

*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.*

### **Low provisioning main driver for rise in profits by listed banks**

- Most of the listed banks witnessed rise in EPS (earnings per share) for July-September 2020 compared to same period of the previous year. Officials said the banks' EPS rose following the central bank's policy support provided for not classifying any loans till December to cope with the COVID-19 situation. Many of 30 listed banks saw significant or moderate rise in EPS for July-September, while some banks reported positive earnings for July-September 2020 against the loss incurred for same period of previous year.
- According to the managing director of Pubali Bank, the banks were not required to classify any loans following the central bank's policy support. That is why the EPS rose as they did not keep provision against the loans. The payments of bad loans were deferred following the central bank's instruction for not classifying loans till December this year, added the president of Bangladesh Association of Publicly Listed Companies (BAPLC).

<https://today.thefinancialexpress.com.bd/stock-corporate/low-provisioning-main-driver-for-rise-in-profits-by-listed-banks-1604762002>  
<https://tbsnews.net/economy/banking/banks-find-their-income-different-way-154423>

### **Small and Medium Enterprises (SMEs) in need of 2<sup>nd</sup> stimulus**

- According to the businessmen and academicians, the local small and medium enterprises (SMEs), battered by the Covid pandemic, deserved increased official support. They felt that the government should introduce a second stimulus package for the most-affected sectors, including the SMEs. The SANEM in alliance with The Asia Foundation unveiled the findings of their survey styled, 'Covid-19 and Business Confidence in Bangladesh: Towards Economic Recovery'.
- According to the latest survey, only 8.0% micro and small firms, 20% medium and 41% large firms received funds. Around 71% of the firms believe Bangladesh is already on its road to economic recovery from the Covid-19 fallout, said SANEM executive director. Only 4.0% firms consider it as a strong recovery and 41% and 26% think it as moderate and weak recovery respectively, he further added. The survey also finds that major areas of challenges for the surveyed firms include a lack of package, lengthy procedure, difficulty in bank-related services and difficulty in accessing information.

<https://today.thefinancialexpress.com.bd/first-page/smes-in-need-of-2nd-stimulus-1604770025>  
<https://www.dhakatribune.com/business/2020/11/08/economic-recovery-in-sight>

### **Bangladesh's apparel market share to US grows 1.0 point**

- Bangladesh's share in the United States (US) apparel market has increased by one point to 8.10% in the first nine months of this year when other major apparel suppliers have faced lower exports by a quarter during this period. However, during January-September 2020, Bangladesh suffered an over 13% lower export year-on-year. The country exported apparel goods worth about USD 4 billion last year, according to data of the Office of Textiles and Apparel (OTEXA). At this time, China's apparel exports to the US fell by over 45% while that of Vietnam by 9%, India by around 30% and Pakistan by 13%, according to the OTEXA. The data also mentioned Bangladesh exported an additional 4 million square metres of apparel in September, up from 157 million square meters last year.
- The country's apparel export earnings were more than 2% lower in September compared to that year-on-year. It exported USD 485 million in September last year. On the other hand, Bangladesh outperformed Mexico and China to become the largest denim exporter to the US in the first half of this year though export proceeds dropped from the sum a year ago, owing to the Covid-19 pandemic.

<https://tbsnews.net/economy/rmg/bangladeshs-apparel-market-share-us-grows-1-point-155056>

### **Frozen food industry emerges as a bright spot amid pandemic gloom**

- The demand for ready-to-eat chicken and beef products has grown over the past several years as the middle-class and working families increasingly seek convenience. Encouraged by the rising demand, around 30 companies signed up to make frozen foods and snacks. As a result, rapid growth took place over the last three to four years.
- According to the Managing Director of Golden Harvest Agro Industries (DSE: GHAIL), a leading frozen food manufacturer, the overall market for frozen foods, including meat products, currently stands at about Tk 10.0-12.0 billion thanks to 20% annual growth on average for the past five years. But this figure is likely to double to Tk 25.0 billion by 2025. The pandemic has changed a lot of our habits, we do not act the same as we did in February as Covid-19 created awareness about hygiene, he added.

<https://www.thedailystar.net/business/news/frozen-food-industry-emerges-bright-spot-amid-pandemic-gloom-1991217>

### Motorola to make its entry to Bangladesh after a 10-year hiatus

- Motorola, the American handset maker that used to rule the roost in the earlier part of the century and has since faded from consumers' reckoning. Now, under the ownership of Chinese Lenovo, Motorola is looking to regain its lost glittering glory, targeting the mid- to low-range smartphone market. The company is set to re-enter Bangladesh after a gap of 10 years with its Moto G8 Power Lite model, a smartphone that got great ratings globally for its long battery life, aesthetics and affordability.
- According to the Managing Director of Salextra, they are committed to ensuring that Bangladesh gets a taste of the latest and global standard products from Motorola, who are the pioneers in mobile technology and one of the leading smartphone brands globally. Although entry barriers have reduced from previous times, fierce competition exists among the current manufacturers. The other factors such as affordability also remains a key role in market penetration.
- Currently, the government imposes 57% tax on smartphone imports and 32% on basic and feature phones. On the other hand, the tax on locally assembled and manufactured handsets is 18% and 13% respectively.

<https://www.dhakatribune.com/business/2020/11/08/motorola-to-make-its-entry-to-bangladesh-after-a-10-year-hiatus-can-it-make-its-presence-felt>

### World Stock and Commodities\*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 37.14	(USD 24.49)	-39.74%
Crude Oil (Brent)*	USD 39.45	(USD 28.99)	-42.36%
Gold Spot*	USD 1,951.35	USD 429.88	28.25%
DSEX	4,942.12	489.19	10.99%
S&P 500	3,509.44	278.66	8.63%
FTSE 100	5,910.02	(1,677.03)	-22.10%
BSE SENSEX	41,893.06	250.92	0.60%
KSE-100	40,731.61	(3.47)	-0.01%
CSEALL	6,080.09	(49.12)	-0.80%

### Exchange Rates

USD 1 = BDT 84.83\*  
 GBP 1 = BDT 111.57\*  
 EUR 1 = BDT 100.74\*  
 INR 1 = BDT 1.15\*

\*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

Ayaz Mahmud, CFA	Head of Research	<a href="mailto:ayaz.mahmud@bracepl.com">ayaz.mahmud@bracepl.com</a>	01708 805 221
Sadman Sakib	Research Associate	<a href="mailto:sadman.sakib@bracepl.com">sadman.sakib@bracepl.com</a>	01730 727 939
Md. Rafiqul Islam	Research Associate	<a href="mailto:mrafiqulislam@bracepl.com">mrafiqulislam@bracepl.com</a>	01708 805 229
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	CEO (Acting)	<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)