

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.

Per capita income to cross USD 3,000 this year, LGRD minister hopes

- Local Government and Rural Development (LGRD) Minister Md Tajul Islam has expressed hope that the country's average per capita income would exceed USD 3,000 by this year. He said the government is working for development in all sectors including power, education, health, communication, agriculture equally. The PM has also set a target to graduate to a developed country by 2041. Already food shortages and 100% electrification as well as transformation into digital Bangladesh have been achieved

<https://thefinancialexpress.com.bd/economy/per-capita-income-to-cross-3000-this-year-lgrd-minister-hopes-1641726156>

World Bank okays USD 295m to boost Bangladesh's digital economy

- The International Development Association (IDA) will extend USD 295 million Scale Up Facility (SUF) loan to Bangladesh for enhancing digital government & economy (EDGE) projects. The project will be implemented by Bangladesh Computer Council under ICT Division.
- The implementation period of this project has been fixed from January 01, 2022 to December 31, 2026. The objectives of this project are to improve cyber security, build resiliency during future crises, and will enable the government to operate virtually to deliver critical public services to citizens and businesses.
- The loan is to be repaid in 34 years with a grace period of 04 years. The frontend fee is 0.25 %, the commitment charge is 0.25 % and the interest charge is EURIBOR+0.98 %.

<https://thefinancialexpress.com.bd/economy/world-bank-okays-295m-to-boost-bangladeshs-digital-economy-1641737217>

Goods trade with the world crosses USD110b in 2021

- The country's bilateral trade in goods with the rest of the world crossed USD 110 billion in 2021, showed the FE estimation based on statistics of exports receipts and imports payments in 2021. Earnings of Bangladesh stood at USD 44.23 billion in 2021 which was USD 33.61 billion in 2020, increasing by 31.64 % in 2021.
- Payments for imports of goods, on C&F basis, stood at USD 72 billion in 11MCY21 was 36.40 % more than the annual imports payments in 2020. In 2020, the value of trade in goods was recorded at USD 86.40 billion. Thus, trade in goods increased by 34.50 % in the past year from the previous year. Bangladesh's global trade in goods declined by around 12.20 % in 2020 from USD 98.50 billion in 2019 due to the pandemic.

<https://thefinancialexpress.com.bd/economy/goods-trade-with-the-world-crosses-110b-in-2021-1641721332>

Bangladesh keen on FTA with Eurasian Economic Union

- Bangladesh has expressed interest in signing a Free Trade Agreement (FTA) with the Eurasian Economic Union (EAEU), a Russian-led Eastern European economic union comprising Belarus, Kazakhstan, Armenia and Kyrgyzstan, to explore the export potential of various products, including knitwear, jute and shrimp. The countries had a foreign trade volume of USD 7,311 billion in 2020.
- The gross domestic product of the countries is USD 1,634 trillion. Bangladesh does not get duty free facilities in Eurasian markets, although Bangladesh's exports to these countries have increased significantly over the past decade and the amount stands around USD 500 million.

<https://www.tbsnews.net/economy/bangladesh-keen-fta-urasian-economic-union-355354>

Virtual desk at Bangladesh mission to attract FDI in ICT sector

- A virtual desk at the Bangladesh Embassy in the Netherlands was launched on Saturday to connect investors and partners, explore business and help attract foreign direct investment (FDI) in Bangladesh's ICT sector. The virtual platform called 'Bangladesh IT Connect Portal-Netherlands' -- available at nl.itconnect.gov.bd -- is a joint venture of Bangladesh Computer Council (BCC) and Embassy of Bangladesh to the Netherlands, a statement said. More than 70 IT exporting companies from Bangladesh have already uploaded their profiles that are working in the Netherlands or consider the Netherlands as their potential market.

<https://thefinancialexpress.com.bd/economy/virtual-desk-at-bangladesh-mission-to-attract-fdi-in-ict-sector-1641701592>

Energy subsidy demand surging but funds made available trifle

- The government looks to go for upward adjustments to prices of gas used in industries and power plants with the state subsidy burden going more than three times higher than the budgetary allocation amid a global price spike. To offset any inflationary pressure from such gas price readjustment, three stimulus packages have been suggested for low-income people, farmers and selected export sectors.
- The issues were discussed in several high-level meetings of the Prime Minister's Office, finance and energy ministries in the last two months. The subsidies amounting to BDT 35,000 crore will be needed for the power sector, BDT 10,000 crore for LNG and BDT 25,000 crore for fertilisers, while the subsidies allocated for electricity, fertilisers and LNG stood at BDT 8,500 crore, BDT 9,100 crore and BDT 4,000 crore respectively in the budget.
- With the government finding it hard to subsidise rising energy costs, Petrobangla suggested raising gas prices in industrial and power sectors to meet the fund crisis in LNG imports. Power generation consumed 46% of natural gas, while captive power accounted for 15%, industries 16% and fertiliser factories 5% in 2019-20.

<https://www.tbsnews.net/economy/energy-subsidy-demand-surg-ing-funds-made-available-trifle-355378>

Taka hits 86 against dollar for first time

- Bangladesh Bank devalued the Taka against the US dollar to a large extent in order to tackle pressure stemming from an increase in import payments and give encouragement to remitters. The interbank exchange rate hit BDT 86 per dollar on Sunday for the first time, up from BDT 85.80 on Thursday.
- The inter-bank exchange rate stood at BDT 84.80 on January 10 last year. The local currency is trading at more than BDT 90 per USD in the kerb market. The BB official said the depreciation of the local currency would discourage businesses from importing luxurious items while encouraging expatriate Bangladeshis to send their hard-earned money through the formal sector. In addition, this will also give a boost to exporters, he said. Banks have so far purchased around USD 2.50 billion from the central bank this fiscal year to settle their import bills.
- Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said that this was the right decision towards adjusting the imbalance faced by the foreign exchange market. He went on to urge the central bank to depreciate the local currency to at least BDT 88 per dollar.

<https://www.thedailystar.net/business/economy/news/taka-hits-86-against-dollar-first-time-2936036>

Excess liquidity in banks drops by BDT 14,000cr in 4 months

- The amount of excess liquidity in the country's banking sector has dropped marginally due to Bangladesh Bank's policy measures. The amount of excess liquidity in the country's banking sector was BDT 2.31 lakh crore at the end

of July 2021 and the amount dropped to BDT 2.18 lakh crore at the end of November of the year. In August-November in 2021, the central bank's policy measures managed to contain the supply of excess liquidity by BDT 14,000 crore.

- A BB data showed that the amount of liquid assets in the country's banking sector stood at BDT 4.47 lakh crore at the end of November 2021. The banks were supposed to keep BDT 61,185 crore as cash reserve ratio and another BDT 1,67,838 crore as statutory liquidity ratio. The central bank also injected a huge amount of local currency into the banking system against the purchase US dollars from the banks due to a drastic fall in import payments against a record inflow of remittance.

<https://www.newagebd.net/article/159536/excess-liquidity-in-banks-drops-by-tk-14000cr-in-4-months>

No of mobile internet connections drops in Nov after 6-month rise

- The number of active mobile internet connections in the country dropped in November after six months of increase as many people resumed in-person activities amid a gradual decline in Covid infection cases. As per Bangladesh Telecommunication Regulatory Commission data, the number of active mobile internet connections dropped to 116.5 Mn in November of the just concluded year from 119.1 Mn in the previous month. Apart from the mobile internet connections, there were another 10.1 Mn broadband connections in the country, taking the total number of internet connections to 126.6 crore at the end of November 2021.
- BTRC data showed that the number of mobile phone connections increased by 0.21 Mn in November. The number of total active mobile phone connections increased to 181.5 Mn at the end of November of the year from 181.3 Mn a month ago. Robi, Banglalink and Teletalk gained 1.8 lakh, 0.40 lakh and 0.7 lakh connections respectively in November. Leading mobile phone operator Grameenphone lost 0.8 lakh connections in the month

<https://www.newagebd.net/article/159539/no-of-mobile-internet-connections-drops-in-nov-after-6-month-rise>

SME, debt boards on DSE fail to get bright start

- The small and medium enterprise (SME) board and the debt securities board on the Dhaka Stock Exchange have failed to get a bright start as investors are reluctant to participate in trading on the boards. Market experts said that regulations restricting small-scale investors to trade on the SME board, absence of confidence and awareness about the new boards and absence of interest and knowledge about debt securities were the key reasons for the low trading activities on the boards. BSEC executive director and spokesperson Rezaul Karim told New Age that there could be less liquidity on any board at its initial stage.
- On Sunday, shares worth only BDT 800,000 were traded on the SME board and shares of four companies out of the eight companies on the board were untraded. On the debt securities board, securities worth BDT 500,000 in four bonds were traded on Sunday. Trading on the SME board on the DSE began on September 30, 2021 with six companies.

<https://www.newagebd.net/article/159538/sme-debt-boards-on-dse-fail-to-get-bright-start>

Trading of Premier Bank's perpetual bond begins Monday

- The trading of Premier Bank's perpetual bond, the fifth listed on the Dhaka Stock Exchange (DSE) debt board, is scheduled to begin in the capital market from Monday (9 January). Earlier, in November last year, the securities regulator approved the Premier Bank to raise BDT200 crore through issuing the perpetual bond.
- Local institutional investors and high-net-worth individuals bought 90% of the bond through a private placement. General investors got the rest of the units through a public offering. The coupon rate has been set at 6%-10% of the bond.

- The minimum subscription amount of the bond, both private placement and public offer, was BDT 5,000. From January to September 2021, the bank logged a profit of BDT 232.39 crore, and its earnings per share stood at BDT 2.23. On Sunday, its shares closed at BDT15.10 each on the DSE.

<https://www.tbsnews.net/economy/stocks/trading-premier-banks-perpetual-bond-begins-monday-355306>

IDLC Income Fund declares 3% interim dividend after 6 months

- After six months of its launch, IDLC Income Fund has recently announced a 3% interim dividend for the period that ended on 31 December, 2021. IDLC Asset Management Ltd (IDLC AML) launched the IDLC Income Fund - the country's first ever debt mutual fund - in June 2021, read a press statement.
- This new category of investment vehicle offers maximum tax benefits like the National Savings Certificate (popularly known as Sanchayapatra), and maintains the optimum balance of yield, safety, and liquidity. IDLC Income Fund will be an eye-opener for the investors because the composition of the portfolio – if maintained with the right investment philosophy – can yield regular and stable income in the form of dividends.

<https://www.tbsnews.net/economy/banking/idlc-income-fund-declares-3-interim-dividend-after-6-months-355078>

Walton set to enter North America

- Walton Hi-Tech Industries Ltd, a giant in the local consumer electronics sector, is all set to enter the North American market through a shipment of home appliances sometime in the middle of 2022. The company signed a partnership agreement with Danby Appliances, a compact appliance brand in North America, in order to expand the market for Walton brand products in the US and Canada.
- Vice president of the global business division at Walton told that Walton will supply refrigerators, air conditioners, washing machines, televisions, and small appliances to the North American market. The company will need to avail North American standard certification before entering the market and ensure product quality as such, he added.

<https://www.thedailystar.net/business/organisation-news/news/walton-set-enter-north-america-2936021>

Coppertech to supply copper wires to Mohammadi Electric

- Publicly listed Coppertech Industries Ltd – a copper pipe, tube, bus bar, strip, and wires producer in the country – will supply copper wires to Mohammadi Electric Wires and Multi Products Limited - an electric accessories and cables manufacturer. The companies have signed a deal where Coppertech will earn a minimum of BDT52 crore annually. But the disclosure failed to attract investors and the company's share price went down by 0.25% to close at BDT39.4 on Sunday, compared to the previous trading session.
- However, from 26 December to 5 January, its share price jumped 26% based on a rumour that the company was going to sign a big business deal of supplying products to cable wire companies. The rumour turned out to be true on 28 December when Coppertech announced the signing of a deal with the state-owned PVC cable company – Eastern Cables – to supply 100 tonnes of finished copper wire worth BDT11.27 crore.

<https://www.tbsnews.net/economy/stocks/coppertech-supply-copper-wires-mohammadi-electric-355303>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 78.63	USD 3.42	4.55%
Crude Oil (Brent)*	USD 81.54	USD 3.76	4.83%
Gold Spot*	USD 1,795.84	(USD 33.36)	-1.82%
DSEX	6,932.61	175.95	2.60%
S&P 500	4,677.02	-89.16	-1.87%
FTSE 100	7,485.28	100.74	1.36%
BSE SENSEX	59,744.65	1,490.83	2.56%
KSE-100	45,345.65	749.58	1.68%
CSEALL	13,280.94	1,054.93	8.63%

Exchange Rates**1 US Dollar = 85.66 BDT****1 GBP = 116.44 BDT****1 Euro = 97.26 BDT****1 INR = 1.15 BDT**

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