

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.

The World Bank now doubles GDP growth forecast

- The World Bank has more than doubled its gross domestic product (GDP) growth prediction for Bangladesh for the current fiscal year as the economy shows signs of recovery. The Washington-based lender expects the economy to grow 3.6% in the FY2020-21, up from a projection of 1.6% made in the Global Economic Prospects Update in January. The new GDP growth prediction is still far lower than the government's estimate of 7.4% for the current fiscal year.
- In January, the lender said in Bangladesh growth was estimated to have decelerated to 2% in the last fiscal year. It is now projecting a growth of 2.4% for FY20, according to the document, which was prepared in February. The government's provisional estimate showed the GDP had grown by 5.24% in the last fiscal year.
- Private consumption growth will accelerate as pandemic-related disruptions wane in the second half of the fiscal year, supported by remittance inflows, the development lender said. Export performance is expected to recover through FY21 gradually, as improving economic conditions in developed markets support demand for RMG exports. In the medium term, continued recovery of overall growth will be supported by increased export demand, rising private consumption, and higher public capital expenditure, the document said.

<https://www.thedailystar.net/business/news/wb-now-doubles-gdp-growth-forecast-2068565>

Credit growth rises moderately

- Private sector credit growth went up moderately in February to keep up with the recovering trend of the economy, but bankers say the rising coronavirus infections and deepening uncertainty have dipped the growth in March. The year-on-year credit growth stood at 8.93% in February, up from 8.32% a month earlier, data from the central bank showed. The February's growth is also the highest since October last year. Businesses commenced to expand their enterprises heavily last month riding on the slower coronavirus infection, but the momentum has faced a roadblock this month when the deadly flu started spreading in a consistent manner, said managing directors of three banks. The credit flow to the private sector has already decreased to a large extent as businesses have adopted a "go-slow" policy once again, they said.
- Businesses took a positive stance to start their businesses in the period of January and February. But, the rising infection has dealt a blow to the confidence for expansion of their businesses, said the managing director of Mutual Trust Bank. Funds disbursed by banks have already seen a slower trend in March than in February, he said. Businesses moved to import capital machinery and industrial raw materials last month, but the scenario has reversed in March, he said. In addition, a good number of letters of credit (LCs) to import commodity products were earlier opened to fulfil Ramadan demand, putting a positive impact on private sector credit growth as well, he said. There is little hope to reach the credit growth at double digit this fiscal year due to the ongoing trend of the Covid-19 infection, he said.

<https://www.thedailystar.net/business/news/credit-growth-rises-moderately-2068561>

Falling industrial loan disbursement hits investment, employment

- Loan disbursement in the industrial sector has declined as entrepreneurs are reluctant to set up new factories or expand existing ones due to the ongoing pandemic. Compared to 2019, the distribution of loans in the industrial sector decreased by about 10% last year. In 2020, a little more than BDT 1 trillion was disbursed, which was BDT 1.11 trillion in 2019, according to an updated report on loans in the industrial sector published by the central bank on Sunday.
- Due to the impact of corona pandemic last year, many factories could not go for production during the first half of the year. However, some factories went into production in the second half of the year. As a result, the rate of decline in working capital loan disbursements at the end of 2020 was slightly lower than that of term loan disbursements. Compared to 2019, the working capital loan disbursement decreased by about 4% last year. On the other hand, the disbursement of term loans decreased by about 32%.
- In this regard, an economist said that the demand for loan in the industrial sector was low due to lack of investment and declining production. Entrepreneurs are unable to make investment decisions in an uncertain environment of the pandemic. Regarding the slight increase in loan disbursement in December as compared to September, he said demand has increased slightly after some factories went into production at the end of the year getting the incentive packages. However, it will take long to go to the previous stage, he said.

<https://www.tbsnews.net/economy/industry/falling-industrial-loan-disbursement-hits-investment-employment-223459>

Bangladesh's businesses worried over Suez Canal blockage

- The blockage of the Suez Canal caused by a massive container vessel has stoked concerns in Bangladeshi businesses, especially apparel exporters, as the crucial artery for global shipping remains closed for the fifth day in a row. Ships carrying a large number of Bangladeshi goods are now waiting to transit the shortest maritime route for goods travelling from Asia to Europe. Around 45,000-50,000 TEUs (twenty feet equivalent units) of containers, which are exported from Bangladesh's Chattogram to Europe each month, cross through the canal via hub ports like that of Colombo, Singapore, and Port Klang of Malaysia.
- RMG exporters now apprehend prolonged delays in shipments to buyers. The delay will add to the supply chain disruption for both exports and imports, inflicting more losses on businesses, said the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). As of Sunday, more than 320 ships are waiting to travel through the waterway, reported the UK-based The Independent. The international media also reported that it might take around 10 days to clear the canal.

<https://www.tbsnews.net/economy/trade/bangladeshs-businesses-worried-over-suez-canal-blockage-223510>

bKash doubles money transfer fee for upper slab non-favourite numbers

- Mobile financial service bKash has increased its charge to BDT 10 from BDT 5 for sending an amount of above BDT 25,000. On the other hand, the charge for transfer of the same amount to 5 favourite numbers is BDT 5 per transaction. There is, however, no cost to send up to BDT 25,000 or less per month to 5 favourite numbers, but unless the cell phone numbers are under the category of favourite, BDT 5 will be charged each time.
- bKash said the new charge has already been effective from this month. Although the charge for sending money has been hiked considering the business cost, it has only touched well-to-do customers, claimed the mobile financial service provider while the charge is rather free for low income groups. 90% of bKash customers send money to 3-4 numbers below BDT 25,000 per month. In this case, the cost of sending money to 5 favourite numbers has been made free, the official said, adding that low-income customers have been given the opportunity to send money free of cost.
- Meanwhile, another mobile banking service provider Nagad claims no charge for sending money through its app. However, if anyone wants to send via USSD, they are charged BDT 5 per transaction. Meanwhile, Rocket, another mobile financial service provider, does not charge customers for sending money through app and USSD. However, if products are different, the percentage of charge per transaction is BDT 0.9. In this case, the recipient of money will foot the bill.

<https://www.tbsnews.net/economy/banking/bkash-doubles-money-transfer-fee-223468>

EBL wins Asiamoney award

- Eastern Bank Ltd (EBL), a leading private sector bank in the country, received the prestigious Bangladesh's best bank 2021 award by the Asiamoney, a renowned global financial publication. The award was announced on Friday. EBL was awarded for its outstanding performance in the domestic sector during last 12 months, said a statement. EBL also won Asiamoney as the Best Corporate and Investment Bank in Bangladesh for four consecutive years from 2017 - 2020.
- Asiamoney lauded EBL's a big effort to broaden its services for retail investors in response to the coronavirus pandemic. The bank added some new features in its digital banking platform during the Covid-19 crisis including its EBL Insta Account, which can be opened remotely using e-KYC. It is also continuously improving its app EBL Skybanking, which it plans to turn into its omni-channel banking platform, further reducing pressure on its branch network.

<https://today.thefinancialexpress.com.bd/stock-corporate/eb1-wins-asiamoney-award-1616953366>
<https://www.tbsnews.net/economy/banking/eb1-wins-asiamoney-best-domestic-bank-2021-awards-223351>

Banks asked to levy minimum LC margin

- The central bank yesterday instructed banks to keep the margin on the opening of letters of credits to import essential commodities at the lowest level to meet the increased demand of the products during Ramadan. Keeping the LC margin at a minimum level will help retain the price of the items at a tolerable level during the fasting month, according to a central bank notice. The central bank instructed banks to keep the LC margin at the lowest level for some products such as edible oil, gram, pulses, onion, spices, dates, fruits and sugar. The order came into effect immediately and would remain in force until May 15 this year.

<https://www.thedailystar.net/business/news/banks-asked-levy-minimum-lc-margin-2068549>

Beacon Pharma may export drugs to Syria

- Beacon Pharmaceuticals Limited, listed on both stock exchanges in the country, said it may export drugs worth USD 5 million to Syria by December 2021 if the Syrian government agrees. A technical team of Syrian government recently inspected Beacon Pharma's plant and expressed satisfaction verbally on the company's overall operations. It said there is potential to increase exports to USD 10 million within one year, which may have a positive impact on the company's financials.
- Beacon is a very popular name in the country's pharmaceutical industry due to its high-quality anticancer drugs, cardiovascular drugs, gastrointestinal medicines, antibiotics, anti-coagulants, protein supplements, muscle relaxants, anti-histamine, analgesics and NSAIDS. Its plant is situated on a 29 acre land in Bhaluka, Mymensingh.

<https://www.tbsnews.net/bangladesh/beacon-pharma-may-export-drugs-syria-223525>

BSEC to defer implementation of its directive for 6 months

- The securities regulator is set to defer the implementation of its directive regarding the cap on margin loan interest for six months considering the interest of the market and its operators. The securities regulator issued a directive on January 14, 2021 setting the highest interest rate at 12% on margin loan disbursed against listed securities. The directive said the highest spread on the cost of margin loans will be 3.0%. The president of the Bangladesh Merchant Bankers Association (BMBA) said the representatives of top brokers and merchant bankers called on the BSEC chairman to press the necessity of deferring the directive. According to the BMBA letter, the 12% cap will drastically limit their ability to provide fresh margin loan to clients and it may compel them to call back existing margin loans as actual cost of fund of the market intermediaries is much higher than the cap due to the negative equity burdens.

<https://today.thefinancialexpress.com.bd/stock-corporate/bsec-to-defer-implementation-of-its-directive-for-6-months-1616953173>

BSEC urges 26 insurers to get listed on bourses

- The Bangladesh Securities and Exchange Commission (BSEC) has urged 26 insurance companies to take initiatives for getting listed in the capital market promptly. The securities regulator has recently sent a letter to the Bangladesh Insurance Association (BIA) in this regard. The letter, signed by BSEC Chairman, said the government gave a facility to the 26 companies hoping that it would contribute significantly in bringing these companies to the capital market, but the progress in this regard is not as expected.
- As per the securities rules, companies can apply for listing to raise at least BDT 300 million by issuing shares. On 30 November last year, the BSEC exempted the insurance companies from this rule to enable them to get listed on the stock market under the fixed price method. Under the new facility, the insurance companies will be able to apply to the commission for IPO aiming to raise less than BDT 300 million, but they have to raise at least BDT 150 million by offloading shares.

<https://www.tbsnews.net/economy/stock/bsec-urges-26-insurers-get-listed-bourses-223519>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$60.83	\$12.31	25.37%
Crude Oil (Brent)*	\$64.50	\$12.70	24.52%
Gold Spot*	\$1,732.51	(\$162.59)	-8.58%
DSEX	5,343.95	(58.12)	-1.08%
S&P 500	3,974.54	218.47	5.82%
FTSE 100	6,740.59	280.07	4.34%
BSE SENSEX	49,008.50	1,257.17	2.63%
KSE-100	45,521.63	1,766.25	4.04%
CSEALL	7,097.39	323.17	4.77%

Exchange Rates

USD 1 = BDT 84.54*
GBP 1 = BDT 116.55*
EUR 1 = BDT 99.67*
INR 1 = BDT 1.17*

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

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