

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.

MFIs' loan disbursement rebounds

- Loan disbursement by microfinance institutions (MFIs) rebounded in the last fiscal year (FY) of 2020-21 as demand grew thanks to the ongoing recovery of economic activities from pandemic-induced shocks. MFIs disbursed BDT 1512 billion in FY21, up 11% from BDT 1363 billion a year ago.
- During the 2018-19 fiscal year, the disbursement was BDT 1406 billion, according to a paper presented by Mohammad Yakub Hossain, director of the Microcredit Regulatory Authority (MRA). Some 35 million marginal people have come under the services of 740 MFIs with 22,000 branches, he added.

<https://www.thedailystar.net/business/economy/news/mfis-loan-disbursement-rebounds-3009991>

Willful defaulters barred from loan waiver

- Bangladesh Bank yesterday barred willful defaulters from getting interest waivers on loans from banks, a first of its kind directive that comes amid a rising trend of defaulted loans. Non-performing loans (NPLs), or soured loans, went up 16.38 % year-on-year to BDT 1033 billion in 2021. The central bank said unscrupulous persons who took loans through forgery would not be allowed to get the support from lenders.
- It also specified in detail as to which methods would be followed by banks to waive interest. Before the circular, banks could waive all types of interest of borrowers but the latest circular has imposed an embargo on such activities as Bangladesh Bank has set a number of rules in this regard. As such, banks are not permitted to waive the principal amount of the loans under any circumstance.

<https://www.thedailystar.net/business/economy/news/wilful-defaulters-barred-loan-waiver-3010016>

Bangladesh focuses on food processing industry to boost export

- Bangladesh government is prioritising the food processing industry to boost the export of food items alongside meeting the growing domestic demand, said Prime Minister Sheikh Hasina on Thursday.
- The prime minister said this on Thursday while laying the foundation stone of Ghorashal Palash Urea Fertilizer Factory in Narsingdi district, with an annual production capacity of nearly 1.0 million tonnes, the country's largest. She unveiled the foundation stone of the BDT 104.61 billion projects, joining a function from her official residence Ganobhaban through a videoconference.

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-focuses-on-food-processing-industry-to-boost-export-1650534161>

High interests, difficult terms make home loan unaffordable

- Interests on home loans offered by both government and private banks are much higher in Bangladesh than in neighbouring India and many other countries. Besides, difficult mortgage conditions coupled with the absence of a universal lending system have made it even more difficult for people to own an affordable home. The home loan rates can be reduced if investments from the World Bank and other global lenders are brought in at a lower rate.
- The Bangladesh House Building Finance Corporation provides home loans in the country, charges 8%-9% in interest. The maximum amount that it lends to an individual is BDT 20 million with a repayment tenure of 5-25 years. An analysis of home loan interest rates offered by 26 private banks shows that they charge 8.99%-15% interest rates,

while private non-bank financial institutions offer interest rates between 8% and 8.5%.

<https://www.tbsnews.net/economy/high-interests-difficult-terms-make-home-loan-unaffordable-407026>

BSEC urges state banks to raise stock stakes

- The Bangladesh Securities and Exchange Commission (BSEC) has requested Sonali, Rupali, Janata and Agrani banks to raise their stakes in the stock market. The BSEC sent letters to the managing directors of the four state-run banks on Tuesday requesting to take necessary steps to make fresh investment through their respective portfolios.
- It also requested to provide information regarding investments from the banks' own portfolios as of April 18, 2022 as early as possible. However, the investor base in Bangladesh's capital market is mostly dominated by retail investors, whose account for around 80% of the total investors, said the BSEC. The BSEC also requested stock dealers to raise investments in the stock market.
- The banks can invest funds by taking loans from Bangladesh Bank as it gave the approval for banks to form a BDT 2 billion special fund for the purpose, which will not be incorporated in their capital market exposure limit.

<https://www.thedailystar.net/business/economy/news/bsec-urges-state-banks-raise-stock-stakes-3010011>

ICB allowed to buy more than 5% shares of DS30 cos

- The Bangladesh Securities and Exchange Commission has allowed Investment Corporation of Bangladesh to buy more than 5% of paid-up capital of companies under the Dhaka Stock Exchange blue-chip index, DS30. In May 2021, the BSEC restricted the ICB to buy more than 5% shares of any listed company after observing irregularities in the process.

<https://www.newagebd.net/article/168677/icb-allowed-to-buy-more-than-5%-shares-of-ds30-cos>

IBN Sina Pharma posts 21% profit growth

- The IBN Sina Pharmaceutical Industry – an enterprise of IBN Sina Trust – posted a 21% growth in profit in the first nine months of fiscal 2021-22 as its business maintained an upward trend. According to a financial disclosure on Thursday, its consolidated profit rose to BDT 414.3 million, up from BDT 341.7 million a year ago. The consolidated earnings per share (EPS) stood at BDT 13.26, up from BDT 10.92 in the July-March period of fiscal 2020-21.
- Its net operating cash flow per share decreased to BDT 10.84 but net asset value (NAV) per share rose to BDT 77.26 from BDT 68.69 during the same period in the previous fiscal year, according to the financials. Riding on an increase in the sales of drugs amid the Covid-19 pandemic, its consolidated profit rose by 24% in fiscal 2020-21 compared to the previous year.

<https://www.tbsnews.net/economy/stocks/ibn-sina-pharma-posts-21-profit-growth-407458>

RAK Ceramics retains BDT 2 billion in quarterly revenues

- Despite a decline in construction, RAK Ceramics (Bangladesh) Limited, a leading tiles and sanitary ware manufacturer in the country, has maintained a BDT 2 billion mark in revenues for the last two consecutive quarters. The back-to-back quarterly BDT 2 billion footprint is also a record for the UAE-based company in its history.
- In the first quarter of 2022, its revenue stood at BDT 2 billion, 15% higher than in the previous year at the same time. In the January-March quarter this year, the sales of its tiles increased 20% and sanitary ware sales grew 8% compared to the same quarter a year ago. RAK Ceramics Bangladesh posted BDT 0.57 in earnings per share for the first quarter of 2022 against BDT 0.50 in the previous year at the same time.

<https://www.tbsnews.net/economy/stocks/rak-ceramics-retains-BDT200cr-quarterly-revenues-407478>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 102.70	USD 27.49	36.55%
Crude Oil (Brent)*	USD 107.20	USD 29.42	37.82%
Gold Spot*	USD 1,951.63	USD 122.43	6.69%
DSEX	6,662.36	-94.29	-1.40%
S&P 500	4,393.66	-372.52	-7.82%
FTSE 100	7,627.95	243.41	3.30%
BSE SENSEX	57,394.56	-859.26	-1.48%
KSE-100	45,652.62	1,056.55	2.37%
CSEALL	8,135.25	-4,090.76	-33.46%

Exchange Rates**1 US Dollar = 86.45 BDT****1 GBP = 112.61 BDT****1 Euro = 93.76 BDT****1 INR = 1.13 BDT**

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 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

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546
Billal Hossain	Research Associate	billal.hossain@bracepl.com	01708 805 229
Md. Mahmudul Hasan	Junior Research Associate	mmahmudul.hasan@bracepl.com	01708 805 201

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Stock Brokerage Limited

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