were removed. Tipu Munshi said, "There is a huge demand for Bangladesh-made products in Russian markets. We want to increase export of goods to Russia, a development partner of Bangladesh. Both the countries have long-standing trade and economic relations."
- During the ongoing Covid-19 pandemic situation, Bangladesh exported goods worth USD 665.31 million to Russian markets and imported goods worth USD 466 million in the 2020-21 fiscal year.

<https://www.tbsnews.net/economy/exports-russia-increase-removal-double-taxation-and-payment-hurdles-339616>

Mega project for digital economy

- The government is undertaking a mega project worth BDT 2,541 crore to create an enabling environment for the digital economy as it gears up for the Fourth Industrial Revolution. Under this project, called Enhancing Digital Government and Economy, the objective is to establish a cloud-based infrastructure and software platform for participants in the development and expansion of the digital economy in Bangladesh.
- The initiative will help increase investment efficiency and sustainability in the IT sector. The project also aims to develop skilled manpower in the IT industry so that skilled manpower and employment opportunities are created through the formulation of strategies and action plans for Industry 4.0. Of the amount, BDT 2,507 crore will come from World Bank as loans.

<https://www.thedailystar.net/business/economy/news/mega-project-digital-economy-2911461>

Industrial credit rises over 12% in July-Sept

- Credit flow to the industrial sector has registered a more than 12% jump year-on-year in July-September of the current year as economic activities have now bounced back with the pandemic situation turning the corner. According to the latest data of the Bangladesh Bank, disbursement of bank loans to the sector amounted to BDT 1,06,596 crore, while it was BDT 4,849 crore in the same period a year ago.
- According to Bangladesh Bank, in the first nine months of this year (January-September), disbursements to the industrial sector increased by BDT 44,035 crore or 16.88% to BDT 304,803 crore from BDT 260,768 crore in the same period a year ago.

<https://www.tbsnews.net/economy/industry/industrial-credit-rises-over-12-july-sept-339727>

Govt's bank borrowing surges

- Government bank borrowing sees a sudden surge amid bid for turning its accounts position positive from the negative as fund deficit doubled in a day, officials said. Deficit amount in the government accounts stood at around BDT 45 billion as on December 05 from BDT 22.50 billion two days before.
- Huge payouts on account of salaries of government employees alongside maturity of Bangladesh Government Treasury Bonds (BGTBs) pushed up pressure on government's accounts in last few days. The government borrowed more than double on Sunday through issuing two types of treasury bills (T-bills)--91-day and 364-day ones- to meet its budget deficit partly.

<https://today.thefinancialexpress.com.bd/first-page/govts-bank-borrowing-surges-1638815905>

Ministry to move on 'specific allocation for SMEs'

- The Industries Ministry would take an initiative to ensure that there was a specific allocation in the budget every year for the small and medium enterprises (SMEs), said State Minister for Industries Kamal Ahmed Majumder. He stressed the need for a coordinated development plan for cluster-based SMEs.
- The SMEs are contributing 25% to the country's economy. According to an SME Foundation study in 2013, a total of

70,000 enterprises under the 177 SME clusters in the country were generating a turnover of BDT 300 billion (30,000 crore), said Kamal Ahmed.

<https://today.thefinancialexpress.com.bd/stock-corporate/ministry-to-move-on-specific-allocation-for-smes-1638806618>

Loan write-offs decline as banks lose strength

- Loans written off by banks in Bangladesh nosedived as lenders' ability to keep 100% provisioning against delinquent assets has squeezed amid business slowdown caused by the coronavirus pandemic. Banks wrote off bad debts to the tune of BDT 1,945 crore between January last year and September this year, data from the Bangladesh Bank showed. This compared to BDT 2,597 crore in 2019 and BDT 3,523 crore in 2018.
- It fell as a majority of banks are unable to write off bad loans since they are struggling to survive amid a lower cash flow compared to pre-pandemic levels.

<https://www.thedailystar.net/business/economy/banks/news/loan-write-offs-decline-banks-lose-strength-2911466>

Stocks stay positive after choppy trading

- Dhaka stocks ended marginally higher Monday, extending the gaining streak for the four straight session, as investors followed cautious stance ahead of the coordination meeting. The finance ministry has arranged a coordination meeting with Bangladesh Bank and the stock market regulator today (Tuesday) to find out a way-out to resolve the issues of the capital market.
- The market moved between positive and negative territory several times before ending marginally higher as investors opted for booking profit on quick-gaining stocks in early trading. DSEX went up 12.90 points or 0.18% to settle at 6,978. The core index added 275 points in the past four consecutive sessions. Turnover stood at BDT 8.87 billion, which was 0.89% lower than the previous day's tally of BDT 8.94 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/stocks-stay-positive-after-choppy-trading-1638803776>

Tax receipts from DSE fall further in November

- The government's revenue collection from Dhaka Stock Exchange (DSE) fell further by 16% in November compared to a month earlier as trading volume on the decline. The government bagged revenue worth BDT 342 million in November as against BDT 407 million in October, according to available data with the DSE.
- Of the total earnings in November, BDT 267 million came from the TREC (trading right entitlement certificate) holders' commission, popularly known as brokerage commission, while BDT 75 million came from share sales by sponsor-directors and placement holders.

<https://today.thefinancialexpress.com.bd/stock-corporate/tax-receipts-from-dse-fall-further-in-november-1638803583>

Investors park money in potential IT firms

- Digital connectivity across the country has brought a bright opportunity for the Information and Technology (IT) sector and to avail of the opportunity, investors have parked money here. In the last several months, the share prices of the companies climbed as investors showed interest in them. But in early November, investors witnessed a price

correction due to selling pressures to book the quick profit from the risk-averse investors.

- However, the sector is back on the gaining track as the investors did not lose their interest. On Monday, investors got the highest return of 4.2% from the IT sector at the DSE.

<https://www.tbsnews.net/economy/stocks/investors-park-money-potential-it-firms-339733>

GP gains more market share despite SMP imposition

- Grameenphone has gained more market share despite the imposition of significant market power rules on the company. The two operators have even lost marginally market share to GP and to state-owned telecom operator Teletalk, showed the latest BTRC data.
- Grameenphone's market share inched up to 46.39% at the end of October 2021 from 46.21% in June 2020. The telecom operator's market share was 46.33% at the end of December 2018. Robi's market share inched down to 29.52% at the end of October 2021 from 29.74% at the end of June 2020. Banglalink's market share dropped to 20.5% at the end of October 2021 from 21.35% at the end of June 2020. The market share of Teletalk increased to 3.58% at the end of October 2021 from 2.95% at the end of June 2020.
- The total number of active connections of the mobile phone companies stood at 18.13 crore at the end of October 2021 from 16.13 crore at the end of June 2020. Of the 18.13 crore connections, GP's connection base stood at 8.41 crore, Robi's at 5.35 crore, Banglalink's at 3.72 crore and Teletalk's at 64.9 lakh at the end of October.

<https://www.newagebd.net/article/156677/gp-gains-more-market-share-despite-smp-imposition>

Sena Kalyan Insurance shares skyrocket

- The share price of Sena Kalyan Insurance – a newly-listed insurance company on the stock market – jumped eight times just in a month. The share price rose 692% in the 22 sessions of trading since its debut on the country's stock exchanges.
- On Monday, its share price closed at BDT 79.20 each – at 10% higher than that of the previous trading session. Owing to this unusual share price hike, the Dhaka Stock Exchange (DSE) sent a query to the company on 5 December. In response, Sena Kalyan Insurance on Monday said that there is no undisclosed price sensitive information for recent unusual price hike and increase in the volume of shares.

<https://www.tbsnews.net/economy/stocks/sena-kalyan-insurance-shares-skyrocket-339691>

Listed cos to have mandatory credit rating every year

- The Bangladesh Securities and Exchange Commission has taken initiatives to make it mandatory for all listed companies to have credit rating every financial year with the aim of showing actual health of business of the companies to investors. Now there is no obligation for the listed companies to be credit rated unless they issue new shares with premium.
- According to the draft rules, every listed security or issuer of a listed security must be credit rated by a CRC within six months of the end of each financial year and the credit rating companies must immediately after awarding the rating

disseminate it to the exchanges as price sensitive information in the same process of PSI disclosures. Every listed life insurance company must be credit rated by a CRC on biennial, once in every two years, basis, the rules said.

<https://www.newagebd.net/article/156678/listed-cos-to-have-mandatory-credit-rating-every-year>

9 state-owned firms post losses even after economy reopening

- Nine publicly listed state-owned companies in various sectors have posted losses in the first quarter (July to September) of the current fiscal year even after the post-lockdown reopening of the economy. The companies are- Eastern Cables, Atlas Bangladesh, National Tubes, Renwick Jaineswar, Usmania Glass, Shyampur Sugar Mills, Zeal Bangla Sugar Mills Ltd, Bangladesh Services, and Rupali Bank.
- Sources said most of the machinery in state-owned firms are back-dated, and it takes about 6 to 8 months to repair any damaged one of them. The production costs of the firms are higher compared to their competitors because they procure raw materials at a 30% to 40% higher rate as per their tenders. Sources further said many of the employees in state-owned firms have no subjective qualifications and experiences which is why the credibility of the companies are declining every year.

<https://www.tbsnews.net/economy/stocks/9-state-owned-firms-post-losses-even-after-economy-reopening-339730>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 69.78	USD 21.26	43.82%
Crude Oil (Brent)*	USD 73.08	USD 21.28	41.08%
Gold Spot*	USD 1,781.09	(USD 114.01)	-6.02%
DSEX	6,978.54	1,576.47	29.18%
S&P 500	4,591.67	835.60	22.25%
FTSE 100	7,232.28	771.76	11.95%
BSE SENSEX	56,747.14	8,995.81	18.84%
KSE-100	43,280.77	-474.61	-1.08%
CSEALL	11,034.41	4,260.19	62.89%

Exchange Rates**1 US Dollar = 85.75 BDT****1 GBP = 113.73 BDT****1 Euro = 96.76 BDT****1 INR = 1.13 BDT**

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above-mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and revisit this assessment when subsequent update reports are published, or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, 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
----------------------	-----	--	---------------

BRAC EPL Stock Brokerage Limited

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