

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 up by 43% in Jul-Oct

- Bangladesh received nearly USD 9.0 billion in remittances in the first four months of the current fiscal year (FY) despite the Covid-19 pandemic, officials said. The inflow of remittances grew by more than 43% to USD 8.82 billion during the July-October period of FY2020-21 from USD 6.16 billion in the same period of the previous FY, according to the central bank's latest statistics. The money sent home by Bangladeshis working abroad amounted to USD 2.11 billion in October 2020, down by USD 39 million from the previous month's level. In September last, the remittances stood at USD 2.15 billion. It was USD 1.64 billion in October 2019.

- The BB's policy support has also contributed to achieve such higher growth of inward remittances during the period under review, according to the central banker. The central bank has already relaxed the conditions for incentives on the money sent by expatriate Bangladeshis to lift up the sinking flow of remittances amid the pandemic. Under the latest relaxation, the expatriate Bangladeshis can get 2.0% incentive without showing any paper on remittance up to USD 5,000 or BDT 500,000. Earlier, the ceiling was BDT 150,000.

<https://today.thefinancialexpress.com.bd/first-page/remittance-inflow-up-by-43pc-in-jul-oct-1604253638>

<https://www.dhakatribune.com/business/economy/2020/11/01/remittance-continues-to-bring-cheer>

<https://www.thedailystar.net/business/news/remittance-roll-1987909>

<https://tbsnews.net/economy/remittance-growth-slows-october-152548>

Garment factories nearing full employment

- Garment factories, it seems, are rehiring the workers laid off earlier in the year in the face of order cancellations by Western buyers just as the coronavirus was taking root all over the world. Employment in the factories is close to scaling back to pre-pandemic times, according to a study by the South Asian Network on Economic Modeling (Sanem) and Microfinance Opportunities (MFO) -- in what can be viewed as a promising development for the sector that employs more than 4 million, most females, and brings in the lion's share of export earnings. In April, employment in the apparel sector fell to 49%. But in September, it stood at 90% of what it was before coronavirus arrived on these shores, according to the study.

<https://www.dhakatribune.com/business/economy/2020/11/01/garment-factories-nearing-full-employment>

Apparel exports again feels the pandemic pinch

- Apparel exports have again begun to fall with Covid-19's second wave taking a serious turn, particularly in Europe and the United States – Bangladesh's top two export destinations. The second wave of infections in the country's largest export market – Europe – is far worse than the first. So, measures to rein in the second wave of Covid-19 are in place across the continent. The president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said that exports rose in August and September but fell again by 5.85% in October as the second wave hit Europe and the United States. France has gone into lockdown.

- In 27 days of October this year, Bangladesh raked in USD 1.92 billion in export earnings, in contrast to USD 2.04 billion over the same period of the last fiscal year, according to the BGMEA. The senior vice-president of the BGMEA, said that buyers and retailers have asked apparel owners to delay shipments of ready goods for a month. So, they have sent a letter to the finance ministry through the commerce ministry, seeking a deferment on repayments of stimulus loans for six more months.

- The country's exports witnessed a positive growth in the first quarter of the current fiscal year, riding on the reinstatement of the orders previously cancelled or held-up due to the pandemic. Ready-made garment entrepreneurs fear that their exports might see a further fall with the second wave of Covid-19 turning more serious.

<https://tbsnews.net/economy/rmg/apparel-exports-again-feels-pandemic-pinch-152578>

Bangladesh Bank (BB) extends time until November 30

- The central bank has extended further the deadline for implementation of the stimulus package for the cottage, micro, small and medium enterprises (CMSMEs) by one more month, from October 31 to November 30. The BB's latest move came against the backdrop of slow progress in loan disbursement under the package for the CMSMEs until October 22. The banks and NBFIs disbursed BDT 56.74 billion of the stimulus package by then. Senior bankers earlier urged the BB to extend the deadline further by two more months, from October 31 to December 31, for implementing the package properly.

- The disbursed amount is 28.37% of the total BDT 200 billion financial support for the sector. Loans amounting to BDT

75.88 billion were approved for nearly 38,000 Covid-19-affected CMSMEs across the country during the period, according to the central bank's latest statistics.

<https://today.thefinancialexpress.com.bd/first-page/bb-extends-time-until-nov-30-1604253537>
<https://www.thedailystar.net/business/news/banks-get-more-time-disburse-loans-among-small-enterprises-1987897>

Banglalink's revenue returns to growth

- Banglalink's revenue returned to positive territory in the third quarter of 2020 after tumbling in the second quarter, riding on strong growth in data use, said its parent company Veon in a new report. The third-largest carrier's revenue grew 0.8% to BDT 11.50 billion in the July-September quarter from BDT 11.44 billion in the same period a year ago. With this, the mobile operator recovered from a sharp fall a quarter ago. It had logged in BDT 11.08 billion in revenue in the April-June quarter, down 4.7% from the previous quarter and 4% from a year earlier.
- Revenue totalled BDT 34.20 billion in the three quarters this year, an increase of 0.2% year-on-year, the quarterly report of Veon showed. Mobile data revenue rose 20.2% year-on-year to BDT 2.80 billion in the third quarter as people use more internet than in the past owing to the coronavirus pandemic. As of September this year, the segment brought in BDT 8.40 billion for Banglalink, up 23% during the nine-month period a year ago. Banglalink's performance in the third quarter is quite satisfactory given the operational challenges we faced at that time due to the pandemic, floods, rough weather etc, said the chief executive officer of Banglalink.
- Despite the hurdles, they registered an impressive 20.2% year-on-year data revenue growth in the quarter supported by the enhanced 4G network. With economic activities resuming across the country, they are gradually trying to recover from the pandemic effects. EBITDA advanced 8.4% to BDT 5.10 billion in the July-September quarter. The average revenue per user was BDT 1.16 billion, an increase of 2.7%.

<https://www.thedailystar.net/business/news/banglalinks-revenue-returns-growth-1987877>

Publicly traded banks fare well amid Covid-19 pandemic

- Most of the listed banks have reported higher earnings per share (EPS) in the first nine months (January-September) of the ongoing calendar year, compared to the same period last year, due to relaxed loan classification and provisioning rules amid the Covid-19 pandemic. According to the Dhaka Stock Exchange (DSE) data as of Sunday (November 1), 29 out of 30 listed banks have disclosed their financial statements, where 18 banks saw higher EPS while 10 other banks witnessed negative income growth during the period.
- Bankers and experts said that most of the listed banks' earnings were healthier as the Bangladesh Bank in July eased loan classification and provisioning rules for cottage, micro, small and medium enterprises (CMSMEs), to encourage banks for disbursing more loans to them. According to Exim Bank Managing Director and CEO, the EPS increased mainly due to decrease in investment provision. The default loan also decreased due to capacity strengthening of the loan recovery teams, he added. A managing director of a stock brokerage house told that rise in profits at the banking sector bore good news for stock investors. The enhanced profitability of banks would thus have a positive impact in the stock market, he added.

<https://www.dhakatribune.com/business/stock/2020/11/01/publicly-traded-banks-fare-well-amid-covid-19-pandemic>

Now NBFIs borrowers get loan moratorium until December 31

- Borrowers of non-bank financial institutions can now get away by not paying instalments until December, after the central bank on Sunday extended the loan moratorium facility for them by another three months. The central bank expects businesses to struggle to service their loans, so until the end of this year, no loan would be classified as default even if repayments are missed. In other words, banks and NBFIs will have to maintain the same credit status of a borrower as on January 30 until the new deadline. This is the third extension of the loan moratorium facility for borrowers, first announced on March 24. The same rules will be applicable to borrowers who took credit in the form of working capital or demand loans.

<https://www.dhakatribune.com/business/banks/2020/11/01/now-nbfi-borrowers-get-loan-moratorium-until-december-31>

Regulator now sets December 9 deadline

- The securities regulator has extended the deadline for sponsor-directors of the listed companies to comply with its directive to hold minimum 30% shares jointly up to December 9. The Bangladesh Securities and Exchange Commission (BSEC) recently sent letters to the companies, giving them 30 more working days to comply with the directive. On July 29, the securities regulator gave an ultimatum to 44 listed companies to fulfil the condition of holding minimum 30% shares within 60 working days. The 60-day time frame ended on October 27, but many companies failed to comply. These companies made a plea to extend the time frame

<https://today.thefinancialexpress.com.bd/first-page/regulator-now-sets-dec-9-deadline-1604253722>

IPO subscription of two companies this month

- The public subscription of two companies -- Robi Axiata Ltd., the country's second largest mobile phone operator, and Crystal Insurance Company Ltd. -- will begin this month. The initial public offering (IPO) subscription of Crystal Insurance Company will commence on November 10 at 10:00am, aiming to raise BDT 160 million from the capital market. The company's authorised capital is BDT 1.0 billion and pre-IPO paid-up capital is BDT 240 million. According to the financial statement ending June 30, 2019, the company's net asset value (NAV) per share was BDT 24.42 while earnings per share (EPS) were BDT 2.92. As per the regulatory approval, the company will issue 16 million ordinary shares with an offer price of BDT 10 each under the fixed price method.

- The IPO subscription of Robi Axiata is set to open on November 17. It will be the country's largest ever IPO till date. Investors will be able to apply to buy the company's primary shares until 5:30pm on November 23. As per the regulatory approval, Robi will raise a capital worth BDT 5.23 billion by offloading over 523.8 million ordinary shares at an offer price of BDT 10 each under the fixed-price method. The company will utilise the IPO proceeds for network expansion (98.47%) and bear the expense of public offering (1.53%). Robi reported an EPS (earnings per share) of BDT 0.04 for the year ended on December 31, 2019. For same period, the company's net asset value (NAV) without revaluation stood at BDT 12.64 per share. The company's weighted average EPS of five years is a negative value of BDT 0.13. The company's authorised capital is BDT 60 billion and pre-IPO paid-up capital is BDT 47.14 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipo-subscription-of-two-cos-this-month-1604247851>

Listed companies now can disburse interim cash dividend

- The securities regulator has allowed the listed companies to recommend and distribute interim cash dividend from retained earnings subject to fulfillment of other rules and requirements. Previously, the listed companies could not recommend and disburse interim dividend from retained earnings. According to BSEC, the listed companies will be able to recommend and distribute interim cash dividend from retained earnings based on the latest financial statement subject to adjustment of quarterly losses or keeping provisions. It also said there is no mandatory requirement of auditing the quarterly statements in case of distributing interim cash dividends.

<https://today.thefinancialexpress.com.bd/stock-corporate/listed-cos-now-can-disburse-interim-cash-dividend-1604247883>

Berger Paints to invest BDT 910 million for subsidiary company

- Berger Paints Bangladesh Limited, a publicly traded multinational company, is set to invest BDT 914.8 million on Jenson & Nicholson (Bangladesh) Limited (JNBL) for establishing the latter's second factory in Savar. The project is expected to be completed in 2022, according to an official disclosure posted by the companies on Dhaka Stock Exchange (DSE) website on Sunday. Berger Paints Bangladesh Limited owns 100% shares of JNBL. It is the pioneer metal can manufacture company in Bangladesh. The company has been involved in the metal container's business in Bangladesh since 1990.

<https://www.dhakatribune.com/business/stock/2020/11/01/berger-paints-to-invest-BDT-91c-for-subsiary-company>
<https://www.thedailystar.net/business/news/berger-set-second-metal-container-plant-1987905>
<https://tbsnews.net/economy/berger-investing-BDT-915-crore-paint-container-unit-152575>

BSEC forms body to probe SS Steel's investment

- The stock market regulator on Thursday set up an inquiry committee to investigate SS Steel's decision to invest around BDT 1.60 billion to acquire 99% of Saleh Steel Industries' stakes. The Bangladesh Securities and Exchange Commission (BSEC) will take regulatory action if the committee finds any irregularity in this regard. On 4 August, 2020, the company's board of directors decided to make an equity investment in Saleh Steel to subscribe to 99% of its existing equity shares worth BDT 247.5 million. Also, SS Steel will invest BDT 1.34 billion in Saleh Steel. Following the move, Saleh Steel will issue new shares to SS Steel.

- SS Steel will finance its investment from the company – partly by taking share money deposits from its directors. SS Steel's board of directors made the decision at a time when the steel industry has already been struggling for a year. Things have become more difficult for the industry amid the pandemic outbreak. Saleh Steel produces and sells rods and coils under its brand name and its annual production capacity is around 84,000 tonnes, according to SS Steel.

<https://tbsnews.net/economy/stock/bsec-forms-body-probe-ss-steels-investment-152521>

BSEC imposes restrictions on MTB Securities for 3 IPOs

- The stock market regulator has imposed restrictions on the MTB Securities Ltd barring it from participating as an

eligible investor in the next three initial public offerings in book building method, said sources. Besides, the Bangladesh Securities and Exchange Commission (BSEC) has also decided to take a regulatory action in this regard for the interest of investors after a hearing by the Enforcement Department of the commission. Sources at the commission said the MTB Securities violated securities rules in connection with the IPO application process of Walton Hi-Tech Industries Ltd.

- The brokerage firm could not process the public IPO application properly and submit its subscriptions money on time. The company also failed to submit IPO application data to the respective stock exchange within three working days from the cut-off date, added sources. BSEC Executive Director said that the MTB Securities claimed that they could not submit data to the Dhaka Stock Exchange due to IT problems. But the stock exchange found that the consolidated accounts of the company did not have adequate money for applications. As a result, they have imposed restrictions on the company.

<https://tbsnews.net/economy/stock/bsec-imposes-restrictions-mtb-securities-3-ipos-152539>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$34.25	(\$27.38)	-44.43%
Crude Oil (Brent)*	\$36.41	(\$32.03)	-46.80%
Gold Spot*	\$1,875.05	\$353.58	23.24%
DSEX	4,896.69	443.76	9.97%
S&P 500	3,269.96	39.18	1.21%
FTSE 100	5,577.27	(2,009.78)	-26.49%
BSE SENSEX	39,614.07	(2,028.07)	-4.87%
KSE-100	39,888.00	(847.08)	-2.08%
CSEALL	5,726.59	(402.62)	-6.57%

Exchange Rates

USD 1 = BDT 84.80*

GBP 1 = BDT 109.56*

EUR 1 = BDT 98.72*

INR 1 = BDT 1.14*

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

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