

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.

There is tremendous clamour for govt's savings certificates

- The national savings certificates (NSC) are back in demand after a gap of a year as the shrinking bank interest rate on deposits for the expansionary monetary policy is sending savers towards the government's savings instruments. Most of the banks are collecting deposits at less than 4 % while the government is offering up to 11.3 % interest against the national saving tools.
- Subsequently, sales of savings instruments soared more than three times from a year earlier to BDT 190.5 billion in the first five months of the fiscal year, according to data from the Bangladesh Bank. The government has set a target of borrowing BDT 200 billion against savings certificates for fiscal 2020-21, meaning the amount would be reached less than halfway through the year. So, the net sales of saving certificates increased despite tightened rules and regulations relating to an investment in saving tools. Savers are diverting their money to the NSCs due to the lower yield on bank deposits, said Agrani Bank Chairman

<https://www.dhakatribune.com/business/2021/01/03/there-is-tremendous-clamour-for-govt-s-savings-certificates>

Govt to pay Serum 50% of vaccine price in advance

- Bangladesh will make 50% of its payment for the total purchase price of USD 120 million to the Serum Institute of India – in a day or two – to purchase 30 million doses of the Oxford vaccine, according to sources at the health directorate and Beximco Pharmaceuticals. The remaining 50% of the price will be paid once the Directorate General of Drug Administration gives its approval, they added. The director general of the Directorate General of Health Services (DGHS) said that DGHS plans to pay the bank guarantee to the account of the Serum Institute soon.
- Beximco Pharma's Chief Operating Officer echoed this. He said that the Serum Institute on Thursday handed over the papers of the bank guarantee to the Bangladesh government against the advance payment. The government will deposit 50% of the total purchase price in Serum's bank account on Sunday or Monday as per the agreement. The remaining 50% will be paid before the vaccine is brought, he added.
- Each shot of covid-19 vaccine will be available in the country at a maximum cost of USD 5 (425 Bangladeshi BDT), Health Minister said on Saturday. He also disclosed that the first consignment containing 5.0 million shots of Oxford's vaccine will hopefully reach the country this month. The government has ordered Covid-19 vaccine for around 60 million people. More orders will be placed in phases, he added. However, the vaccine developed by Oxford-Astrazeneca is yet to receive approval from the World Health Organization. Even though, the United Kingdom and India have approved the vaccine for emergency use.

<https://tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/govt-pay-serum-50-vaccine-price-advance-180052>

Recovery uneven

- Businesses are experiencing an uneven recovery from the pandemic-induced slowdown as larger firms are bouncing back strongly thanks to the easy access to the stimulus packages while the smaller ones are still mired in the crisis. The large industrial and service sectors have made as much as 80-90% recovery compared to the pre-pandemic level. It is only 30-40% for small and medium enterprises. Since March, the government has unveiled 21 stimulus packages involving more than BDT 1.20 trillion, which is about 4.5% of the GDP of Bangladesh and one of the largest in the world.
- Businesses belonging to the large industrial and service sectors have managed loans smoothly, whereas small enterprises have been largely deprived. The unbalanced recovery means the strong is now getting stronger, said economists, adding that the country is now experiencing a "K-shaped recovery" from the financial meltdown. A K-shaped recovery occurs when, following a recession, different parts of the economy recover at different rates, times, or magnitudes. This is in contrast to an even, uniform recovery across sectors, industries, or groups of people.
- The deputy managing director of Bangladesh Steel Re-Rolling Mills (BSRM), said his company had recovered 80-85% of the business compared to the pre-pandemic level. They hope for a full recovery within the next five to six months if the economy does not face any major setback, he said. As much as 92% of the BDT 330.00-billion package for the large industries and the service sectors was approved by lenders as of December 21. The central bank later increased the fund size to BDT 400.00 billion to cater to the industries located in the economic zones, export processing zones and hi-tech parks.

<https://www.thedailystar.net/business/news/recovery-uneven-2021517>

Oil-fed power plants idling

- The government has kept almost all oil-fired power plants shut and import of expensive LNG to a minimum to reduce energy procurement costs owing to lower winter demand and sluggish economic activities. As on December 30, all diesel and many furnace oil-fired power plants having a total generation capacity of 1,140 megawatts (MW), remained shut, according to state-run Bangladesh Power Development Board or BPDB.
- State-run Petrobangla has been importing the lowest quantity of LNG, or liquefied natural gas, amounting to around 388 million cubic feet per day, or mcmfd, only around 38 % of the terminals' capacity, to slash energy import costs as energy demand waned. The BPDB has asked the plant owners to keep the majority of the oil-fired power plants shut to save the entity from providing large payment for electricity purchase, a senior BPDB official told. The board, however, needs to "incentivise" the power plant owners in the form of capacity payment so that they can keep units idle. Capacity payment is a kind of penalty for the BPDB, which it has to pay to the plant owners, if the government fails to buy a certain portion of power readily available with them.

<https://today.thefinancialexpress.com.bd/first-page/oil-fed-power-plants-idling-1609607933>

Three companies to raise BDT 1.95 billion through IPOs this month

- Three companies - Taufika Foods & Agro Industries, eGeneration and Lub-rref (Bangladesh) will raise a total of BDT 1.95 billion from the capital market through IPOs in January. The initial public offering (IPO) subscription of Taufika Foods, which produces ice cream under the brand name of 'Lovello', will open today (Sunday). The ice cream maker will raise BDT 300 million under the fixed price method. IPO subscription of eGeneration, one of the leading IT consulting and software solutions companies in Bangladesh, is set to open on January 12, which will raise BDT 150 million under the fixed price method. And, the IPO subscription of Lub-rref, a local lubricant manufacturer, will open January 26, aiming to raise BDT 1.50 billion under the book-building method.

<https://today.thefinancialexpress.com.bd/stock-corporate/three-cos-to-raise-BDT-195b-through-ipos-this-month-1609601920>

DSE had best performance among Asian bourses in 2020

- DSEX, the benchmark index of the Dhaka Stock Exchange, gained 21.3 %, the highest among its peers, despite the 66-day recess for the countrywide general shutdown to slow the spread of coronavirus, according to LankaBangla Securities. This was quite the turnaround for DSEX, which fell 17.3 % in 2019 while bourses in emerging Asian countries registered growth.
- DSEX closed 2020 at 5,402 points despite being on a free fall between January and March as investors all over the world panic sold as the novel coronavirus from Wuhan, China was putting down its roots everywhere. At one point, the index was the lowest since January 2013. To stop the bloodbath, the Bangladesh Securities and Exchange Commission in March put a new floor price on all stocks. But a few days later, the market went into recess only to open in May with a new commission in charge. Between June 9 and June 25, turnover at the DSE remained below BDT 1 billion for 13 consecutive sessions, tumbling to a fresh 13-year low of BDT 386 million on June 21. In August, Bangladesh's stock market rose the highest among Asian bourses and also performed the best in the world with a 15.8 % gain in key index, according to Bloomberg.

<https://www.dhakatribune.com/business/2021/01/03/dse-had-best-performance-among-asian-bourses-in-2020>

Energypac IPO 10.6 times oversubscribed

- Energypac Power Generation's initial public offering (IPO) is raising quite the interest among general investors, who placed orders for shares 10 times their allotted amount. Investors booked shares worth about BDT 6.63 billion for the diversified end-to-end engineering solution provider against the BDT 625 million allocated for them. The company has a bright outlook due to being a diversified end-to-end engineering solution provider in a fast-growing Bangladesh.
- The bulk of the IPO proceeds would go towards ramping up the three-year-old LPG business G-Gas, which has a promising future ahead due to fast depletion of natural gas. For instance, Energypac's sales almost tripled in 2018 due to the start of LPG business in 2017, said recent research by Brac-EPL. LPG has emerged as an alternative to natural gas and is likely to be popular as an alternative automobile fuel due to its cost-effectiveness and environment-friendliness. The current LPG industry size is 0.9 million tonnes, and it is expected to reach 2 million tonnes by 2025, implying a compound annual growth rate of 15.3 %.

<https://www.dhakatribune.com/business/2021/01/03/energypac-ipo-10-6-times-oversubscribed>

Beximco raises stakes in solar energy-producer Beximco Power

- Beximco is pinning great hopes on solar energy, with the company last week raising its stake in its subsidiary Beximco Power, whose main focus is the clean energy. The development comes at a time government has set a target to

produce 10 % of its electricity from renewable sources by 2020. But it managed about 3 %. Beximco bought an additional 35 million shares for BDT 350 million of its power-generating subsidiary to bring the total holding to 75 million shares, which is 75 % of the company.

- The remaining 25 % shares are held jointly by ASF Rahman, Salman F Rahman, Nazmul Hassan and OK Chowdhury, according to the copy of a press release obtained by Dhaka Tribune. Beximco Power owns 80 % of two solar generating companies, Teesta Solar and Korotoa Solar, which have previously concluded power purchase agreements with the Bangladesh Power Development Board and an implementation agreement with the government for the supply of 200MW and 30MW solar-generated electricity from solar electricity plants to be established in Gaibandha and Panchagarh respectively.

<https://www.dhakatribune.com/business/2021/01/03/beximco-raises-stakes-in-solar-energy-producer-beximco-power>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$48.52	\$0.00	0.00%
Crude Oil (Brent)*	\$51.80	\$0.00	0.00%
Gold Spot*	\$1,898.67	\$3.57	0.19%
DSEX	5,402.07	(0.00)	0.00%
S&P 500	3,756.07	-	0.00%
FTSE 100	6,460.52	-	0.00%
BSE SENSEX	47,868.98	117.65	0.25%
KSE-100	44,434.80	679.42	1.55%
CSEALL	6,774.22	-	0.00%

Exchange Rates

USD 1 = BDT 84.68*
GBP 1 = BDT 115.81*
EUR 1 = BDT 103.12*
INR 1 = BDT 1.16*

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

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