

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.

Credit growth rises despite pandemic

- Banks managed to post 8.95% credit growth in the last fiscal year despite a steep fall in business in the last quarter owing to the coronavirus pandemic. The credit growth improved as the lenders disbursed more funds from the stimulus packages that the government announced to help ailing businesses shrug off the jitters. The country's 58 banks disbursed BDT 10.65 trillion in fiscal year 2019-20 combined, data from the central bank showed.
- State-run banks lent a total of BDT 2.0 trillion in the last fiscal year, up 10.58% year-on-year. Forty private commercial banks disbursed BDT 7.97 trillion, which is 9.04% higher than in the same period a year ago. Foreign banks were very cautious in their lending: nine international banks operating in Bangladesh only disbursed BDT 380.65 billion, up 0.30% from a year ago.

<https://www.thedailystar.net/business/news/credit-growth-rises-despite-pandemic-1963253>

Stimulus loans for large borrowers quickened recovery: experts

- As many as 2,062 large companies have received low-cost loans worth BDT 254.61 billion from the central bank's stimulus package for big borrowers in the industrial and service sectors. Experts say the quick fund disbursement by the lenders has had a positive impact on the ongoing recovery process of the business sector, which had faced a major setback during the pandemic-induced lockdown. As of September 17, the disbursed fund accounted for 77.15% of the BDT 330 billion stimulus package, according to data from the central bank.
- Nevertheless, the central bank should immediately carry out a study to confirm whether the companies are using the stimulus fund properly, said the executive director of the Policy Research Institute of Bangladesh. There is no doubt that the stimulus fund has brought a positive output for the economy. But we have to ensure whether the fund is being used correctly.

<https://www.thedailystar.net/business/news/stimulus-loans-large-borrowers-quickened-recovery-experts-1964257>

Bangladesh's debt burden 'set to surge further'

- Bangladesh is going to plunge into a 'newer depth of debt', both from internal and external sources, in the coming days as it is spending additional money to salvage the economy hit hard by the COVID-19 pandemic, according to an analysis, reports UNB. So far, the government has announced a set of COVID-19 recovery packages worth 13.25 billion dollars, which is equivalent to 4.03% of the GDP, aiming to revitalise the country's economic activities and production system.
- The government has projected that the debt status of the country will be 38.3% of the total GDP in the fiscal year 2022-23. According to an official document, the amount will be BDT 15,480 billion where internal sources will contribute BDT 9597.8 billion, which is 62% of the amount, and external sources will contribute BDT 5882.6 billion, which is 38%. The country's debt status in 2021-22 will stand at BDT 13,531.5 billion which will be 37.8% of the total GDP. Of the amount, internal sources will contribute BDT 8,408.6 billion, which is 62.1% of the amount, while external sources will contribute BDT 5,122.9 billion, which is 37.9%.
- In the current fiscal, the debt status stands at BDT 11,678.3 billion with 36.8% of the GDP. Internal sources are contributing BDT 7,355.5 billion, which is 63%, and external sources are contributing BDT 4322.8 billion, which is 37%. The total amount is 1.2% higher than the revised debt status target of 2019-20.

<https://today.thefinancialexpress.com.bd/public/trade-market/bangladeshs-debt-burden-set-to-surge-further-1600356947>

Banks tie up for biggest investment deal in cement sector after reopening economy

- The banking sector sees the biggest investment deal since the virus struck in March as seven private commercial banks tied up in a syndicated loan of BDT 7.00 billion for Bashundhara Industrial Complex, the cement manufacturing arm of Bashundhara Group. The lead arranger Bank Asia signed the loan agreement with Bashundhara group at an event on 17 September. The bank moved to make the mega investment anticipating faster recovery of the economy, said the managing director of Bank Asia.
- He said the cement industry has good prospects of growth as many government projects in the infrastructure sector are coming up. The vice-president of the Bangladesh Cement Manufacturers Association (BCMA) said production came down to 20% in April-May but has now improved to 45% as construction activities have resumed. He also added

that cement companies are seeing a serious scarcity of working capital now but they are not getting adequate financing from the stimulus package. The cement consumption grew rapidly from only 95 kg in the year 2011 due to urbanization and implementation of mega projects, according to industry insiders.

- Bashundhara Group, one of the biggest business groups in the country, holds the second highest cement market share of 8.48% by way of its two brands, Bashundhara Cement and Meghna Cement. Of the two companies, Meghna has been listed on the Dhaka Stock Exchange since 1995. The banks that invested in the project are- Bank Asia, Dhaka Bank, First Security Islami Bank, Pubali Bank, Social Islami Bank and United Commercial Bank. This funding is not included in the stimulus package, according to banks.

<https://tbsnews.net/economy/banking/banks-tie-biggest-investment-deal-cement-sector-after-reopening-economy-13513>

Energypac eyes LPG business expansion

- Energypac is set to invest more in LPG trade from its IPO (initial public offering) proceeds to grab a large share of the growing liquefied bottled gas market. The local energy and power conglomerate's LPG (liquefied petroleum gas) brand name is 'G-Gas'. It said the capital-intensive industry needs fresh investment to procure new equipment and widen service. Energypac Power Generation Limited (EPGL), the parent company, is in the process of raising BDT 1.5 billion from the stock market through book-building method for expanding its LPG market.

- To increase the use of LPG as auto gas, the company has won the government approval to operate 300 stations. Industry sources said 22 LPG companies are currently operating in Bangladesh and 56 have got licences to start the business.

<https://today.thefinancialexpress.com.bd/public/trade-market/energypac-eyes-lpg-business-expansion-1600444797>

BSEC approves AFC Health IPO

- The securities regulator has approved the IPO (initial public offering) proposal of AFC Health which will raise BDT 170 million in capital from the capital market. The approval came on Wednesday at a meeting held at the office of the Bangladesh Securities and Exchange Commission (BSEC). At the meeting, the BSEC also fined NRB Equity Management BDT 1.0 million for opening BO (beneficiary owner's) accounts in breach of the securities rules.

- As per the BSEC's approval, AFC Health will offload 17 million shares of BDT 10 each under the fixed price method. The company will utilise the IPO fund worth BDT 170 million to purchase machinery and equipment along with bearing the IPO expense. For the year ended on June 30, 2019 the company reported a net asset value of BDT 13.13 per share without revaluation. For the same period, the company's earnings per share (EPS) stood at BDT 1.47, while the weighted average EPS stood at BDT 0.84. Imperial Capital and CAPM Advisory are working as issue managers of AFC Health.

- According to IPO prospectus, AFC Health is equipped with ultra-modern medical technologies, which brings a breakthrough in health services such as interventional Catheterisation, coronary angioplasty, renal angioplasty, device closures, and pace maker implantation. The company has three hospitals in Khulna, Chattogram and Cumilla.

<https://today.thefinancialexpress.com.bd/public/stock-corporate/bsec-approves-afc-health-ipo-1600357243>

No listed company holds EGM after factory closure

- No listed company has held extra ordinary meetings within one month of shutting down production since the inception of Bangladesh Securities and Exchange Commission rules in 2010 which make it mandatory for the companies to hold the meeting within the stipulated time informing shareholders about the reasons for closure. Despite repeated violation of the rules, the BSEC is yet to take any action in this regard. On July 4, 2010, the BSEC issued a directive asking the companies to get shareholders' approval if they decided to lay off factories.

- A senior Dhaka Stock Exchange official said that many companies had in these 10 years closed production but none of them held the mandatory shareholders' meeting to explain why the decisions were taken. Usually, companies inform the bourse if their boards decide to lay off factories for a period, but no company has notified the DSE of holding the shareholders' meeting after shutting down operations. According to the BSEC directive, the companies that declare lay-off of their factory must hold extra ordinary general meeting (EGM) within one month of such declaration.

- In the EGM, the company must inform its shareholders of the reasons behind laying off the factory and taking such a decision and the future plans of the company regarding its operation on a probable date of reopening the factory, it said. Besides, the company must submit the relevant notice of the EGM and the decision taken in the EGM to the commission, stock exchanges and the shareholders concerned immediately upon issuance of the notice and holding of the EGM, it said. The regulator framed the rules so that general shareholders of companies can exchange their views regarding such decisions in the EGM and know about the future business plans of the companies, BSEC officials said.

<https://www.newagebd.net/article/116733/no-listed-co-holds-egm-after-factory-closure>

17 may lose directorship for failing to hold minimum shares

- Bangladesh Securities and Exchange Commission (BSEC) has decided to remove the directors who still do not hold at least 2% shares of their listed companies although the regulator made it mandatory nine years ago. As a result, 17 directors from 10 listed companies, namely Bangladesh General Insurance, Eastern Insurance, Fuwang Ceramic, Imam Button, Intech, Meghna Life, Mercantile Insurance, Provati Insurance, Purabi General Insurance and United Airways may be removed for noncompliance.

- On November 22, 2011, the BSEC issued a circular making it mandatory for directors of listed companies to own at least 2% shares individually and 30% jointly. Many directors did not follow the directive, prompting the regulator to come up with another circular in August last year, reminding them of their obligation. As some directors continued to disregard the laws, the commission issued an order on July 2 this year, giving the nonconforming directors 45 days to hold the minimum shares or face the music.

<https://www.thedailystar.net/business/news/17-may-lose-directorship-failing-hold-minimum-shares-1964241>
<https://tbsnews.net/economy/stock/bsec-cancel-directorships-17-directors-135091>

Government serious about offloading shares of state banks: Finance Minister

- The government has not discarded its plan to offload shares of several state-run banks, said Finance Minister. As per the plan, an additional 15.2% shares of state-run Rupali Bank would be offloaded first under a secondary offering. Rupali was listed with the stock exchanges in 1986, with 9.8% of its shares now up for trade. A secondary offering is the sale of new or closely held shares by a company that has already made an initial public offering. Bangladesh Development Bank is supposed to offload 25% share and Janata and Agrani to offload 10% to a maximum 25% shares.

<https://www.thedailystar.net/business/news/govt-serious-about-offloading-shares-state-banks-kamal-1964229>

Novo Nordisk launches world's fastest acting insulin in Bangladesh

- Danish pharma giant Novo Nordisk yesterday launched the world's fastest acting insulin in the Bangladesh market as the number of diabetic patients in the country is rising fast amid rapid urbanization and change in lifestyle. This fast-acting insulin will work four times quicker than short-acting human insulin and two-times quicker than the conventional rapid acting insulin. It can be used in people with type-1 and type-2 diabetes, the company said in a statement.

- Bangladesh is the 10th most diabetes patient burdened country in the world, managing director of Novo Nordisk Bangladesh said. One out of 11 adults had diabetes in 2019, he said. He also said 8.3 million people or 9.2% of the adult population of Bangladesh have diabetes and 4 million patients have been diagnosed as of yesterday. Some 15 million adults could have diabetes by 2045 and some USD 535 million was spent treating diabetes in 2019, he said. Novo Nordisk, in partnership with Eskayef Pharmaceuticals, a leading pharmaceutical company owned by Transcom Group, has been manufacturing insulin in Bangladesh since 2012. Transcom Distribution Company distributes the insulin across the country.

<https://www.thedailystar.net/business/news/novo-nordisk-launches-worlds-fastest-acting-insulin-bangladesh-1963241>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$41.11	(\$20.52)	-33.30%
Crude Oil (Brent)*	\$43.15	(\$25.29)	-36.95%
Gold Spot*	\$1,950.86	\$429.39	28.22%
DSEX	5,104.65	651.72	14.64%
S&P 500	3,319.47	88.69	2.75%
FTSE 100	6,007.05	(1,580.00)	-20.82%
BSE SENSEX	38,845.82	(2,796.32)	-6.72%
KSE-100	42,504.76	1,769.68	4.34%
CSEALL	5,720.67	(408.54)	-6.67%

Exchange Rates

USD 1 = BDT 84.85*

GBP 1 = BDT 109.61*

EUR 1 = BDT 100.48*

INR 1 = BDT 1.15*

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

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