

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.

Four firms to invest USD50m in BEPZA Economic Zone

- The investors-- three foreign companies and a local one-- will manufacture garment, camping and footwear accessories in the industrial park of Mirsharai, generating employment for over 23,000 people. Sri Lankan Univogue Garments Company will set up a unit with an investment of USD 36.49 million to produce woven items.
- China's Fengqun Composite Material will establish a shoe accessories factory with an investment of USD 2.22 million to produce foam, foam PU insole, lamination goods, footwear items and packaging items. Campex (BD) Limited, a USA-owned enterprise, will set up a tent, tent accessories and outdoor garment manufacturing unit with an investment of USD 10 million. Bangladeshi company TexTrim Labels will set up a garment accessories and paper converting unit investing USD 1.27 million.

<https://today.thefinancialexpress.com.bd/trade-market/four-firms-to-invest-50m-in-bepza-economic-zone-1645287069>

Funding dev projects on backburner

- Dhaka has looked to a concrete response from Beijing over the last couple of years regarding the top- priority five projects. "Beijing has assured us of providing USD 276 million worth of loan for Rajshahi WASA project and another USD125 million for bankrolling the Six TV Stations Improvement project of Bangladesh Television," another MoF official said.
- The three other projects in the queue for financing are: Establishing digital connectivity with the proposed USD400-million support from China, Mongla port jetty installation project with the proposed USD353 million support, and the water supply and distribution system from Dasherakandi water- treatment plant.
- Dhaka WASA has already set up the Dasherakandi sewage-treatment plant by borrowing USD273.4 million from Chinese EXIM bank, without installing the relevant supply and distribution system. China signed a USD1.13 billion worth of loan deal in October last year for constructing the Dhaka-Ashulia elevated expressway, one of the megaprojects the neo-rich Asian country helps in Bangladesh, including the iconic Padma Bridge.

<https://today.thefinancialexpress.com.bd/first-page/funding-dev-projects-on-backburner-1645290196>

Proposed income tax law: 'Not befitting despite improvement efforts'

- The new income tax law drafted by the revenue authorities shows a number of efforts to improve taxation, but it still fails to keep in with changing business landscape. With an emphasis on making the proposed law more business and taxpayer friendly, Humayun Rashid proposed to bring the entire population of the country under tax coverage. "Individuals who will be eligible for income tax will pay it. But everyone should submit an account of income and expenditure," he argued in support of the proposal.

<https://www.tbsnews.net/economy/proposed-income-tax-law-not-befitting-despite-improvement-efforts-373042>

Economic trend promising, but inflation worries remain: DCCI

- "Export earnings grew by more than 28% during the period. Imports and revenue collection also increased by 54% and 17% respectively," Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry (DCCI) said. The rise in daily commodity prices to be the reason for the increase of the government's revenue collection.

- FDI accounts for only 0.61% of the country's gross domestic product (GDP), while in Vietnam it is 6.2%. The rate is also below that of India and Indonesia where the rate is respectively 2.2% and 1.76%. The DCCI article added that although the overall unemployment rate in the country is 5.3%, the unemployment rate among the educated is 47%.

<https://www.tbsnews.net/economy/economic-trend-promising-inflation-worries-remain-dcci-373063>

Wage app to haggle with RMG buyers

- BGMEA and BKMEA will introduce a wage app that will help local garment factories to negotiate better price with buyers keeping the floor costs, mostly wage and other benefits of workers. The move came as part of BGMEA and BKMEA's previous effort to set minimum benchmark price and manufacturing cost of readymade garment (RMG) items to ensure ethical prices from global buyers and tackle unhealthy competition among local manufacturers.
- The app will help member factories calculate their floor costs mostly when wages are enhanced and other benefits provided to them (workers). They can also bargain with their respective buyers better as they would know the production cost of an item including the wage issues which usually are not considered in times of negotiation.

<https://today.thefinancialexpress.com.bd/last-page/wage-app-to-haggle-with-rmg-buyers-1645291318>

Khulna Shipyard inks BDT423cr deal to make 4 dredgers for BIWTA

- Khulna Shipyard Limited has recently signed an agreement with Bangladesh Inland Water Transport Authority (BIWTA) to build four cutter suction dredgers at a cost of BDT423 crore within the next one and half years. It will also be the first among the three government shipyards in the country to build such dredgers.
- So far, it has made 770 ships for different public and private organizations. It posted a turnover of BDT780 crore in FY21 amid the raging Covid-19 pandemic. It has built 11 warships for the Bangladesh Navy so far. Khulna Shipyard can build steel and aluminum ships up to 90m in length and 700 tones capacity. Currently, BIWTA has 45 dredgers.

<https://www.tbsnews.net/bangladesh/infrastructure/khulna-shipyard-inks-tk423cr-deal-make-4-dredgers-biwta-373048>

SMEs want change in definition so large peers can't get their benefits

- An enterprise in the manufacturing sector should be categorised as a medium industry if the value of its fixed assets except land and buildings is more than BDT10 crore but less than BDT30 crore, adding those with fixed assets worth BDT30 crore and above should be categorised as large industries. According to the existing industrial policy, a manufacturing enterprise is categorised as medium if the value of its fixed assets except land and buildings is less than BDT50 crore.
- A large enterprise must have an annual turnover of at least BDT50 crore. Bangladesh Bank also have expressed the opinion to consider an enterprise as a medium industry if it employs 101-250 people. Those with 250 and above employees should be categorised as large industries. There are 78.18 lakh business establishments in the country, of which 99.93% are MSMEs and .07% are large establishments.

<https://www.tbsnews.net/economy/industry/smes-want-change-definition-so-large-peers-cant-get-their-benefits-372667>

Europe-B'desh chamber to expand trade soon: FBCCI

- Europe-Bangladesh Chamber of Commerce (EBCC) will be formed soon to familiarise the country's products other than readymade garments (RMG) considering their market potential that will help expand bilateral trade. The apex trade body chief added the initiative to found EBCC will be implemented by July next.

<https://today.thefinancialexpress.com.bd/stock-corporate/europe-bdesh-chamber-to-expand-trade-soon-fbcc-1645287886>

When subsidies go beyond budget, direct cash transfer can be an option

- If 85 million cubic feet (MCF) of imported LNG is added to the national grid every day to meet the demand for gas in the country, the government's subsidy will stand at around BDT25,000 crore in the current fiscal year alone, which is more than six times the budgetary allocation in FY22. Import cost then will be BDT32,219 crore, which will end up at BDT44,265 crore if all other expenses are added.
- Petrobangla also submitted a proposal to the Bangladesh Energy Regulatory Commission (BERC), seeking a 117% rise in prices of locally-produced gas. From water to oil, such smart designs are needed for all subsidies in addition to expanding direct cash transfers to reach only those people who are targeted and in dire need.

<https://www.tbsnews.net/economy/when-subsidies-go-beyond-budget-direct-cash-transfer-can-be-option-372661>

Berger Paints Bangladesh Ltd (BPBL) has recently signed an agreement with Amin Mohammad Constructions Ltd (AMCL)

- Berger Paints Bangladesh Ltd (BPBL) has recently signed an agreement with Amin Mohammad Constructions Ltd (AMCL), which enables the leading paints solution brand to provide all kinds of paints and construction chemical related solutions to the expansion project of Hazrat Shahjalal International Airport (3rd Terminal) through AMCL.

<https://today.thefinancialexpress.com.bd/stock-corporate/berger-paints-bangladesh-ltd-bpbl-has-recently-signed-an-agreement-with-amin-mohammad-constructions-ltd-amcl-1645284478>

BSEC asks 5 banks to take steps for IPO

- The five banks are Meghna Bank, Midland Bank, Modhumoti Bank, NRB Bank and Shimanto Bank Limited. The BSEC letters sent to the five banks said that the banks had been in business in the country for a long time without complying with the Bangladesh Bank's condition.
- Therefore, the banks are asked to inform the BSEC after taking necessary steps on offloading shares on the stock market. The BSEC did not issue any letter to Padma Bank, formerly known as Farmers Bank, to get enlisted with the stock exchanges.

<https://www.newagebd.net/article/163207/bsec-asks-5-banks-to-take-steps-for-ipo>

3 firms' profits, shares rise unusually based on 'rumours'

- Much before their stock exchange filings, investors turned to Anwar Galvanising, Sonali Paper, and Fortune Shoes for high returns after a message had spread that the companies would come up with a hefty profit. In June-September last year, Anwar Galvanising's share price jumped by 422% to BDT483 each, according to the Dhaka Stock Exchange (DSE).
- The GI fittings manufacturer reported a 64% profit rise from its core business while the figure was way higher at 103% from stock returns. Its profit from GI fittings fell 9%, still, the company reported a 380% growth in its EPS to BDT7.63.
- In the six months through December, Sonali Paper earned BDT17.75 crore from its core business while its gains from stock investments were BDT17.84 crore. As a result, the company's total profit increased by 578%. Fortune Shoes had earnings of BDT18 crore and BDT19.39 from its core business and stock market returns, respectively, which drove its total profit up by 222%.

<https://www.tbsnews.net/economy/stocks/3-firms-profits-shares-rise-unusually-based-rumours-373060>

Fortune Shoes nets more profit from risky stock investment

- Fortune Shoes earned more money from its stock market investment than its core business of footwear selling in the first half of the current financial year. Fortune Shoes earned more money from its stock market investment than its core business of footwear selling in the first half of the current financial year. It logged in profit before tax of BDT 18 crore from its shoe operation whereas BDT 19.39 crore came from the stock market investment.
- The portfolio of Fortune Shoes seems it has the intention of participating in manipulation. In the last eight months, stocks of Sonali Paper surged 267 % to BDT 724, Genex Infosys climbed 160 % to BDT 159, Bangladesh National Insurance rocketed 529 % to BDT 106, and Asia Insurance rose 464 % to BDT 97, DSE data showed.

<https://www.thedailystar.net/business/organisation-news/news/fortune-shoes-nets-more-profit-risky-stock-investment-2966151>

Regulator scraps Dominage Steel's stock dividend proposal

- The market regulator turned down a proposal of a 5% stock dividend by Dominage Steel Building Systems last week – to protect the interest of its investors. It recommended a 10% dividend – 5% cash and 5% stock – for the last fiscal year that ended in June 2021.
- The company, engaged in the prefabricated steel structure business, had raised BDT30 crore from stock exchanges through an initial public offering (IPO) in August 2020. It could not use the IPO funds due to the Covid-19 pandemic even after taking approval from its shareholders and the regulator. In this situation, the stock dividends will not be an effective way for business.

<https://www.tbsnews.net/economy/stocks/regulator-scraps-dominage-steels-stock-dividend-proposal-373009>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 91.07	USD 15.86	21.09%
Crude Oil (Brent)*	USD 93.54	USD 15.76	20.26%
Gold Spot*	USD 1,898.43	USD 69.23	3.78%
DSEX	6,991.36	234.70	3.47%
S&P 500	4,348.87	-417.31	-8.76%
FTSE 100	7,513.62	129.08	1.75%
BSE SENSEX	57,832.97	-420.85	-0.72%
KSE-100	45,675.87	1,079.80	2.42%
CSEALL	12,134.04	-91.97	-0.75%

Exchange Rates**1 US Dollar = 84.87 BDT****1 GBP = 115.33 BDT****1 Euro = 96.09 BDT****1 INR = 1.14 BDT**

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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
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
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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