

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.

Remittance inflow witnesses steady decline

- Though Bangladesh witnessed a sudden rise in money transfers by migrants in the beginning of the fiscal year, the inflow has been declining steadily since October. By the end of January, remittance inflow fell below USD 2 billion, and plummeted further in February. However, the remittance stream in February still clocks a 22.61% growth than the same period of the previous year. Though the monthly flow has been witnessing a downtrend since October, remittance stream in the first eight months of 2020-21 FY registered 33% rise compared to the same period of the previous year. The first eight months of 2019-20 FY had a 20% growth in remittance.

- The executive director of the Policy Research Institute, thinks since the hundi (illegal channels for money transaction) was off during the peak of the pandemic and government provides 2% incentives for remitting through the banks, the first eight months of the current fiscal year saw a growth in remittance. He noted the growth will continue in upcoming days too as many expatriates are investing their savings at home since Bangladesh offers better returns than host countries. Migrants also sent more money to their families owing to flooding and the pandemic. Now the trend is declining, which leads to a crunch in remittance flow, he added.

<https://tbsnews.net/economy/remittance-inflow-witnesses-steady-decline-209500>

Internet banking gaining traction

- Internet banking transactions have surged in recent months as people increasingly embraced the digital mode while opting not to visit branches. The transactions amounted to BDT 80.93 billion in December, up 33.47% year-on-year, showed Bangladesh Bank data. Clients started heavily relying on internet banking transactions when the government declared a lockdown in March last year to limit the spread of the coronavirus.

- There were 2.34 million such transactions in December, which was 41.88% higher year-on-year. The head of SME and retail banking of Mutual Trust Bank, said internet banking gained momentum soon after the government imposed the lockdown as people opted to mostly stay at home to keep the virus at bay. Although the government started easing restrictions from the final week of May, people continued to show interest in settling transactions through internet banking, he said.

- The Bangladesh Bank increased the limit of inter-bank fund transfers through internet banking in September with a view to giving a boost to IT-based financial services. Clients are allowed to transfer a maximum of BDT 0.5mn per day against a previous ceiling of BDT 0.2mn. The central bank also doubled the ceiling of a single transaction to BDT 0.1mn from BDT 50,000. Clients are permitted to settle as much as 10 transactions per day, which was five previously.

<https://www.thedailystar.net/business/news/internet-banking-gaining-traction-2054009>

ADP outlay slashed by 3.26%

- The government has slashed the development budget for the current fiscal year by 3.26%, keeping the local portion of the fund almost unchanged while trimming the foreign part. As a result, the size of the Annual Development Programme (ADP) has come down to BDT 1.97 trillion from BDT 2.05 trillion in the original plan. The allocation of the government fund to the revised ADP was trimmed by only BDT 0.7 million. In the original ADP, the government had contributed BDT 1.34 trillion for 2020-21. Its revised allocation now stands at BDT 1.34 trillion.

<https://www.thedailystar.net/business/news/adp-outlay-slashed-326pc-2053981>

Kitchen appliance sales surge during pandemic

- Dining out has become a rare exercise amid the ongoing coronavirus pandemic as many people prefer to stay at home in a bid to maintain social distancing and avoid infection. To satiate their hunger for restaurant-quality food, many families tried to prepare the dishes themselves. This has led to a sudden rush for electronic kitchen appliances. The market size for electronic kitchen appliances stood at BDT 6.50 billion in 2020, a 55% increase compared to the year before when it was BDT 4.20 billion. Previously, the industry's annual growth was limited to about 10 or 12%. However, industry insiders say that this is not accurate statistics as there is no reliable market data.

- Major producers, including Walton, Electra, Singer, Eco, Miyako, Sebec, Panasonic, Philips and Sharp are active in the market. They saw a sharp rise in demand for electronic kitchen appliances amid the pandemic, said the general manager of Esquire Electronics, the local distributor of Japanese brands General and Sharp. The head of marketing at Transcom Digital, said the demand for appliances such as ovens, rice cookers and blenders witnessed a growth between 40 and 200% amid the pandemic as people now understand the utility of the products.

<https://www.thedailystar.net/business/news/kitchen-appliance-sales-surge-during-pandemic-2054017>

Rules eased to adjust advance VAT

- The revenue authority has relaxed the rules for businesses to help them adjust the VAT they paid in advance earlier as per the Value-Added Tax Act, 1991. From now on, businesses will be able to adjust a maximum of 30% of the amount of net VAT payable as per current monthly VAT return, according to the National Board of Revenue (NBR). The previous adjustable threshold was 10%. The move comes as BDT 25.00 billion VAT got stuck that businesses paid to comply with a provision of the VAT Law 1991 because of the slow progress of adjustment.
- The current VAT law, which came into effect in July 2019, does not have provisions for companies to pay VAT in advance during the release of goods from warehouses. The NBR offered the scope to companies to adjust the previously deposited VAT with their monthly payable amount after the new law became effective. Officials said the NBR hiked the ratio of adjustments with monthly payable VAT thrice to 30% to enable firms to adjust VAT that firms had paid in advance under the 1991 law. This will ease working capital pressure for businesses, the member for VAT policy of the NBR.

<https://www.thedailystar.net/business/news/rules-eased-adjust-advance-vat-2053997>

BTRC to raise watch over telecom companies for service quality

- The telecom regulator will soon raise its vigilance over mobile operators with the view to enhancing the service quality, said its chief. In the wake of the rising number of complaints, including call drops and slow internet services, against these operators, we have decided to increase watch over their networks, the chairman of the Bangladesh Telecommunication and Regulatory Commission said. The move is aimed at ensuring quality service for subscribers. The commission also plans on updating the existing guidelines for telecom operators.
- He also touched upon the issue of illegally imported handsets: unauthorised mobile phone handsets will be blocked on July 1, when the BTRC rolls out the National Equipment Identification Registrar (NEIR). Mobile phones with fake/clone IMEI will be detected through the NEIR and disconnected from the network, the BTRC chief said.

<https://www.dhakatribune.com/business/2021/03/02/btrc-to-raise-watch-over-telecom-companies-for-quality-services>

Norway government fund's investment on DSE hits record high

- Investment of Norway's sovereign wealth fund (SWF), the world's biggest fund, in Bangladesh's capital market hit a record high in 2020 despite the coronaviruscentric sluggishness on the market. The SWF has been increasing its stake on Bangladesh's stock market every year since investing around USD 19 million in the country in 2015 amid expectations of better returns from the market. In 2020, the fund's investment value on Bangladesh's capital market reached USD 248.35 million, which was USD 188.12 million in 2019. The Norwegian government pension fund had footprints in 20 companies in 2020 against 22 companies in the previous year.
- The foreign fund increased its ownership in seven companies, kept unchanged its holdings in six companies and reduced investment in four firms in 2020 compared with the previous year, according to the data of the Norges Bank Investment Management Company which manages the SWF. The fund withdrew ownership in four companies and made fresh investments in three entities in the country's capital market in the year. The net investment value of the SWF on Bangladesh's capital market was USD 202.91 million in 2018, USD 244.41 million in 2017 and USD 111.55 million in 2016.
- The investment value of the SWF shot up by 30% in 2020 due to a significant rise in the share prices of a number of companies, including Beximco Pharmaceuticals, Grameenphone and Bangladesh Submarine Cables Company. The Norwegian government fund did not withdraw funds from an otherwise dull market while the other foreign investors continued to pull funds out of the market as it saw huge potential in the country's stock market, market operators said.

<https://www.newagebd.net/article/131605/norway-government-funds-investment-on-dse-hits-record-high>

12 small-cap companies interested to raise capital

- Some 12 small-cap companies have showed interest to raise capital through the bourses' SME boards to accelerate their business growth. The securities regulator called upon the companies to know their observations along with discussing the rules and regulations of SME board earlier introduced to facilitate the business operations of small-cap companies. The representatives of Seba.xyz, Chaldal.com, Zantrik, Landknock, Hello Task, Bondstein Technologies, and Brain Station 23, among others, attended Tuesday's meeting.
- The companies have showed interest to raise capital through the bourses' SME board. The BSEC has suggested the

companies having good position to start the listing process as early as possible, said the BSEC spokesperson. As per the rules formulated for the SME board, the IPO (initial public offering) proposals of small-cap companies will be allowed under both the fixed price and book-building methods. Two small-cap companies had earlier submitted IPO proposals for their listing under the SME boards. The companies are Nialco Alloys and Krishibid Seed. Nialco Alloys has expressed interest to be listed with the SME board of the Chittagong Stock Exchange (CSE).

<https://today.thefinancialexpress.com.bd/stock-corporate/12-small-cap-companies-interested-to-raise-capital-1614703282>

<https://tbsnews.net/economy/stock/12-digital-firms-keen-be-small-cap-board-210028>

Baraka Patenga Power's cut-off price fixed at BDT 32 each

- The cut-off price of shares of Baraka Patenga Power has been fixed at BDT 32 each through electronic bidding by eligible investors. It is the first bidding after the securities regulator imposed an upper limit on the bidding by the institutional investors in the book-building system, in order to check manipulation in the bidding process. During this period, 357 eligible investors offered different prices to buy the company's shares. Among them, most bids were between BDT 32 and BDT 25 each. As per regulatory approval, Baraka Patenga Power will raise BDT 2.25 billion from the capital market under the book-building method.

https://today.thefinancialexpress.com.bd/stock-corporate/baraka-patenga-powers-cut-off-price-fixed-at-BDT_-32-each-1614703361

<https://tbsnews.net/economy/stock/institutions-buy-baraka-patenga-primary-shares-BDT-32-each-209971>

https://www.dhakatribune.com/business/stock/2021/03/02/cut-off-price-of-baraka-patenga-power-shares-set-at-BDT_-32

BSEC dissolves 6th errant listed company's board

- The Bangladesh Securities and Exchange Commission (BSEC) yesterday dissolved the board of Emerald Oil and formed a new one in a bid to improve its performance. The listed edible oil producer is the sixth company whose boards were created anew as per a decision taken by the regulator earlier. The previous five companies were C&A Textiles, Ring Shine Textiles, United Airways, Familytex (BD) and Alhaj Textile Mills. The BSEC last year decided to bring about the change if any company remained in losses for at least two years, or if company sponsors fail to hold at least 30% of shares jointly.

- Emerald Oil's stocks were being traded as junk since 2017 due to the incurring of losses and announcement of no dividend, showed Dhaka Stock Exchange (DSE) data. The company was transferred to the "Z" category in January 2018. Its board of directors did not initiate any action and, therefore, failed to improve its performance during the last four years, the BSEC said in letters sent to the directors.

<https://www.thedailystar.net/business/news/bsec-dissolves-6th-errant-listed-companys-board-2053989>

<https://www.dhakatribune.com/business/stock/2021/03/03/bsec-recasts-board-of-emerald-oil-industries>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$62.61	\$14.09	29.04%
Crude Oil (Brent)*	\$65.59	\$13.79	26.62%
Gold Spot*	\$1,746.50	(\$148.60)	-7.84%
DSEX	5,404.80	2.73	0.05%
S&P 500	3,811.15	55.08	1.47%
FTSE 100	6,483.43	22.91	0.35%
BSE SENSEX	49,099.99	1,348.66	2.82%
KSE-100	45,865.02	2,109.64	4.82%
CSEALL	7,476.34	702.12	10.36%

Exchange Rates

USD 1 = BDT 84.72*

GBP 1 = BDT 118.51*

EUR 1 = BDT 102.35*

INR 1 = BDT 1.15*

*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

Ahsanur Rahman Bappi	CEO	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