

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.

Expats sent record USD 1 billion in just 12 days this month

- Despite the ongoing crisis amid coronavirus epidemic, the upward trend in remittance flow into the country continues as expatriates have sent USD 1.066 billion in just 12 days this month. In the current fiscal year 2020-21, total USD 9.9 billion remittance came between July and November 12. During the same period in the last fiscal year, remittance flowing into the country was USD 6.9 billion.

<https://www.thedailystar.net/business/news/expats-sent-record-1-billion-just-12-days-month-1995921>

Central bank eases digital payment

- The central bank has allowed banks, mobile financial and payment service providers to open personal retail accounts of micro merchants to help them get digital payment against their sales of goods and services. Under the new initiative, such accounts will be opened through direct supervision of officials or appointed agents of the banks as well as agent banking and financial service providers, according to a notice issued by the Bangladesh Bank (BB) on Monday. Bangladesh Bank official said it will help enhance the coverage of the digital payment ecosystem at the lowest level of trade and commerce in Bangladesh.

- This would require no tax identification numbers (TINs), value added tax (VAT) registration or any other documents except for the attestation from public representatives or certification from local professional bodies and national identification (NID) for opening such an account. Customers will not be allowed to continue his/her personal retail accounts along with the merchant accounts at the same time. Money from such an account can be transferred to another retail account, merchant account, personal account, to the retailers' own bank accounts and the cash-out service.

- There would be no limit to the number of transactions in receiving payments from personal accounts, retail accounts and merchant accounts. However, retailers would be allowed to receive up to BDT 30,000 in a day and up to BDT 500,000 in a month from personal account and retail account while the monthly threshold for receiving money from retailers and merchants would be BDT 300,000.

<https://today.thefinancialexpress.com.bd/last-page/central-bank-eases-digital-payment-1605549462>

<https://www.newagebd.net/article/121776/bb-allows-small-traders-to-receive-payments-from-e-wallet-mfs>

<https://www.dhakatribune.com/business/banks/2020/11/16/bb-invites-micro-traders-to-formal-banking-channel>

Tower sharing companies contribute little in 2 years of licensing

- Tower sharing companies, licensed by the Bangladesh Telecommunication and Regulatory Commission, made very little contribution to improving the country's telecommunication network infrastructure in the past two years and in turn failing to improve service quality. In November 2019, the BTRC issued licences to four tower sharing companies — edotco Bangladesh Company Limited, TASC Summit Towers Limited, ISON Tower Bangladesh Private Limited (renamed Kirtonkhola Tower Bangladesh Limited), and AB Hightech Consortium. As per the roll-out obligations underlined in the tower sharing licensing guidelines, the tower sharing entities were supposed to start operation within 180 days of getting the licence.

- nsuring network coverage in all divisional headquarters within one year and district headquarters within two years, 30 per cent of upazilas within three years, 60 per cent of upazilas in four years and all upazilas within five years of getting the licence were the other roll-out obligations for the licensees. At least three of the two sharing companies took around two years to start operation on complexity over service-level agreement with telecom operators while another was in operation even before the issuance of licence as a subsidiary of a telecom operator. Dissatisfied with the development, posts and telecommunications minister Mustafa Jabbar told New Age recently that the licences to the tower sharing companies were issued so that they would be able to improve the quality of service of the telecom operators.

- Of the four companies, Kirtonkhola Tower Bangladesh Limited has yet to start building any towers. TASC Summit Towers Limited handed over its first tower to Banglalink. This was one of the 259 under-construction towers of Summit Towers. AB Hightech Consortium handed over 48 towers to Robi out of its contract to provide 100 towers to the operator. Edotco Bangladesh, the first tower company of the country, has continued building towers.

<https://www.newagebd.net/article/121775/tower-sharing-cos-contribute-little-in-2yrs-of-licensing>

The Economic Relations Division (ERD) starts work on slashing project aid

- The Economic Relations Division (ERD) has started work on revising the project aid allocations in the development

budget amid the impact of COVID pandemic on the project implementation, officials said on Monday. The ERD would consult with all the government ministries and agencies to assess their project aid requirements in the next seven months of the current fiscal year. The COVID-19 has severely affected execution of the development projects in Bangladesh as the government ministries and agencies have implemented only 12.79% of the ADP in four months (Jul-Oct), the lowest in five years.

- The utilisation of the project aid (foreign aid) is much lower than expected during the period. According to the Implementation Monitoring and Evaluation Division (IMED), all the ministries and agencies during July-October period executed only 11.75% of their total BDT 705.02 billion aid allocations in the ADP for the current fiscal. The government framed a BDT 2.14 trillion ADP for FY2021, where it allocated BDT 705.02 billion in foreign aid.
- ERD official told that every year they revise the ADP cutting the project aid allocations against different projects. But this year the reality is different as coronavirus has slowed project development work in the last six months, he added.

<https://today.thefinancialexpress.com.bd/first-page/erd-starts-work-on-slashing-project-aid-1605547912>

Cabinet approves draft financial inclusion strategy

- The government has approved the draft of the National Financial Inclusion Strategy in order to bring maximum number of people under the financial accounting system and arrange the financial benefits for them, reports UNB. The five-year strategy is being taken for 2021-2025 to improve the life and livelihood of people, particularly the poor, by bringing under all sorts of institutional financial services, said the cabinet secretary. The government has a plan to bring 100% people under the financial accounting system by 2025, he added

<https://today.thefinancialexpress.com.bd/last-page/cabinet-approves-draft-financial-inclusion-strategy-1605549222>

IPDC Finance sees record revenue, excess liquidity

- IPDC Finance Limited has declared record revenue and highest excess liquidity of all time. In 2020, IPDC's customer deposit has increased by 20.5% compared to December 2019 due to its innovative deposit campaigns. Besides, its revenue has grown by 29.1% year-over-year, while its classified loan ratio of 1.59% remains the lowest in the sector among the publicly listed diversified NBFIs. Despite the pandemic, IPDC has outperformed its own performance compared to the same period last year. It has maintained a strong capital base with an adequacy ratio of 17.50%.
- After setting aside adequate provisioning (for possible difficult times ahead), the company has registered BDT 500.30 million solid net profit after tax during the period from January to September 2020, which is 13.4% higher than that of last year. The company has also ended Q3 of 2020 with a strong liquidity cushion of BDT 8.25 billion that is the highest till date, and enough to meet its short-term obligations.
- IPDC Managing Director and CEO emphasised its technology enabled and socially responsible business models that focused on cottage, micro, small and medium enterprises (CMSMEs) as well as women. IPDC launched 'SME Bondhu' to help disburse the BDT 700-million stimulus package as per instructions from the Bangladesh Bank, he further added.

<https://today.thefinancialexpress.com.bd/stock-corporate/ipdc-finance-sees-record-revenue-excess-liquidity-1605542978>

Recovery on track as steel, cement makers put up a strong Q3 showing

- All steel and cement makers reported losses in their last financial year that ended on June 30. The shutdown had brought all economic activities, especially construction works, to a grinding halt. BSRM's, the market leader in the steel sector, profit for the quarter stood at BDT 336 million, up 39.4% year-on-year. Its sister concern BSRM Steels staged an even stronger turnaround: its profits soared 1.5 times from a year earlier to BDT 358 million.
- Similarly, GPH Ispat's profit was up 67.7% year-on-year to BDT 275 million between July and September. GPH Ispat's 67.51%. Besides, RSRM's losing in the period at BDT 107.2 million, which profit at BDT 55 million in the same period of the preview's year. The cement makers too saw a rebound after a washed-out April-June quarter, led by Premier Cement, whose profit shot up a whopping 95.5% to BDT 86 million in the three months to September.
- LafargeHolcim Bangladesh registered a 31% increase in profit in the July-September quarter. Its sales during the quarter edged up 3% to BDT 3.66 billion. Heidelberg Cement Bangladesh, one of the largest manufacturers of top-quality cement in Bangladesh, narrowed its losses during the quarter: it stood at BDT 27 million, down from BDT 143 million a year earlier.

<https://www.dhakatribune.com/business/stock/2020/11/17/recovery-on-track-as-steel-cement-makers-put-up-a-strong-q3-showing>

Investors line up for Robi's record-setting IPO

- There is tremendous excitement in the bourse for the country's second-largest mobile operator Robi Axiata's initial public offering, which is set to eclipse its competitor Grameenphone's BDT 4.86 billion listing in 2009. Subscription for the IPO begins today and will stay open until November 23 for both resident and non-resident Bangladeshis.
- Since the stock market regulator gave the nod to the listing about 0.12 million beneficiary owner's (BO) accounts, which is a must to buy shares, were opened, according to data from the Central Depository Bangladesh Ltd (CDBL). In the preceding two months, about 63,560 BO accounts were opened. Market operators said the spike in BO accounts is to snap up Robi shares.

<https://www.dhakatribune.com/business/stock/2020/11/16/investors-line-up-for-robi-s-record-setting-ipo>

Dominage Steel holds IPO lottery draw

- Dominage Steel Building Systems will allocate 30 million ordinary shares among the successful applicants as the company conducted IPO lottery draw on Monday. The company has received a good response from the investors as the company received more than BDT 5.81 billion against IPO offer of BDT 300 million, according to a web posting on the Chittagong Stock Exchange. This also indicates that the investors had applied to buy more than 19 times the number of primary shares being offered by the company in its IPO. The IPO subscription for shares of the company was held between October 19 and October 25 this year.
- The company will utilise the IPO proceeds for acquisition of new plant & machinery (55.77%), building and other construction (30.14%), electrical installation (7.56%) and bearing the IPO related expenses (6.53%). As per the audited financial statements for the year ended on June 30, 2019, the company's basic earnings per share (EPS) were BDT 1.83, and its net asset value per share was BDT 19.81, according to its IPO prospectus.

<https://today.thefinancialexpress.com.bd/stock-corporate/dominage-steel-holds-ipo-lottery-draw-1605542808>

Summit delivers first mobile tower to Banglalink under the new licencing regime

- Summit Towers and Banglalink have inaugurated their first mobile tower at Siddhirganj in Narayanganj, under the new tower-sharing arrangement introduced by the Bangladesh Telecommunication Regulatory Commission in 2018 for cost efficiency. Earlier in February this year, the BTRC had finalised a service-level agreement (SLA) that would enable companies awarded tower-sharing licences to begin operations.
- On November 5, the BTRC held a meeting with the stakeholders, where it was decided that Summit Towers and AB HighTech Consortium would set up 559 mobile towers within the next three months for Banglalink and Robi respectively. Summit Towers will set up 259 towers for Banglalink and AB HighTech 300 towers for Robi.

<https://www.dhakatribune.com/business/2020/11/16/summit-delivers-first-mobile-tower-to-banglalink-under-the-new-licencing-regime>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 41.38	(\$20.25)	-32.86%
Crude Oil (Brent)*	USD 43.82	(\$24.62)	-35.97%
Gold Spot*	USD 1,891.19	\$369.72	24.30%
DSEX	4,871.42	418.49	9.40%
S&P 500	3,626.91	396.13	12.26%
FTSE 100	6,421.29	(1,165.76)	-15.37%
BSE SENSEX	43,637.98	1,995.84	4.79%
KSE-100	40,504.75	(230.33)	-0.57%
CSEALL	6,076.92	(52.29)	-0.85%

Exchange Rates

USD 1 = BDT 84.76*
 GBP 1 = BDT 112.06*
 EUR 1 = BDT 100.55*
 INR 1 = BDT 1.14*

*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	ayaz.mahmud@bracepl.com	01708 805 221
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 (Acting)	bappi@bracepl.com	01730 357 991
----------------------	--------------	--	---------------

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