

*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.*

### **Bangladesh Bank (BB) selects 30 bonds for benchmarking**

- The Bangladesh Bank (BB) has selected 30 treasury bonds for benchmarking as part of its latest move to develop a secondary market for the government securities. It took the ones, which are frequently traded or auctioned in large volume, out of the total 269 active treasury bonds, according to an announcement made by the central bank on Tuesday. Of all bonds, 30 do have the most representation.
- An official said that the BB considered the volume of trade and other relevant issues while selecting the bonds for benchmarking. This benchmark may be reviewed after a certain period of time depending on the volume of trades. The treasury heads of a number of banks said the spreads between the buying and the selling rates of the selected bonds are too high and stressed the need for rationalizing it.
- The total outstanding of treasury bills and bonds in Bangladesh is now around BDT 3.0 trillion. BB officials said trade of such T-bills and bonds is now increasing fast as it has already crossed BDT 450 billion in the first four months of the current fiscal year. It is expected that the trading of the government securities may surge to BDT 1.5 trillion at the end of this fiscal year, said another official at the DDM. In the last fiscal year, the trading volume stood at BDT 580 billion, more than 200% higher than that of the previous fiscal year.

<https://today.thefinancialexpress.com.bd/first-page/bb-selects-30-bonds-for-benchmarking-1605031130>

### **Banks' disclosure rules changed**

- The central bank has amended its instruction, allowing banks to provide their market disclosures within seven working days of finalizing the annual audited financial statements, instead of March or September. Under the amendments, the banks are now instructed to provide required market disclosures in both qualitative and quantitative forms within seven working days of finalizing the annual audited financial statements as per the allowable time limit under Section 40 of Bank Company Act 1991, according to a notification, issued by the Bangladesh Bank (BB) on Tuesday.
- The banks are now allowed to finalize their annual financial statements within the next two months after ending the calendar or fiscal year in line with the existing Bank Company Act, according to the central banker. The market disclosure on the bank's website should be made through a webpage, titled 'Disclosures on Risk Based Capital (Basel III)', and the link to the page should be prominently provided on the home page of the website. The banks will have to submit a copy of their market disclosures to the BB's Department of Off-site Supervision told a central bank official.

<https://today.thefinancialexpress.com.bd/first-page/banks-disclosure-rules-changed-1605031186>

### **Inter-factory transfer to come under VAT: National Board of Revenue (NBR)**

- Manufacturing industries will have to pay VAT for transferring raw materials from one factory to another, according to a clarification of the revenue board. However, the manufacturing units will get rebate on the paid VAT as per the VAT law (section-46). The manufacturers will not be able to change shapes, nature, criteria or quality of the raw materials imported, purchased, earned or procured in other way before transferring to their other factory units. The National Board of Revenue (NBR) has issued the clarification for the manufacturing units not having central VAT registration.
- As per VAT law, central registration of VAT is optional for manufacturing companies. In the clarification, the VAT wing of the NBR defined some process to shift raw materials from one factory to another by same manufacturing units. The units will have to give a declaration on input-output coefficient in VAT 4.3 form before transferring the raw materials without any change. On the basis of the declaration, the company will pay VAT at a rate of 15% and shift the raw materials through VAT-6.2 chalan/invoice. Receiver of the raw materials in other factory will have to register the details of the raw materials in the purchase account book or VAT-6.1 form.

<https://today.thefinancialexpress.com.bd/last-page/inter-factory-transfer-to-come-under-vat-nbr-1605031733>  
<https://www.newagebd.net/article/121260/nbr-relaxes-inter-factory-raw-material-transfer-rules>

### **Inactive merchant banks may face music**

- The Bangladesh Securities and Exchange Commission has moved to take disciplinary actions, including cancellation of licence, against inactive merchant banks. BSEC officials said that around 20 merchant banks failed to comply with the licensing conditions. There are 63 merchant banks operating in the country. The commission made the decision as around 20 investment bankers failed to make any contribution to the country's stock market growth. Some of them do not have any web sites and well-equipped offices to serve clients, BSEC officials said.

- Moreover, the regulator has also decided to issue new merchant banking licenses. The licenses would be given to the institutions which are able to play important role in the market and able to bring better initial public offerings to the market, the officials said. According to the BSEC (Merchant Banker and Portfolio Manager) Rules, 1996, a merchant bank must submit IPO documents of at least one company to the BSEC in every two years. It must also create five new portfolios of clients in addition to its own portfolios in every year, it said.

- Merchant bankers can perform underwriting, issue management and portfolio management. They can also be an issue manager and arranger of bonds. Only six-seven merchant bankers do all three activities while 80percent of the merchant banks manage only portfolios. According to the BSEC Chairman, almost 80percent of merchant bankers were performing only portfolio management. Out of the 63 merchant banks, only a few companies, including Imperial Capital, ICB Capital Management, EBL Investment, AFC Capital Limited, NRB Equity Management, LankaBangla Investments, IDLC Investments, Banco Finance & Investment, MTB Capital, CAPM Advisory and Prime Finance Capital Management, are mostly active on the market, BSEC officials said.

<https://www.newagebd.net/article/121259/inactive-merchant-banks-may-face-music>

### **ACI declares 90% dividend despite losses**

- Advanced Chemical Industries (ACI) Ltd has decided to pay 80% cash and 10% stock dividends for the year ended on June 30, 2020, despite incurring a loss of BDT18.45 per share (consolidated). ACI officials said the dividend is being provided from the retained earnings of the company and bonus shares have been recommended for utilising the retained earnings as capital for ongoing operations.

- The company has reported consolidated earnings per share (EPS) of BDT 18.45 in the negative, consolidated net asset value (NAV) per share of BDT 137.67 and consolidated net operating cash flow per share (NOCFPS) of BDT 82.79 for the year ended on June 30, 2020 as against BDT 13.51 in negative, BDT 166.95 and BDT 25.67 in negative respectively for the same period of the previous year. A high official of ACI said that the ACI Logistic Limited's supermarket chain Shwapno is facing huge losses and owe a huge amount of loans which affected the company's consolidated earnings.

- The company logged in profit of BDT 97 million for the first quarter of its 2020-21 financial year on the back of improved efficiency in operations and increased sales. A year earlier, it posted losses of BDT 299 million. During the quarter, the company, which manufactures the Savlon brand antiseptic and disinfectant products in Bangladesh, logged in sales of BDT 6.82 billion up about 23% year-on-year. Though the company did not give a breakdown of its sales, it can be assumed that its Savlon-branded products contributed a fair share given the heightened hygiene practice for the global coronavirus pandemic.

<https://today.thefinancialexpress.com.bd/stock-corporate/aci-declares-90pc-dividend-despite-losses-1605024870>

<https://www.dhakatribune.com/business/stock/2020/11/10/aci-finally-delivers-a-profitable-quarter>

<https://tbsnews.net/companies/aci-returns-profit-after-seven-losing-quarters-156328>

### **PRAN-RFL Group to generate 5,000 jobs in Rajshahi**

- PRAN-RFL Group's Varendra Industrial Park at Godagari in Rajshahi, is collecting agro-based products including mango, tomato, olive and guava, based on season, from the local farmers and making pulp in the park. The park is now almost ready to collect pineapple, watermelon, cucumber and aloe-vera for pulping, said a press release. The park will create four to five thousand jobs, of which 95% job holders will be local, once it starts the full operation.

- Agricultural extension and socio-economic development of the farmers are the key purpose of PRAN Group. The group has chosen Godagari to establish the park so that farmers of Rajshahi area can able to sell their products at low transport cost without any middleman, said the Director (Marketing) at PRAN-RFL Group.

<https://today.thefinancialexpress.com.bd/trade-market/pran-rfl-group-to-generate-5000-jobs-in-rajshahi-1605026299>

### **Pandemic leaves Pran's beverage unit parched**

- The Agricultural Marketing Company Limited (AMCL), a subsidiary of the Pran-RFL Group, saw its profit shrink 20.7% in its financial year that ended on June 30. The company, which sells fruit drinks, carbonated beverages, bottled water and mango bars, yesterday announced a profit of BDT 46 million for its 2019-20 financial year. The company yesterday announced a 32% cash dividend for the year, which is the same as in the previous five years. Earnings of the company fell simply because sales dropped for the pandemic, said director of marketing of Pran-RFL Group

- The global pandemic also affecting the company's beverage export to India, the Middle East, Nepal and other countries. The crash in sales was partly attributed to the widespread fake news that consumption of cold drinks could make consumers more susceptible to COVID-19.

<https://www.dhakatribune.com/business/stock/2020/11/10/pandemic-leaves-pran-s-beverage-unit-parched>

**Private hospitals look to make a turnaround in 2021**

- Samorita Hospital, the lone listed healthcare provider, yesterday reported a sharp drop in profit for the last fiscal year, reflecting the sluggish business in the country's private healthcare sector as most treatment-seekers opted to stay away from hospitals. The private hospital said its net profit dipped 90percent to BDT 32.5 lakh in the financial year ending in June 2020 from BDT 3.22 crore in the previous year. Samorita blamed the coronavirus disease, which was reported first in early March, for the revenue drop, a view that was echoed by two top officials of the country's well-known Square Hospital and Labaid Specialised Hospital.
- According to the managing director of Labaid Group, one of the biggest private sector healthcare providers, earlier said the annual turnover would be USD 6 billion and the sector was growing at 25percent annually until the pandemic hit the country. Today, private hospitals and clinics have 91,500 beds, which are nearly double that in public hospitals, said the Health Bulletin 2019. In 2007, the number of private clinics and hospitals was 1,000, and they had 16,000 beds, just half the total beds in the public sector hospitals, showed official data. The industry turnover slumped roughly 35percent during the March-July period as doctors did not sit in the outpatient sections and patients preferred staying home instead of visiting hospitals.

<https://www.thedailystar.net/business/news/private-hospitals-look-make-turnaround-2021-1992889>

**World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 41.52	(USD 20.11)	-32.63%
Crude Oil (Brent)*	USD 43.61	(USD 24.83)	-36.28%
Gold Spot*	USD 1,878.59	USD 357.12	23.47%
DSEX	4,899.65	446.72	10.03%
S&P 500	3,545.53	314.75	9.74%
FTSE 100	6,296.85	(1,290.20)	-17.01%
BSE SENSEX	43,277.65	1,635.51	3.93%
KSE-100	41,153.05	417.97	1.03%
CSEALL	6,095.89	(33.32)	-0.54%

**Exchange Rates**

USD 1 = BDT 84.75\*

GBP 1 = BDT 112.48\*

EUR 1 = BDT 100.21\*

INR 1 = BDT 1.14\*

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

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