

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.

SMEs hung out to dry

- They were the hardest hit segment when the whole economy came to a halt because of the countrywide pandemic-induced lockdown. But the real struggle for the cottage, micro, small and medium enterprises (CMSMEs) stemmed from the lack of access to funds they needed to make a turnaround when the curbs were partially eased. A credit guarantee scheme was introduced to help reluctant banks disburse the stimulus package among the CMSMEs starving for the credit. But stringent conditions have rendered the initiative unattractive.
- The latest disappointment has been delivered by the proposed budget for the fiscal year starting on July 1, which promises inadequate measures for the segment considered to be the economy's backbone. The government did roll out a BDT 230.00 billion stimulus package to support CMSMEs. But the disbursement did not see much uptick until recently as most banks did not have the focus and infrastructure to take the funds to the enterprises. The stimulus package alone did not upset the CMSMEs.

<https://www.thedailystar.net/business/economy/news/smes-hung-out-dry-2114157>

Motorcycle industry shows great potential despite pandemic

- The industry shows great potential with a steady 60% average increase in collective sales throughout 2015 to 2019. With the ever-increasing traffic and need for private transport, many opt to go for a two-wheeler instead of a car. As motorbikes offer fast mobility without putting much of a dent in your wallet for maintenance, the industry shows great potential with a steady 60% average increase in collective sales throughout 2015 to 2019. Currently, there are various notable motorcycle manufacturers operating in the market -- Bajaj, TVS, Runner, Walton, Hero Honda, Suzuki, Jamuna Automobiles and others. The Indian Bajaj Auto has been manufacturing locally here since 2015 and was soon followed by the other brands.
- As of right before the pandemic, Bajaj had a staggering 53% market share followed by TVS at 12%, Runner at 8%, Walton at 6%, Hero Honda at 9%, and others at 12%. Clearly, one of the biggest challenges the industry is facing is the competition from Indian brands who are currently dominating the country's entire motorcycle market. However, due to the pandemic, Bangladesh saw a decline in the motorcycle market, the first in years. The market shrank by around 9.3% -- from 550,000 units to 480,000 in 2020 -- which was not much of a surprise.

<https://www.dhakatribune.com/business/2021/06/19/motorcycle-industry-shows-great-potential-despite-pandemic>

23,210 investors with shares worth BDT 10mn or more found eligible

- The Bangladesh Securities and Exchange Commission has found that 23,210 beneficiary owners' account holders eligible for share subscription of initial public offerings of small capitalised companies as their BO accounts hold shares worth BDT 10 million or above each. According to the rules, individuals having the minimum net worth of BDT 10 million are the qualified investors along with the other qualified investors for IPO subscription of SMEs.
- The other qualified investors are merchant bankers and portfolio managers, asset management companies, mutual funds and collective investment scheme, stock dealers, banks, financial institutions, insurance companies, alternative investment fund managers, alternative investment funds, market makers, issuer of listed securities, resident or non-resident Bangladeshis, and other institutions as approved by the BSEC. BSEC officials said that the commission collected data on investors to identify qualified investors for the share subscription of small capitalised companies' IPOs.
- According to the data that the Central Depository Bangladesh Limited submitted to the BSEC, there are 8,800 BO accounts with shares worth BDT 10-20 million, 4,800 accounts with BDT 20-30 million, 3,410 accounts with BDT 30-40 million, 2,700 accounts with BDT 40-50 million, 2,250 accounts with BDT 50-100 million and 1,250 accounts with shares worth above BDT 100 million.

<https://www.newagebd.net/article/138822/23210-investors-with-shares-worth-BDT-1cr-or-more-found-eligible>

Ifad Autos secures 30-acre plot for BDT 4.30bn project

- Ifad Autos Ltd has secured a 30-acre industrial plot at an economic zone in Chattogram to go ahead with its BDT 4.30 billion automotive project there. The listed automobile firm informed its shareholders on Thursday that Bangladesh Economic Zones Authority (Beza) has allotted the land in favour of the company to develop and operate industries, run commercial activities and construct onsite infrastructures at Bangabandhu Sheikh Mujib Shilpa Nagar. The land is being allotted on lease for 50 years on a rental basis, Ifad Autos said, adding it would disclose the details

immediately after making a deed with Beza.

- In the last quarter of 2020, Ifad submitted its plan to invest BDT 4.30 billion there to set up a lubricant blending plant for its Gulf brand, a two-wheeler manufacturing unit, and facilities to manufacture crucial automobile components. The managing director of Ifad Autos said that they are planning to build the lubricant blending plant at first as the products are already popular in the market. In 2017, Ifad partnered with Gulf Oil International UK to jointly run the business of the lubricant brand in Bangladesh.

<https://www.tbsnews.net/economy/ifad-autos-secures-30-acre-plot-BDT-430cr-project-262507>
<https://www.tbsnews.net/economy/ifad-autos-get-30-acres-economic-zone-business-expansion-262075>

Issuance of country's first municipal bond being delayed

- The issuance of the country's first municipal bond still hangs in balance even though two key government agencies issued clearance in this regard nine months ago. Dhaka North City Corporation (DNCC) earlier took an initiative of constructing a multi-purpose complex at Gulshan-2 raising fund through the issuance of the maiden municipal bond. The officials of the Bangladesh Securities and Exchange Commission and the DNCC said that the update of issuing the bond is yet to be satisfactory over the delay of getting architect's design for the DNCC's multi-purpose complex. A BSEC commissioner, said they are waiting to facilitate the issuance of the country's first municipal bond.

<https://today.thefinancialexpress.com.bd/stock-corporate/issuance-of-countrys-first-municipal-bond-being-delayed-1624116488>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$71.64	\$23.12	47.65%
Crude Oil (Brent)*	\$73.51	\$21.71	41.91%
Gold Spot*	\$1,764.16	(\$130.94)	-6.91%
DSEX	6,052.76	650.69	12.05%
S&P 500	4,166.45	410.38	10.93%
FTSE 100	7,017.47	556.95	8.62%
BSE SENSEX	52,344.45	4,593.12	9.62%
KSE-100	48,238.67	4,483.29	10.25%
CSEALL	7,715.46	941.24	13.89%

Exchange Rates

USD 1 = BDT 84.85*
 GBP 1 = BDT 117.14*
 EUR 1 = BDT 100.66*
 INR 1 = BDT 1.14*

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

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BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Sadman Sakib	Research Analyst	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

Ahsanur Rahman Bappi	Chief Executive Officer	bappi@bracepl.com	01730 357 991
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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