

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.

BB revises H2 credit growth targets

- Bangladesh Bank (BB) has projected the government's borrowing at 31.7% in the revised the monetary policy programmes for the second half (H2) of the current fiscal year (FY). The growth in public sector credit until December 2020 was 17.2% (net), according to a statement issued on Tuesday. The central bank also revised upward the private sector credit growth target at 14.8%, much lower than the one projected earlier. The private credit growth was just 8.4% at the end of December last. The total domestic credit growth has been adjusted upward at 17.4% from the actual growth of 9.7% until December 2020.

- The total domestic credit growth has been adjusted upward at 17.4% from the actual growth of 9.7% until December 2020. It added that the BB has adjusted some programmes upwards and some downwards, and kept some measures unchanged in the wake of emerging developments emerged in the money market.

<https://today.thefinancialexpress.com.bd/first-page/bb-revises-h2-credit-growth-targets-1612288598>
<https://www.dhakatribune.com/business/banks/2021/02/03/bb-sticks-to-loose-monetary-policy-until-june>
<https://www.newagebd.net/article/129093/bangladesh-bank-revises-jan-june-monetary-policy>

BB warns of some inflationary pressure

- Bangladesh may face some inflationary pressure in the coming months as general prices rise globally, said the central bank. The monetary policy committee (MPC) of the central bank analysed the trend of commodity and food price indexes of the World Bank and the Food and Agriculture Organisation. It said the global inflation may rise in the near future. Inflation is now on a downward trend as the government has taken some time-befitting decisions, including the reduction of the import duty of rice, according to the central bank.

<https://www.thedailystar.net/business/news/bb-warns-some-inflationary-pressure-2038325>

Export drops 5% in January

- Earnings from merchandise exports fell 4.99% year-on-year to USD 3.43 billion in January because of slower recovery of garment shipment from the pandemic-induced business slowdown, official data showed yesterday. January's receipts were 9.58% lower than the monthly target of USD 3.80 billion. Between July and January, the first seven months of the fiscal year, the shipment of garment, which typically contributes more than 80% to the national export, declined 3.44% year-on-year to USD 18.40 billion. Of the earnings from the apparel export, USD 9.98 billion came from the knitwear shipment, which was up 3.84%. The export of woven items declined 10.85% to USD 8.41 billion.

- The export continues to show a depressing trend, reflecting the worrying scenario in the global trade, particularly with regard to readymade garment, according to data from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The major markets of our RMG items are struggling with the intensity of the pandemic, said BGMEA President.

<https://www.thedailystar.net/business/news/export-drops-5pc-january-2038337>
<https://www.newagebd.net/article/129095/exports-fall-by-5pc-to-343b-in-january>

IPO subscription of NRBC Bank begins today

- The initial public offering (IPO) subscription of NRBC Bank Ltd begins today (Wednesday), aiming to raise BDT 1.20 billion through IPO under the fixed price method. The fourth generation bank is the first private commercial bank in the last 12 years to be listed on the stock market. Earlier in 2008, First Security Islami Bank got listed with the stock market. NRBC Bank will be the 31st listed bank in the Dhaka Stock Exchange (DSE). The bank's IPO subscription through electronic subscription system (ESS) under the fixed price method will be continued until February 9.

- A market lot consists of 500 shares and resident Bangladeshi investor needs BDT 5,000 to apply for each lot of the company's IPO shares. Each eligible investor (EI) who intends to submit applications through the ESS of the exchange (s) shall maintain a minimum investment of BDT 10 million only at market price in listed securities as on January 26 as per the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-nrbc-bank-begins-today-1612278849>

BSEC to suggest 15% gap

- The securities regulator will suggest a 15-per cent gap in corporate tax between listed and non-listed companies in the next budget to attract more companies to the capital market. Previously, there was a 10-per cent corporate tax gap as non-listed companies paid 35-% tax against 25% paid by listed companies. After the 2020-21 fiscal budget, the gap fell to 7.50% as the government reduced tax by 2.5% to 32.50% for non-listed companies. Experts criticised the decision as the non-listed companies would not be interested in going public amid the tax benefit offered for them.

- Three banks are in the pipeline of going public following a regulatory move to add a further fillip to the capital market, the BSEC chairman disclosed. South Bangla Agriculture and Commerce Bank has already submitted its IPO (initial public offering) proposal while two others will submit soon.

<https://today.thefinancialexpress.com.bd/first-page/bsec-to-suggest-15pc-gap-1612288705>
<https://www.thedailystar.net/business/news/bsec-wants-cuts-corporate-tax-listed-firms-2038313>
<https://tbsnews.net/economy/stock/increase-tax-incentive-bring-blue-chips-capital-market-bsec-chair-195898>

BSEC to verify IPO seekers' sales data with tax returns

- The Bangladesh Securities and Exchange Commission has decided to check the accuracy of a company's sales figure in its initial public offering prospectus with the VAT or income tax returns submitted by the company to the National Board of Revenue. The BSEC on January 31 sent a request letter to the NBR for setting a focal point to collaborate with the plan of the regulator. The commission in the letter said that if the NBR supports the plan, it would be easier for the commission to ensure the accuracy of IPO application data.

<https://www.newagebd.net/article/129089/bsec-to-verify-ipo-seekers-sales-data-with-tax-returns>

Dhaka bourse to issue stock brokerage licences

- In order to increase its business, the Dhaka Stock Exchange (DSE) will issue stock brokerage licences to new companies, allowing them to buy and sell shares on the capital market. However, new brokerage houses will not get any share of the country's premier bourse. Currently, there are 250 brokerage firms which are the primary shareholders of the DSE. In a meeting on Tuesday, the DSE's Board of Directors decided to issue the brokerage licences, read a press release.

- To avail a Trec licence, a local firm must invest at least BDT 90 million in total in the form of paid-up capital, security deposit and registration fee. The amount is as high as BDT 160 million for foreign applicants, while local-foreign joint ventures will require at least BDT 130 million to avail a brokerage licence from the local bourse, according to the Bangladesh Securities and Exchange Commission's (BSEC) rules. A local firm must have BDT 50 million paid-up capital, BDT 30 million for a security deposit and BDT 10 million for the registration fee.

<https://tbsnews.net/economy/stock/dhaka-bourse-issue-stock-brokerage-licences-195904>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------|------------------|--------------|
| Crude Oil (WTI)* | USD 54.87 | USD 6.35 | 13.09% |
| Crude Oil (Brent)* | USD 57.57 | USD 5.77 | 11.14% |
| Gold Spot* | USD 1,843.42 | (USD 51.68) | -2.73% |
| DSEX | 5,564.70 | 162.63 | 3.01% |
| S&P 500 | 3,826.31 | 70.24 | 1.87% |
| FTSE 100 | 6,516.65 | 56.13 | 0.87% |
| BSE SENSEX | 49,797.72 | 2,046.39 | 4.29% |
| KSE-100 | 46,580.34 | 2,824.96 | 6.46% |
| CSEALL | 8,005.32 | 1,231.10 | 18.17% |

Exchange Rates

USD 1 = BDT 84.71*
GBP 1 = BDT 115.87*
EUR 1 = BDT 102.04*
INR 1 = BDT 1.16*

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

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BRAC EPL Stock Brokerage Limited

Research

| | | | |
|-------------------|--------------------|--|---------------|
| Ayaz Mahmud, CFA | Head of Research | ayaz.mahmud@bracepl.com | 01708 805 221 |
| Anika Mafiz | Research Analyst | anika.mafiz@bracepl.com | 01708 805 206 |
| Sadman Sakib | Research Associate | sadman.sakib@bracepl.com | 01730 727 939 |
| Md. Rafiqul Islam | Research Associate | mrafiqulislam@bracepl.com | 01708 805 229 |
| Md Mahirul Quddus | Research Associate | mmahirul.quddus@bracepl.com | 01709 636 546 |

International Trade and Sales

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|----------------------|-----|--|---------------|
| Ahsanur Rahman Bappi | CEO | bappi@bracepl.com | 01730 357 991 |
|----------------------|-----|--|---------------|

BRAC EPL Research 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