

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.

ADB to provide USD 297m in loans

- The Asian Development Bank (ADB) will provide USD 297 million worth of loans to mitigate climate change impacts and facilitate water supply in Dhaka city. The Manila-based lender would provide USD 135 million in loans for access to quality water supply services and promote environmentally sustainable surface water supply in Dhaka.
- It will also provide USD 157 million worth of assistance for flood and river erosion protection in the Padma and Jamuna basin. Besides, the ADB confirmed another USD 5.0 million grant for supporting the water supply project for robust gender empowerment by improving women's access to basic infrastructure and social services including in the low-income communities.
- ADB had made the USD 135 million additional loan confirmation for the Dhaka WASA. The program aims to protect 15,400 hectares of land from inundation and 0.5 million people from inundation damages and recover 8,000 hectares of char land from the river for development.

<https://today.thefinancialexpress.com.bd/metro-news/adb-to-provide-297m-in-loans-1646156108>

BD to enjoy DFQF in Australian mkt in post-LDC period

- Australia officially assured continuation of duty-and-quota-free treatment to Bangladesh's exports even after graduation from LDC in 2026, said the Bangladesh High Commission in Canberra on Tuesday, reports UNB. Australia agreed to initiate a study on prospects of greater trade and investment flow for adding dynamism in economic ties.
- The joint working group agreed to involve relevant private sectors and encouraged institutional linkages between Apex trade bodies of the two countries to further strengthen bilateral trade. The two countries agreed to enhance industry connections between Australian exporters of raw materials like cotton, wool, hides and importers and manufacturers in Bangladesh.

<https://today.thefinancialexpress.com.bd/last-page/bd-to-enjoy-dfqf-in-australian-mkt-in-post-ldc-period-1646155517>

Remittance drops 12% in February

- Bangladesh saw remittance inflow drop nearly 12 % in February mainly as working days of the expatriates in different countries squeezed, officials say. Bangladeshi nationals working abroad sent nearly USD 1.50 billion in February. The amount was USD 208.44 million lower than the remittance earning—a main source of the country's foreign-exchange reserves—in the previous month. In January 2022, the inflow of remittance was USD 1.70 billion.
- However, the inward flow of remittance dropped by nearly 16% year on year, as expatriates sent USD 1.78 billion in the same period of 2021. The official figures also show that the inward flow of remittance dropped more than 19% to USD 13.44 billion during the July-February period of the current fiscal year (FY), 2021-22, from USD 16.69 billion in the same period of the previous fiscal.

<https://today.thefinancialexpress.com.bd/first-page/remittance-drops-12pc-in-february-1646154546>

Zero physical progress in 117 projects: IMED

- There are 117 projects with zero physical progress in FY21 – some of the development schemes just spent for staff salary and office expenditures, with the implementation heading nowhere, according to a report of the Implementation Monitoring and Evaluation Division (IMED). The number of projects with less than 25% of physical progress is 108.

Some 131 projects report 28%-50% in terms of physical progress.

- Not a single penny was spent in 90 projects against an allocation of BDT 17.89 billion, while 122 others could spend below 25% of the allocation of BDT 97.94 billion in the revised ADP. The IMED report says out of the total 1954 projects, spending on 130 projects hovers around 26%-50%. Some 320 projects log 51%-75% spending, while 302 works clocked an "appreciable" 100% spending.

<https://www.tbsnews.net/economy/zero-physical-progress-117-projects-imed-378490>

Auditors detect major anomalies

- The government has incurred a financial loss of BDT 2.755 billion for financing flaws in 19 projects under the equity and entrepreneurship fund (EEF) between fiscal years 2009-10 and 2014-15, a special audit finds. Officials say the comptroller and auditor-general office found the loss having been caused through approval of loans without "due diligence" and absence of proper monitoring.
- The special audit found that the EEF fund incurred a loss of BDT 917 million as an entrepreneur did not withdraw rest of the loan amount two years after the disbursement of first instalment. Also, the fund officials disbursed money to a project bypassing the decision of the technical advisory committee and later the project could not go for commercial operation, causing a loss of BDT 21.624 million.

<https://today.thefinancialexpress.com.bd/first-page/auditors-detect-major-anomalies-1646154140>

Rational tariffs, ensuring quality products, better dealmaking must

- Tariff-modernisation process will not only give enough impetus to the country's export performances in a sustainable manner but also encourage overseas companies to come in the economy that already shows its strength in this pandemic time. Naming some key trade blocs like BIMSTEC, BRI, ASEAN, RCEP, President of Dhaka Chamber of Commerce and Industry (DCCI) Rizwan Rahman said, the government needs to give top priority to these grouping because a significant volume of the country's export concentrates on these regions. Talking about trade agreements, Mr. Rahman traces a lack of negotiation skills and says the policymakers should be backed by economists, think-tanks, research analysts, academics and even mathematicians in terms of tariff liberalisation and trade agreements.

<https://today.thefinancialexpress.com.bd/first-page/rational-tariffs-ensuring-quality-products-better-dealmaking-must-1646154510>

BTTC suggests 10% cash incentive

- A government body has suggested providing 10 % cash incentive facility on export of ferro alloy chemicals conditionally - to boost export volume and increase competitiveness in the global market, sources said. The state agency, Bangladesh Trade and Tariff Commission (BTTC), has recently submitted a report, recommending the cash incentive for ferro alloy chemicals (ferro manganese, ferro silicon, and silicon manganese) at the same rate like chlorine, hydrochloric acid, caustic soda, and hydrogen per-oxide, they added. Currently, the government provides 10 % cash incentive against export of chlorine, hydrochloric acid, caustic soda, and hydrogen per-oxide.

<https://today.thefinancialexpress.com.bd/trade-market/bttc-suggests-10pc-cash-incentive-1646150387>

Interest spread reduced in Jan

- The weighted average spread between lending and deposit rates, offered by scheduled banks, fell to 3.12 % from 3.19 % in December. The weighted average interest rate on lending fell to 7.13 % in January 2022 from 7.18 % in the previous month while such rate on deposits rose to 4.01 % from 3.99 % earlier.
- On the other hand, interest rates on lending may rise slightly in near future following a rebounding demand for credit, particularly from the private sector, in recent months, according to the private banker. Meanwhile, average spread

with state-owned commercial banks was 2.35 % in January, 3.19 % with private commercial banks, 5.25 % with foreign commercial banks and 1.82 % with specialized banks.

<https://today.thefinancialexpress.com.bd/last-page/interest-spread-reduced-in-jan-1646155548>

BB working on alternatives to SWIFT

- Dhaka's trade with Moscow may face some hiccups if Russian banks are kicked out of the SWIFT system, reports UNB. Finance ministry is considering approving a proposal of the Bangladesh Bank (BB) using the 'currency swap' system with Russia to avert losses. Ministry officials say trade will be affected in the short run and if the war situation lingers, Bangladesh will have to face its impact in the long run.
- Experts and ministry officials say Bangladesh will not be affected widely as export trade with Russia is not so big and several alternative systems are being used in different countries. However, as an alternative to SWIFT, there is a proposal to settle transactions between the two in a 'currency swap' system, says a senior official.

<https://today.thefinancialexpress.com.bd/first-page/bb-working-on-alternatives-to-swift-1646154195>

Bangladesh keen to import 1 million metric tonnes more LNG from Qatar

- Bangladesh wants to import an additional 1 million metric tonnes per annum (MTPA) liquefied natural gas from Qatar. The state minister made the proposal after the plan to import low-priced LNG from the spot market failed. He also proposed a side letter agreement along with the existing long term agreement.
- Petrobangla has purchased 8.424 million metric tons of LNG through 137 cargoes till January 2022. Qatar's Minister of State for Energy Saad Sherida Al Kabir cordially accepted Bangladesh's offer and directed Qatar Gas and Qatar Energy to sit with Petrobangla to discuss the proposed issues.

<https://www.tbsnews.net/economy/bangladesh-keen-import-1-million-metric-tonnes-more-lng-qatar-378493>

Local textile sales double in five years

- The textile market in Bangladesh is growing at a faster clip as annual sales have nearly doubled to USD9 billion in a span of five years riding on the production of diversified fabrics and the growing consumption of middle-income people. Now, local producers make the fabrics for shirts, trousers and other expensive items as the demand for quality items has gone up a lot in recent years for the rise in income.
- More than USD 2 billion worth of textile and fabrics are alone sold during Eid-ul-Fitr, the main sales season for local businessmen and traders. In the days leading to Pahela Baishakh, textile and fabric sales fetch more than USD1 billion, as people wear locally made clothing items to celebrate the Bengali New Year. The acute power outage faced by Chinese factories has also helped grow Bangladesh's local fabrics market, as many importers are not buying the item from the country now.

<https://www.thedailystar.net/business/economy/news/local-textile-sales-double-five-years-2973746>

GP first to introduce eSIM

- Grameenphone has launched eSIMs for the first time in Bangladesh and the new product will be available from March 7. Multiple networks and numbers can be stored on a single eSIM depending on the handset, ensuring seamless global connectivity. Customers can access more than one phone number, making it easier and more convenient for travellers, a statement from GP has said.

<https://www.thedailystar.net/business/organisation-news/news/gp-first-introduce-esim-2973721>

BSEC approves BDT 160 Mn IPO of Meghna Insurance

- The Bangladesh Securities and Exchange Commission (BSEC) recently allowed Meghna Insurance Company Ltd to raise BDT 160.0 million from the stock market through an initial public offering (IPO). The company will issue 16 million ordinary shares at a face value of BDT 10 each.
- It will invest BDT 24.0 million in government treasury bonds, BDT 32 million in listed securities, and BDT 9.52 million in fixed deposit receipts (FDRs). Asian Tiger Capital Partners Investments, Prime Bank Investment, and UCB Investment are the issue managers for the company's IPO. The company will not be able to declare, approve, or disburse dividends before its stock market listing.

<https://www.tbsnews.net/economy/stocks/bsec-approves-tk16cr-ipo-meghna-insurance-378406>

No fresh directive on mandatory settlement of negative equities

- The securities regulator has not yet issued any fresh directive regarding mandatory settlement of negative equities of the capital market within December 31, 2022. Bangladesh Securities and Exchange Commission (BSEC) on Monday said this in a clarification amid an ongoing discussion regarding mandatory settlement of negative equities by the market operators. It said the previous directive regarding optional scope of provisioning against unrealised losses will remain effective till December 31, 2022.

<https://thefinancialexpress.com.bd/stock/bangladesh/no-fresh-directive-on-mandatory-settlement-of-negative-equities-1646113887>

Horlicks bounces back in 2021, Unilever Consumer's profit flat

- Horlicks, the most popular health food drink (HFD) brand in the region, recovered its Bangladesh sales in 2021 thanks to the restoration of the supply chains and an increase in the number of new consumers mostly for its small packs. In 2021, sales rebounded to around BDT 4.1 billion, even without the revenues from Sensodyne toothpaste and digestive over the counter product Eno.
- The 19% surge in revenue helped the company register a 32.5% annual growth in operational profit in 2021 as operational costs did not grow at the same pace. Unilever Consumer Care's net profit after tax in 2021 was BDT 527 million, which was BDT 530 million in 2020.

<https://www.tbsnews.net/economy/horlicks-bounces-back-2021-unilever-consumers-profit-flat-378454>

Bank Asia allowed issuing BDT 5.0 Bn perpetual bond

- Bank Asia Ltd has received approval from the securities regulator to issue perpetual bonds worth BDT 5.0 billion in a bid to strengthen the additional Tier-1 capital base of the third-generation private sector lender. BDT 4.5 billion will be issued through the private placement and the remaining BDT 500 million through a public offering.
- The unit face value will be BDT 5,000. The coupon rate will be 6%-10% and the minimum subscription amount of the bond will be BDT 10.0 million in private placement while it stands at BDT 5,000 for the public offer.

<https://www.tbsnews.net/economy/stocks/bank-asia-allowed-issuing-tk500cr-perpetual-bond-378412>

BSEC approves draft prospectus of Mercantile Bank Unit Fund

- The Bangladesh Securities and Exchange Commission (BSEC) recently approved the draft prospectus of Mercantile Bank Unit Fund - an open-ended mutual fund. According to BSEC, the fund's primary target size is BDT 500.0 million. Of the amount, the sponsor will provide BDT 50.0 million, and the remaining BDT 450.0 million will be collected by selling the mutual fund's units to investors at a face value of BDT 10 each.

<https://www.tbsnews.net/economy/stocks/bsec-approves-draft-prospectus-mercantile-bank-unit-fund-378391>

National Polymer to issue BDT 3.0 Bn zero coupon bond

- The Bangladesh Securities and Exchange Commission (BSEC) allowed National Polymer Industries to issue a zero coupon bond worth BDT 3.0 billion. This would be a transferable, redeemable, non-convertible, and unsecured bond, with a tenure of five years. The bond will be listed in the alternative trading board (ATB) of the stock exchanges.
- The company will spend this fund on refinancing and purchasing machinery, infrastructure, and construction. The issue price will be BDT 1,000 per unit and yield to maturity will be 8% of the bond. It will be paid BDT 4.1 billion at maturity. The minimum subscription amount of the bond will be BDT 3,000 in the private placement.

<https://www.tbsnews.net/economy/stocks/national-polymer-issue-tk300cr-zero-coupon-bond-378388>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 107.24	USD 32.03	42.59%
Crude Oil (Brent)*	USD 108.48	USD 30.70	39.47%
Gold Spot*	USD 1,935.48	USD 106.28	5.81%
DSEX	6,753.79	-2.87	-0.04%
S&P 500	4,306.26	-459.92	-9.65%
FTSE 100	7,330.20	-54.34	-0.74%
BSE SENSEX	56,247.28	-2,006.54	-3.44%
KSE-100	44,803.58	207.51	0.47%
CSEALL	11,577.94	-648.07	-5.30%

Exchange Rates**1 US Dollar = 85.90 BDT****1 GBP = 114.47 BDT****1 Euro = 95.58 BDT****1 INR = 1.13 BDT**

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