

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.

Export subsidies, incentives to continue under different names post-LDC

- The government will continue to provide exporters with the existing cash incentives and subsidies under different names to maintain their competitiveness in the global market when Bangladesh graduates to a developing country. It will also introduce merchant trade and countertrade to further boost export earnings. Besides, exporters themselves will have the power to issue utilisation declarations for priority exportable goods, according to the Export Policy Order for 2021-24 issued by the commerce ministry on Sunday.
- Moreover, the government will provide necessary policy support for setting up warehouses in the European Union, the United States, the Russia-led Eurasian Economic Union and Mercosur, an economic and political bloc of Latin American countries, to create and expand brands of Bangladeshi products in the international market.
- Keeping all these issues at the forefront, the government will adopt a specific plan on how to accommodate the existing export incentives, subsidies and other assistance in WTO-backed policies to enhance Bangladesh's export competitiveness, the order points out. According to sources concerned, India, China and Vietnam have also continued to provide such support to their export sectors under various names.

<https://www.tbsnews.net/economy/export-subsidies-incentives-continue-under-different-names-post-ldc-392474>

New export policy sets sights high

- The government makes the new Export Policy 2021-24 effective with the highest priority attached to 14 sectors to boost much-needed foreign-currency earnings effective from March 23, 2022. As per the new export policy, exporters can borrow up to 90% of the amount stated in the irrecoverable letter of credit or confirmed contract. In the new policy, the government sets sights high on annualized export earnings at USD 80 billion in 2021- 2024 term.
- For new industry, value addition should be at least 30% for getting export incentives. The National Board of Revenue (NBR) would consider offering bonded-warehouse facility to the partial exporting sector on fast-track basis under the Customs Act 1969. For research and development activity, the government can offer policy support allowing a certain part as expenditure of annual turnover of the exporting company. Leather-sector exporters would get financial support from export-readiness fund.

<https://today.thefinancialexpress.com.bd/first-page/new-export-policy-sets-sights-high-1648405637>

Realtors rue rod, other materials' price rises

- Several retail sources in the capital city said 72-grade steel products available in the country-were selling between BDT 90,000 and BDT 95,000 per tonne in recent days, which used to trade between BDT 75,000-80,000. According to Trading Corporation of Bangladesh (TCB), as of March 25, 60-grade mild steel rod was selling between BDT 83,500 and BDT 91,500 per tonne.
- The TCB data also reveal that the latest price was around 26% higher than in the corresponding period of last year and 12 % higher compared with that of a month ago. Besides, 40-grade rod was selling between BDT 77,000 and BDT 80,000 per tonne, which was nearly 20% higher than the same period a year ago.
- The Russia-Ukraine war has added fuel to the flames in the global steel sector that was severely suffering from demand-supply mismatch. The two countries supply 50 million tonnes of scrap metal and a significant amount of

other raw materials used by the steel sector. According to sources, per tonne scrap metal on the global market was selling at around USD 680-700 per tonne, depending on various aspects, which was USD 550-600 per tonne in December.

<https://today.thefinancialexpress.com.bd/first-page/realtors-rue-rod-other-materials-price-rises-1648405578>

Colombo Port crisis knocks on BD shipping industry

- Bangladesh's shipping industry begins suffering under a knock-on impact of a crisis at Colombo Port where truck-loading-service disruptions are now a common phenomenon. Usually, a voyage on the Chittagong-Colombo-Chittagong route takes eight days but now the time has increased to 10-11 days. This happens to be one of the busiest routes for Bangladesh's shipment as the vessels plying this route could save around four days to reach Europe than taking a detour via Singapore port.
- Sri Lanka is now hit hard by large-scale fuel stockouts. This is putting pressure on container lines as loading and unloading depends on the lorries. However, the shipping executives are now opting for alternative routes through India or Oman to tide over the crisis. Around 40% of container movements to and from Bangladesh are relaying over Colombo port.

<https://today.thefinancialexpress.com.bd/first-page/colombo-port-crisis-knocks-on-bd-shipping-industry-1648405696>

BDT 20 billion fund for shipbuilding industry soon

- A BDT 20-billion fund for Bangladesh's emerging shipbuilding industry is coming soon, officials say, as it's one of the thrust sectors of the economy. The borrowers will be able to receive such refinancing facility with 4.50% interest. Earlier on January 25 last calendar year, the cabinet cleared the draft of 'Shipbuilding Industry Development Policy 2021' with the target of earning USD 4.0 billion by exporting ships within next five years.
- The draft policy emphasises the need for building capacity of the industry by providing soft loan and tax rebate for further development. It has proposed public-private partnership (PPP) for building dockyards or shipyards, harnessing blue economy, lowering bank interest rates, independent bank-guarantee facility, performance guarantee and creating fund for its development. The central bank extended the moratorium period for the shipbuilding industries by another two years, given that they paid 5.0% of their total loan installments payable last year.

<https://today.thefinancialexpress.com.bd/first-page/BDT-20-billion-fund-for-shipbuilding-industry-soon-1648405737>

Fresh recovery scheme for CMSMEs launched

- Bangladesh launches a fresh scheme worth nearly BDT 4.0 billion in aid to coronavirus-hit cottage, micro, small and medium enterprises (CMSMEs), as part of drives for economic recovery. The recovery package is aided by the Islamic Development Bank (IsDB), and the funds from it will be disbursed in a Shariah-compliant method. The amount of BDT 3.98 billion will be lent to eligible scheduled banks and non-banking financial institutions (NBFIs) for supporting the CMSME sector.
- Besides, 41 Islamic banking branches of nine conventional commercial banks and 368 Islamic banking windows of 13 conventional commercial banks are also providing Islamic financial services across the country. Under the notification, the PFI will receive mark-up at a maximum of 4.0 % on the financed amount to maintain a maximum sale price, which refers to financed (disbursed) amount to each enterprise plus a rate of maximum 7.18 % on it from their end-client. Tenure of the scheme has been fixed two years from the date of first disbursement from the IsDB.

<https://today.thefinancialexpress.com.bd/last-page/fresh-recovery-scheme-for-csmses-launched-1648405997>

Poor show by key ministries blights ADP spending

- Implementation of the annual development programme is still below the pre-pandemic level as key ministries and divisions cannot pick up development spending even though the virus situation has improved. The development spending stood at 35.80% in 8MFY22 while the rate was 33.83% in 8MFY21.
- Ministry of Shipping is now implementing a number of vital projects such as Chattogram port, Matarbari Port and Payra Port. But the ministry could spend only 18.52% of the allocation. Meanwhile, the Bridges Division that is constructing the Padma Bridge and Karnaphuli Tunnel spent only 22% of its allocation.
- Ahsan H Mansur, executive director at the Policy Research Institute (PRI), said that even before 24 February when Russia invaded Ukraine, the spiraling prices of construction materials prompted many contractors to work at a slower pace in the hope of project price revision.

<https://www.tbsnews.net/economy/poor-show-key-ministries-blights-adp-spending-392442>

Padma Bank's SLR exemption extended till 2025

- Padma Bank has received an extension for three years to its partial exemption from maintaining statutory liquidity ratio (SLR). The private sector lender will be allowed to keep only 9.75% of SLR till December 2025 – down from the regular rate of 13% for all commercial banks. The central bank had earlier provided Padma Bank with the facility till December 2022.
- The institution is not able to keep the SLR with the central bank against its deposits. Besides, it is not making a profit. Therefore, it has been given time till 2025 to make a turnaround. According to a Bangladesh Bank report, Padma Bank's total outstanding loan is BDT 57.94 Bn and 63.25% of its loan has been defaulted as of Dec'21. The bank had earlier applied to the Bangladesh Bank board seeking exemption from the fine, but the central bank did not take it into consideration.

<https://www.tbsnews.net/economy/banking/padma-banks-slr-exemption-extended-till-2025-392446>

Bangladesh meets UN target

- Bangladesh has met a UN Broadband Commission for Sustainable Development recommendation by bringing the cost of entry-level fixed or broadband and mobile internet cost within 2% of gross national income. At present, Bangladesh is among the 4 out of 46 countries in bringing down the cost for mobile and broadband internet at the prescribed range.
- The Telecom Minister has told that the government's decision to fix broadband prices played a crucial role in lowering internet prices. In Jun'21, the Bangladesh Telecommunication Regulatory Commission (BTRC) fixed the monthly cost of a connection with a minimum speed of 5 Mbps at BDT 500, 10 Mbps at BDT 800-1,000, and 20 Mbps at BDT 1,100 -1,200.

<https://www.thedailystar.net/business/economy/news/bangladesh-meets-un-target-2992061>

Two cos' prices keep rising sans PSI

- Share prices of two companies -Gemini Sea Food and Oimex Electrode-- are rising without any price sensitive information (PSI). Within 12 trading days, the stock price of Gemini Sea Food jumped 36 % or BDT 130 each to close at BDT 490.40 on Sunday in the falling market. The company's share price was BDT 360 each 12 trading days ago. Its shares traded between BDT 136.6 and BDT 497.6 in the last one year.
- The share price of Oimex Electrode rose about 25 % within the 12 trading days and closed at BDT 20.70 on Sunday. Its shares traded between BDT 16.10 and BDT 31 in the last one year. Oimex Electrode declared 'no' dividend for the year ended on June 30, 2021, while also reported loss of BDT 0.77 per share for 1HFY22.

<https://today.thefinancialexpress.com.bd/stock-corporate/two-cos-prices-keep-rising-sans-psi-1648403428>

Mir Akhter Hossain to form subsidiary co

- Mir Akhter Hossain will form a subsidiary company, Mir Steel Mills, to meet the company's own demand of raw materials along with enhancing its profit through a new business wing. The company's board of directors recently has taken the decision of forming the said subsidiary company. Mir Akhter Hossain will hold the majority shares of the company, said the disclosure posted on the website of Dhaka Stock Exchange (DSE).

<https://today.thefinancialexpress.com.bd/stock-corporate/mir-akhter-hossain-to-form-subsiary-co-1648403333>

MNCs on a roll

- Among all the listed firms in Bangladesh, business of multinational companies (MNCs) has been growing steadily driven by efficiency, focus on quality and proper management of resources compared to their local counterparts. The average sales growth of the listed MNCs was 9.41% from 2015 to 2020 and the profit growth stood at 9.22%, according to data compiled by UCB Asset Management. As a result, they comfortably outpaced the listed local companies as the average sales growth of the domestic firms was 6.7% whereas their profit growth dropped 1.4% during the six-year period.
- In 2020, all the listed companies went through upheavals due to economic pressures caused by the pandemic, but MNCs were less impacted. Profits of all the listed companies plunged 34% on average in the year, while the MNCs' profits dropped only 10%. Except for the pandemic-hit 2020, the MNCs' average sales growth was in double-digit every year during the five-year period, showed the data from UCB Asset Management. Only Bata Shoe and Heidelberg Cement incurred loss in 2020.

<https://www.thedailystar.net/business/organisation-news/news/mncs-roll-2992066>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 109.69	USD 34.48	45.84%
Crude Oil (Brent)*	USD 116.42	USD 38.64	49.68%
Gold Spot*	USD 1,957.61	USD 128.41	7.02%
DSEX	6,741.55	-15.11	-0.22%
S&P 500	4,543.04	-223.14	-4.68%
FTSE 100	7,483.35	98.81	1.34%
BSE SENSEX	57,362.20	-891.62	-1.53%
KSE-100	43,551.14	-1,044.93	-2.34%
CSEALL	10,455.32	-1,770.69	-14.48%

Exchange Rates**1 US Dollar = 86.33 BDT****1 GBP = 112.99 BDT****1 Euro = 94.19 BDT****1 INR = 1.12 BDT**

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