

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.

## **Important News Snippets**

### **Covid: Bangladesh sees highest in daily deaths and cases so far; it may get worse**

- The Covid-19 pandemic in Bangladesh has reached yet another deadly high with a record 247 deaths and 15,192 people testing positive for Sars Cov-2 in the last 24 hours up until 8am, Monday, 26 July 2021. With the latest additions, the death toll reached 19,521 and the case tally climbed to 11,79,827 in the country, according to the Directorate General of Health Services (DGHS).
- Health officials tested a record 50,952 samples across the country confirming a 29.82% positivity rate in the same time frame. The sharp surge in deaths and infections was recorded despite the country being on a strict lockdown following the end of the three-day Eid holidays.
- A total of 11,052 more people recovered from the coronavirus disease in the country during the last 24 hours, according to the official data. The rate of recovery from the coronavirus disease was reported at 85.60% on the day. However, the rate of fatalities from Covid-19 remained static at 1.65%.

<https://www.tbsnews.net/coronavirus-chronicle/covid-19-bangladesh/highest-ever-247-covid-19-deaths-15192-cases-reported>  
<https://today.thefinancialexpress.com.bd/first-page/cases-deaths-hit-record-high-1627323152>  
<https://today.thefinancialexpress.com.bd/last-page/second-wave-continues-to-devastate-countries-1627323594>

### **Record rise in dengue patients, 123 people hospitalized in a day**

- The country reported 123 new dengue patients' admission to the hospitals in the 24-hour period till Monday morning, which is the highest in a single day of the year. With this, the number of total dengue patients admitted to hospitals reached 1,802 including 1,430 in July alone, the official data revealed.
- Earlier, the country reported on Saturday record 104 dengue patients being hospitalized, and on Sunday 105. Of the latest cases only three were reported outside the capital city but within Dhaka division.
- Currently 460 patients are admitted to 41 public and private hospitals in Dhaka city, while eight patients are receiving treatment in other areas of the country. Of the total patients reported in the calendar, 1,331 have already been released from hospitals.

<https://today.thefinancialexpress.com.bd/last-page/record-rise-in-dengue-patients-1627323504>  
<https://www.tbsnews.net/bangladesh/health/123-more-hospitalised-dengue-cases-soar-279292>

### **E-payment of tax to be made mandatory**

- Electronic payment (e-payment) of tax, which is now optional in some cases, will be gradually made mandatory in all the wings of the National Board of Revenue (NBR). All the three wings --- Income Tax, Customs and VAT --- are now engaged in the job of making e-payment of taxes mandatory in phases.
- According to a recent decision of the NBR, e-payment of VAT amounting to BDT 10 million and above in a chalan is likely to be made mandatory from January 1, 2022. Digital payment of customs duties and taxes above BDT 0.2 million has already been made mandatory. E-payment of customs duties and taxes has been optional since March 2017. On July 16, 2020, the NBR launched VAT e-payment under its VAT Online System, keeping it optional.
- Currently, VAT e-payment facility is available with 16 banks. The NBR is working on establishing network with all commercial banks to facilitate taxpayers' online payment.

<https://today.thefinancialexpress.com.bd/first-page/e-payment-of-tax-to-be-made-mandatory-1627323090>  
<https://www.newagebd.net/article/144653/e-pay-of-vat-above-BDT-1cr-to-be-made-mandatory>

### **Bangladesh Bank streamlines reporting format for NBFIs**

- The central bank has streamlined loan classification reporting format for non-banking financial institutions (NBFIs) - aiming to curb the rising trend of stressed assets through strengthening monitoring. The stressed assets cover non-performing loans (NPLs) as well as restructured and rescheduled credits in the NBFIs sector.
- Under the streamlining initiatives, the NBFIs will have to submit returns for classification of loans or leases separately, instead of the previous joint one, to the central bank on quarterly basis. In that case, returns for classification of loans or leases for both long-term and short-term, housing finance, subsidiaries and staff will be submitted to the BB as per prescribed format.

- The streamlining of reporting process will facilitate scrutinizing real credit flow that will also help reduce the amount of stressed assets in the sector, according to the central banker.

- The BB's latest moves came against the backdrop of rising trend in NPLs in the NBFIs in recent months despite loan moratorium facility in 2020. The volume of classified loans in the country's NBFIs jumped by over 570% to BDT 100.5 billion as on December 31, 2020, from BDT 63.99 billion on the same day in 2019. It was BDT 89.1 billion as on June 30, 2020.

<https://today.thefinancialexpress.com.bd/first-page/bb-streamlines-reporting-format-for-nbfis-1627323213>  
<https://www.newagebd.net/article/144654/bb-tightens-oversight-rules-for-nbfis-amid-irregularities>

### **Aid inflow crosses USD 7.0 billion-mark for 2<sup>nd</sup> year**

- Bangladesh received USD 7.11 billion worth of foreign aid in the last fiscal year (FY) of 2020-21 despite hurdles in execution of the foreign-funded projects amid the Covid-19 pandemic. The foreign assistance inflow has again placed Bangladesh into the seven-billion-dollar club for the second consecutive year.

- However, the medium- to long-term (MLT) foreign assistance received in the last fiscal (FY2021), from July 2020 to June 2021, was slightly lower compared to the FY2020. In FY2020, the external development partners disbursed USD 7.27 billion worth of assistance for the Bangladesh government, showed the Economic Relations Division (ERD) data.

- The ERD latest provisional data, received by the FE on Monday, showed that foreign development partners made a commitment of USD 9.35 billion worth of MLT loans and grants for FY2021 - USD 205 million lower than that in the previous FY2020. In FY2020, they confirmed USD 9.55 billion worth of foreign assistance for Bangladesh's development work, ERD data showed.

<https://today.thefinancialexpress.com.bd/last-page/aid-inflow-crosses-7b-mark-for-2nd-yr-1627323389>

### **Beximco Pharma receives US FDA approval for muscle relaxant drug Baclofen**

- Country's medicine manufacturer and exporter Beximco Pharmaceuticals Limited has received US Food and Drug Administration (FDA) approval for Baclofen (10 and 20 mg tablets), a muscle relaxant drug indicated for the treatment of muscle pain, spasms, and stiffness in people with multiple sclerosis or spinal cord injury or disease.

- The Company expects to launch the product through its US distribution partner in due course. According to IQVIA audited market data, there are currently nine active players for Baclofen in the US market, which generated sales of more than USD 110 million in 2020.

<https://today.thefinancialexpress.com.bd/stock-corporate/beximco-pharma-receives-us-fda-approval-for-muscle-relaxant-drug-baclofen-1627321234>

### **Shoe-makers' profits hammered by Covid**

- Profits of listed shoe-makers of Bangladesh dropped in 2020 despite the drastic fall in the price of rawhides as the sales of the finished products crashed because of the economic slump caused by the pandemic. Among the six listed companies in the tannery industry, the dividends of all firms also declined last year compared to 2019.

- Bata Shoe, a multinational shoe and leather product manufacturer, incurred losses for the first time in its 59-year history in Bangladesh. It lost BDT 1.3 billion last year after logging profits of BDT 490 million a year earlier. The losing trend continued in the January-March period of 2021 as well.

- Apex Tannery also reported a loss while Apex Footwear, Fortune Shoes, Legacy Footwear, and Samata Leather posted lower profits. Apex Tannery's loss stood at BDT 18.1 million in 2019-20 against a profit of BDT 21.5 million a year ago. As a result, its dividend payout fell. The situation has remained unchanged in the current fiscal year.

- The earnings took a hit as retail businesses crashed during major festivals such as Eid-ul-Fitr, Eid-ul-Azha, Puja, and Pahela Baishakh in 2020 due to the countrywide lockdown, said Bata Shoe in its financial report. An estimated 77% of rural business leaders such as dealers and wholesalers were particularly impacted by Covid-19, which inflicted a loss on them. Eid festivals account for about 35% of the shoe and leather business in Bangladesh.

<https://www.thedailystar.net/business/economy/news/shoe-makers-profits-hammered-covid-2137881>

### **BRAC Bank gets international data security certification**

- BRAC Bank has recently achieved compliance with the Payment Card Industry Data Security Standard (PCI-DSS) to obtain the certification, said a press release. The bank achieved the compliance benchmark for maintaining a high level of data security for its customers.

- The PCI-DSS certificate is regarded as the most rigorous and globally recognised payment-card security standard in the industry. The PCI-DSS is a set of security standards developed for organisations that stores, processes, or transmits the cardholder's data.

- BRAC Bank is among the very few banks in Bangladesh that have complied with the PCI-DSS requirement set by the regulatory body and which is mandatory by payment partners (e.g., Visa, Master Card, JCB).

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 72.17	USD 23.65	48.74%
Crude Oil (Brent)*	USD 74.84	USD 23.04	44.48%
Gold Spot*	USD 1,796.02	(USD 99.08)	-5.23%
DSEX	6,404.03	1,001.96	18.55%
S&P 500	4,422.23	666.16	17.74%
FTSE 100	7,025.43	564.91	8.74%
BSE SENSEX	52,852.27	5,100.94	10.68%
KSE-100	47,672.68	3,917.30	8.95%
CSEALL	8,122.73	1,348.51	19.91%

**Exchange Rates**

**USD 1 = BDT 84.74\***  
**GBP 1 = BDT 117.12\***  
**EUR 1 = BDT 100.02\***  
**INR 1 = BDT 1.14\***

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

## 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 also 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	<a href="mailto:salim@bracepl.com">salim@bracepl.com</a>	01708 805 221
Anika Mafiz	Research Analyst	<a href="mailto:anika.mafiz@bracepl.com">anika.mafiz@bracepl.com</a>	01708 805 206
Sadman Sakib	Research Analyst	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Md Mahirul Quddus	Research Associate	<a href="mailto:mmahirul.quddus@bracepl.com">mmahirul.quddus@bracepl.com</a>	01709 636 546

#### International Trade and Sales

Ahsanur Rahman Bappi	Chief Executive Officer	<a href="mailto:bappi@bracepl.com">bappi@bracepl.com</a>	01730 357 991
----------------------	-------------------------	--	---------------

#### BRAC EPL Research [www.bracepl.com](http://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](mailto:research@bracepl.com)