

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.

BD, Tanzania keen to work on blue economy, agriculture

- Bangladesh and Tanzania have agreed to work with Bangladesh in agriculture, blue economy and other economic sectors through establishing official contacts, reports UNB. Tanzania has expressed interest to know about the aquaculture, fisheries sectors, shipbuilding industry and horticultural sector of Bangladesh. They also highlighted the importance of exchange of business delegations to develop their trade and economy.
- Tanzanian Minister of Livestock and Fisheries Mashimba Mashauri Ndaki and Minister of Blue Economy and Fisheries Abdullah Hussein Kombo met Foreign Minister of Bangladesh Dr AK Abdul Momen at the state guest house Padma on Monday evening and discussed the ways of broader cooperation. Both the ministers are visiting Dhaka for participating in the 21st Indian Ocean Rim Association (IORA) Council of Ministers and related meetings. Dr Momen narrated the development march of Bangladesh to the visiting ministers.

<https://today.thefinancialexpress.com.bd/trade-market/bd-tanzania-keen-to-work-on-blue-economy-agriculture-1637085107>

Call money rate 14-month highest on Monday

- Call money rate was the 14-month highest on Monday thanks to a sudden increased demand of cash in banks as investment has risen in various sectors after the Covid-19 epidemic situation improved recently. On Sunday, interbank call money transaction was worth BDT 8,378 at a rate of BDT 3.14 although the number of transaction did not increase
- Concerned parties say that after fixing the minimum interest rate on bank deposits, many banks are not able to pay interest on the deposit. At the same time, although the deposits of many banks have decreased, the amount of loans remained the same. Yet, banks have to save Advance Deposit Ratio (ADR) and Statutory Liquidity Ratio (SLR) against deposits and loans. That is why banks are relying on the money market and its rates are rising sharply.

<https://www.tbsnews.net/economy/call-money-rate-14-month-highest-monday-330679>

Money movement indicates spending pick-up

- Soaring commodity prices amid rising inflation are forcing consumers to spend more Consumer confidence has rebounded strongly in recent months as reflected in money movement indicators, with people releasing their pent-up demands, especially for travelling, following the vaccination roll-out. Moreover, soaring commodity prices amid rising inflation are forcing consumers to spend more. The drastic fall in demand deposits with banks, which show disposable income, declined by BDT 9,000 crore in June-September, indicating that consumer spending has made strong return.
- The demand deposits grew at above 20% in almost every month last year when people were cooped up in homes due to movement restrictions amid rising Covid-19 cases that prompted consumers to hold more cash on hand to face any unexpected health expenditure. To be eligible for the EU's proposed new GSP (generalized scheme of preferences) framework, Bangladeshi garment makers will need a "double transformation", which, as industry leaders assess, will amount to 40% local value addition – a level achieved by knit garment makers.

<https://www.tbsnews.net/economy/money-movement-indicates-spending-pick-330712>

Proposed EU move could strip garment shipment of duty benefit

- A measure proposed by the European Union may affect Bangladesh's robust apparel shipment to the bloc even if the country is awarded the Generalised System of Preferences (GSP) Plus status after its graduation to a developing nation. In the proposed GSP Plus scheme, the EU said if the value of a particular garment item from a country eligible for duty-free export benefit under the bloc's Everything But Arms (EBA) facility crosses 6 per cent of the total imported value of apparel, the zero duty facility will not be applicable for the product even if the GSP Plus status is granted, said Commerce Secretary Tapan Kanti Ghosh. Total imported apparel from Bangladesh to EU countries now stands at 9.74% per cent if the import value of clothing items in 2019 is considered. Rubana Huq, a former president of the Bangladesh Garment Manufacturers and Exporters Association, said the safeguard measure would be applicable to higher value-added products, not volume.
- Abdur Razzaque, a director of the Policy Research Institute of Bangladesh, said as per the proposed GSP provisions, Bangladesh is likely to qualify for the GSP Plus after the graduation. But the specified EU 'safeguards' would exclude the country's clothing exports from any tariff preferences. The proposed GSP has removed the import share criterion, which stipulated that a country's share in EU GSP-covered imports in 2019 can't be more than 7.4 per cent. He added that if the proposed rules remain unchanged, the average tariff on apparel exports from Bangladesh to the EU will rise from the currently zero to an average of 12 per cent.

<https://today.thefinancialexpress.com.bd/trade-market/uk-mulls-over-lifting-ban-on-bd-betel-leaf-import-1637085432>

UK mulls over lifting ban on BD betel leaf import

- The United Kingdom (UK) is considering lifting the ban on import of betel leaf from Bangladesh, agriculture ministry sources said. The ban was imposed on the Bangladeshi betel leaf in February 2014 by the European Union (EU). Before the ban, Bangladesh's annual export of betel leaf was worth USD 40 million which declined to USD 2.0 to USD 5.0 million in recent years, according to the EPB. EU lifted the ban in April this year after being satisfied with Bangladesh's progress in delivering safe products. However, the UK, the key market for Bangladeshi betel leaf, is yet to remove the ban.
- The UK is now thinking of lifting the ban fully following a progress in Bangladesh's phytosanitary structure as well as in supply of safe food. It was disclosed at a meeting between a Bangladeshi delegation led by Agriculture Minister Dr Muhammad Abdur Razzaque and UK Food Standards Agency, held in London, UK on Monday, said a press release issued by the agriculture ministry.

<https://today.thefinancialexpress.com.bd/trade-market/uk-mulls-over-lifting-ban-on-bd-betel-leaf-import-1637085432>

Bangladesh to sign MoU with UK's Food Standards Agency

- Bangladesh is going to ink an agreement with the Food Standards Agency (FSA) of the United Kingdom to increase exports of agricultural products in the European countries.
- Once the agreement is signed, Bangladesh will take initiatives to set up a state-of-the-art testing laboratory, Phytosanitary certification to meet phytosanitary export requirements for agro-products and improvement of those, the ministry added.

<https://www.tbsnews.net/economy/bangladesh-sign-mou-uks-food-standard-agency-330595>

US looking to grab more from Bangladesh's cotton imports

- The United States is now looking to enhance its stake in cotton exports to Bangladesh, as US exporters and their representatives have put an emphasis on resolving issues, such as the obligation to fumigate US cotton after imports, not being able to send cotton-laden ships directly to Bangladesh in the absence of a deep seaport, a hike in shipping costs and other logistics costs.
- BTMA President Mohammad Ali Khokon told The Business Standard that they have unofficially demanded that US-cotton made garments be given duty-free access to the country's market. They also requested them to send cotton directly from transshipment ports, such as Sri Lanka, Malaysia or Singapore. In this way, they can get shipments within 30 days, he added.
- William R Bettendorf, director of supply chain and marketing for South and Southeast Asia of CCI, said the US cotton export witnessed a 40% year-on-year growth in FY21. In FY20, Bangladesh imported 8.2 million bales of cotton from the global market, of which, 0.83 million of bales came from the US market. According to CCI representatives, in FY21, the country imported around 1.15 million bales, which accounted for around 14% of its total imports.

<https://www.tbsnews.net/economy/us-looking-grab-more-bangladeshs-cotton-imports-330643>

Bangladesh Bank launches digital platform EDS Money for loans, deposits

- Bangladesh Bank has introduced an electronic dealing system for banks and NBFIs such that they will lend and deposit on short-term basis with each other through a digital platform. The central bank today issued guidelines saying that the new digital platform named EDS Money will go live on December 1 this year. EDS Money will provide a web-based electronic dealing platform with features where lenders will transact short-term amounts.
- The maturity of the transactions is between one day and a maximum of one year, among themselves. Different types of transaction, including call money market and inter-bank repurchase agreement (Repo), will be settled through the platform. Banks and NBFIs will also quote interest rate and maturity of fund at the platform in order to lend fund to their counterparts. A Bangladesh Bank official said that the banking regulator would strengthen its monitoring on such types of transaction as lenders now settle those without any web portal.

<https://www.thedailystar.net/business/news/bangladesh-bank-launches-digital-platform-edsmoney-loans-deposits-2231501>

When central bank breaches own rules

- Bangladesh Bank has flouted its own rules when it permitted Aviva Finance Ltd (former Reliance Finance Ltd) to open five more branches although the financial health of the non-bank financial institution has been in a bad shape. Aviva Finance also secured permission from the central bank to establish four more outlets last year. The Bangladesh Bank breached its rules this time as well. As per BB rules, no NBFIs are allowed to open branches if its default loans surpass 10 per cent of the outstanding loans in the preceding year before an application is filed.
- The non-performing loans (NPLs) of Aviva Finance have stayed above the threshold last year. The default loan rose to 26 per cent in September this year, up from 16 per cent towards the end of December in 2020. The NBFIs also faced a provision shortfall of BDT 27 crore against the outstanding loans as of June this year. The new branches will take the total number of outlets to 14.

<https://www.thedailystar.net/business/economy/banks/news/when-central-bank-breaches-own-rules-2231916>

No dramatic change in cotton price likely soon

- Cotton prices may remain stable in the days ahead and there is no possibility of a dramatic change immediately, exporters predict to rule out further market volatility of the much-needed clothing raw material. "From our view we see that the market is fairly stable. We don't see anything from the horizon that can cause dramatic changes in the near term," said Wesley Rentz, Senior Director for Southeast Cotton Operation of Olam Cotton.
- In November last year, the cotton price hit a rock-bottom level of USD 0.70 per pound amid the pandemic disruptions but surged up to USD 1.20 a pound now in the wake of global economic rebound. Talking to a group of journalists Tuesday at a Dhaka hotel he said the most important thing in the market is price stability. "If price has any dramatic swings, then the supply chain could have an impact." Mr. Rentz is now visiting Bangladesh as a member of a delegation of the Cotton Council International (CCI), the export-promotion arm of the National Cotton Council of America (NCC).

<https://today.thefinancialexpress.com.bd/trade-market/no-dramatic-change-in-cotton-price-likely-soon-1637085402>

Covid Treatment: DGHS asks doctors to prescribe Molnupiravir

- Directorate General of Health Services has instructed all public hospitals to prescribe oral anti-Covid drug Molnupiravir on Tuesday. The development comes over a week after the drug administration gave emergency production and usage approval to the world's first oral anti-Covid drug in the local market. The drug, however, must be used within five days of showing symptoms in a patient, said Farid Hossain, Director of hospitals and clinics at the DGHS.

<https://www.thedailystar.net/health/disease/coronavirus/news/covid-treatment-dghs-asks-doctors-prescribe-molnupiravir-2232051>

Pfizer to allow generic versions of its Covid-19 pill in Bangladesh

- Pfizer Inc said on Tuesday it will allow generic manufacturers to supply its experimental antiviral COVID-19 pill to 95 low- and middle-income countries through a licensing agreement with the international public health group Medicines Patent Pool (MPP). The voluntary licensing agreement between Pfizer and the MPP will allow the United Nations-backed group to grant sub-licenses to qualified generic drug manufacturers to make their versions of PF-07321332. Pfizer will sell the pills it manufactures under the brand name Paxlovid, reports Reuters.
- The 95 countries in the license agreement cover around 53% of the world's population and include all low- and lower-middle-income countries and some upper-middle-income countries in Sub-Saharan Africa. They also include countries that have transitioned from lower-middle to upper-middle-income status in the past five years.

<https://thefinancialexpress.com.bd/health/pfizer-to-allow-generic-versions-of-its-covid-19-pill-in-bangladesh-1637065358>

BSEC gives nod to launch three new mutual funds

- The closed-end mutual fund would be sponsored by the Capital Market Stabilization Fund which has been built out of the un-disbursed dividends stuck in listed firms and intermediaries. The Bangladesh Securities and Exchange Commission (BSEC) has approved the plans to float three new mutual funds in its bid to strengthen the institutional investment base in the capital market.
- After the 799th commission meeting on Tuesday, the capital market regulator said of the three funds, two would be open-ended funds to be sponsored by HF Asset Management and Bangladesh Race Management Private Company Ltd, while the other would be a closed-end one with a tenure of 10 years. The closed-end mutual fund would be

sponsored by the Capital Market Stabilization Fund which has been built out of the un-disbursed dividends stuck in listed firms and intermediaries.

<https://www.tbsnews.net/economy/stocks/bsec-gives-nod-launch-three-new-mutual-funds-330673>

DSEX exceeds 7000-mark on positive moves

- Stocks witnessed a big jump on Tuesday, with key index of Dhaka bourse crossing 7000-mark, as buoyant investors put fresh bets on banking shares riding on regulatory moves on margin loans. The market opened sharply higher and DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), soared 115.21 points or 1.65 % to settle at 7,056. Market analysts said scrapping the index-based credit facilities by Bangladesh Securities and Exchange Commission had a positive impact on the market.
- The stock market regulator on Monday issued a directive, saying stockbrokers and merchant bankers may extend credit facilities at 1:0.8 to their approved clients for any individual stock having price earnings (P/E) ratio up to 40. Earlier, stockbrokers and merchant bankers were allowed to disburse margin loans at a ratio of 1:0.8 until the DSEX existed below 8,000 points. Two other indices also ended higher with the DSE 30 Index, comprising blue chips, soaring 31.71 points to finish at 2,691 and the DSE Shariah Index (DSES) rising 19.77 points to close at 1,484. Turnover, a crucial indicator of the market, also rose to BDT 14.91 billion, which was 5.0 % higher than the previous day's tally of BDT 14.21 billion.

<https://today.thefinancialexpress.com.bd/stock-corporate/dsex-exceeds-7000-mark-on-positive-moves-1637077375>

CMSF will inject BDT 1.0b into ICB

- Capital Market Stabilization Fund (CMSF) will make its maiden investment worth BDT 1.0 billion into Investment Corporation of Bangladesh (ICB) as TDR (transferable development rights) to boost liquidity flow in the capital market. The Bangladesh Securities and Exchange Commission (BSEC) on Tuesday approved the proposal of such investment at a meeting held at BSEC office. The BSEC officials said the proposal of investment worth BDT 1.0 billion was approved following the plea made by CMSF.
- Besides, the securities regulator also approved proposal of facilitating the formation of a closed-end mutual fund namely Suborna Jayanti Fund. As a sponsor, the CMSF will contribute BDT 500 million in the fund having a tenure of 10 years to mark 50 years of independence. On June 27 last, the securities regulator had issued rules for the CMSF through a gazette notification published to help revitalise the capital market. The objective of the CMSF is to support the country's stock market alongside settling investors' claims on undistributed or unsettled dividends.

<https://today.thefinancialexpress.com.bd/stock-corporate/cmsf-will-inject-tk-10b-into-icb-1637077420>

Power Grid maintains consistent growth in profits

- The state-owned sole power transmission company has been making an annual profit of over BDT 300 crore for four years. The Power Grid Company of Bangladesh (PGCB) grew consistently both in terms of profit and revenue for the last four years. The country's state-owned sole power transmission company has been making an annual profit of more than BDT 300 crore since the 2017-18 fiscal year.
- In fiscal 2020-21, it posted a profit of BDT 377 crore, a 38% increase from the previous fiscal year. The company registered a 16.62% growth in its revenue. Among the listed government firms, the Power Grid Company – a

subsidiary of the Bangladesh Power Development Board (BPDB) – was able to keep consistency in profit as it enjoys a monopoly in the business. It also continued upward growth in revenue and profit by 7% and 49%, respectively, in the July-September quarter of the current fiscal year.

<https://www.tbsnews.net/economy/stocks/power-grid-maintains-consistent-growth-profits-330682>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 81.34	USD 32.82	67.64%
Crude Oil (Brent)*	USD 82.83	USD 31.03	59.90%
Gold Spot*	USD 1,854.71	(USD 40.39)	-2.13%
DSEX	7,056.58	1,654.51	30.63%
S&P 500	4,709.90	953.83	25.39%
FTSE 100	7,326.97	866.45	13.41%
BSE SENSEX	60,322.37	12,571.04	26.33%
KSE-100	46,542.91	2,787.53	6.37%
CSEALL	11,008.33	4,234.11	62.50%

Exchange Rates**1 US Dollar = 85.56 BDT****1 GBP = 114.90 BDT****1 Euro = 96.91 BDT****1 INR = 1.15 BDT**

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