

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.

Strengthen capacity for global trade negotiations: ICAB

- Strengthening capacity is a must to participate more effectively in multilateral, regional, and bilateral trade negotiations, bankers, chartered accountants and industry leaders said at a webinar. They also emphasized the export payment in freely convertible currencies and revision of the current tariff policy.
- ICAB President Shahadat Hossain FCA said Bangladesh has been pursuing some Regional Trade Agreement (RTA) negotiations like BIMSTEC, APTA, and a few bilateral FTAs also. In these negotiations Bangladesh is always stressing creating better market access for goods, particularly duty-free and quota-free market access, preferential market access in services where Bangladesh has many potentials, elimination of non-tariff barriers (NTBs), etc.

<https://www.tbsnews.net/economy/strengthen-capacity-global-trade-negotiations-icab-358420>

Rising REER cuts BD's trade competitiveness

- Real effective exchange rate (REER) of Bangladesh's currency against a basket of currencies of global trading partners soared to its highest peak in many years, weakening country's competitive edge. The REER as an index was recorded at 114.9 in September 2021 compared to 110.55 in June in the past year.
- A REER reading below 100 is supportive of countries like Bangladesh whose trade-and current- account deficits have widened to challenging levels in recent months. Such gaping deficits are causing a reduction in the country's foreign-exchange reserves. The forex reserves stood over USD44.9 billion during the second week of January.
- Dr Ahsan H. Mansur, executive director at the Policy Research Institute of Bangladesh (PRI), told the FE that Bangladesh's rate of inflation remained higher than its peer countries, leading to rise in the REER. He says the country's export receipt has been on the rise amid the high REER and "the export would have been much higher if the REER became supportive".

<https://today.thefinancialexpress.com.bd/first-page/rising-reer-cuts-bds-trade-competitiveness-1642354905>

Central bank tightens single borrower exposure limit

- The Bangladesh Bank has reduced the limit of loan provided by any bank to a single person or organisation to 25% of its total regulatory capital – reduced from the previous 35%.
- From now on, no bank will be allowed to provide more than 15% funded and more than 10% non-funded loans to a person or an organisation, as per a circular of the central bank's Banking Regulation and Policy Department published on Sunday. However, in the case of the power sector, the banks will be allowed to provide funded and non-funded loans worth 50% of total capital.
- The central bank issued the circular with a view to strengthening credit risk management of banks by limiting concentrated exposures and thereby further improving the stability of the banking sector.

<https://www.tbsnews.net/economy/banking/central-bank-tightens-single-borrower-exposure-limit-358405>

BB simplifies procedure of export cash incentive for freelancers

- The Bangladesh Bank (BB) has simplified the procedure of cash incentive for freelancers, who are working with software and IT-related services on different international marketplaces for global clients, against their foreign

currency earnings up to USD5,000.

- The Foreign Exchange Policy Department of the central bank on Sunday issued a circular in this regard, with which it lifted the existing requirement of having "telegraphic-transfer messages" from the clients (importers) mentioning the details of the trade, for the stimulus incentive.
- The government has been providing a 4% cash incentive to the freelancers against their earnings by exporting services since September last year (2021) to patronise the online workers and lure more youths into the sector.

<https://www.tbsnews.net/economy/banking/bb-simplifies-procedure-export-cash-incentive-freelancers-358417>

Financial institutions asked to hold special meetings on irregularities

- The Bangladesh Bank has asked all non-bank financial institutions, also known as FIs, to hold special meetings on a regular basis over reported irregularities, so that all board members of the respective institutions remain well-informed about the issues.
- The Financial Institutions Inspection Department of the central bank monitors the activities of these institutions and reports their irregularities regularly. In different cases, it found that board directors were not aware of the reported issues, and they did not take necessary steps accordingly. To minimise the irregularities by raising awareness, the central bank made such meetings mandatory, issuing a circular in this regard on Sunday.
- According to the circular, respective financial firms must arrange these special meetings within two months after the report release and inform the Bangladesh Bank 10 days prior to the meetings. A Bangladesh Bank team, comprised of officials from its Department of Financial Institutions and Markets and the Financial Institution Inspection Department would be present at the meetings.

<https://www.tbsnews.net/economy/financial-institutions-asked-hold-special-meetings-irregularities-358396>

BGMEA now seeks devaluation of currency for 'competitive edge'

- With nearly a dozen more demands yet to be resolved, the RMG sector is now seeking devaluation of the currency for a competitive edge in export. In a letter to the commerce ministry on 13 January, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) shared the data and analysis of the recent exchange rate movement of some currencies in major apparel exporting countries.
- "Our unit price of garment is not increasing while considering the hike in production cost particularly due to the rise in prices of raw materials, freight, fuel and so on. On the other hand, competitor currencies have gained higher than us," he added.
- Finance ministry officials are not in favour of devaluing the currency to keep inflation in check. They say a devaluation of the currency would push up the price of imported goods and create a cost of push inflation.

<https://www.tbsnews.net/economy/bgmea-now-seeks-devaluation-currency-competitive-edge-358426>

Ice cream market sees good growth

- Ice cream manufacturers are enjoying robust sales after launching awareness campaigns on how consuming the sweetened frozen food does not increase the risk of contracting a serious case of Covid-19. The market size for ice cream reached at least BDT 1,410 crore in 2021, up by about 93% year-on-year from BDT 730 crore. Considering the current rising trend, the industry's market value could reach as much as BDT 2,600 crore by 2025.
- The market is also growing since consumption increased in recent years in line with the peoples' growing spending

capacity, urbanisation, and access to the power grid in rural areas.

- Seven companies, namely Igloo, Polar, Lovello, Kwalitiy, Za n Zee, Bloop, and Savoy are available in the market, catering to a domestic demand of about six crore litres per year. Igloo is the market leader with a 38% share followed by Polar with 27%, Lovello with 14%, and Kwalitiy 9%.

<https://www.thedailystar.net/business/economy/news/ice-cream-market-sees-good-growth-2940736>

SC gives all-clear to operate Delta Life by administrator

- The Appellate Division of the Supreme Court (SC) on Sunday upheld till January 23 its chamber judge's order that stayed the proceedings of a High Court verdict declaring the appointment of an administrator to operate Delta Life Insurance Company illegal.
- There will be no bar on Md Quddus Khan, former secretary, to operate Delta Life Insurance as the administrator following the stay order granted by the apex court, said additional attorney general Sk Md Morshed.

<https://today.thefinancialexpress.com.bd/metro-news/sc-gives-all-clear-to-operate-delta-life-by-administrator-1642354412>

NBR examines scope for tax rebate on sukuk income

- The National Board of Revenue (NBR) is examining the scope for giving tax rebate on the income of individuals who are investing in the shariah-based sukuk bond, said a senior official of the tax authority. It was recommended by the Finance Division, which cited that such a benefit was already in place for treasury bonds.

<https://www.thedailystar.net/business/economy/industries/tax-customes/news/nbr-examines-scope-tax-rebate-sukuk-income-2940716>

Each general investor gets 792 shares of Union Bank

- Each general investor will get a minimum 792 IPO shares of Union Bank Ltd, while non-resident Bangladeshi investors will get 537 shares against application of BDT 10,000 each. The Dhaka Stock Exchange (DSE) on Sunday formally allocated the initial public offering (IPO) shares of the bank, under the newly introduced pro-rata basis, which allows every applicant to get shares, DSE said in a statement on Sunday.
- Union Bank, which received the regulatory approval from the Bangladesh Securities and Exchange Commission (BSEC) on September 5 last year, raised BDT 4.28 billion by issuing 428 million ordinary shares at an offer price of BDT 10 each under the fixed price method.

<https://thefinancialexpress.com.bd/stock/bangladesh/each-general-investor-gets-792-shares-of-union-bank-1642336474>

JMI Hospital Requisite's cut-off price set at BDT 25 each

- The cut-off price of shares of JMI Hospital Requisite Manufacturing has been fixed at BDT 25 each through electronic bidding by eligible investors. The eligible investors took part in the price discovery of the company's shares by bidding for 72 hours -January 9 to January 12 -- a requirement for going public under the book-building method.
- During the period, 385 eligible investors offered different prices. Among them, 379 bidders offered BDT 25 each to buy the company's shares, according to the data from the electronic subscription system (ESS).
- JMI Hospital Requisite received regulatory approval from the Bangladesh Securities and Exchange Commission (BSEC) on November 16, 2021 for raising BDT 750 million by issuing IPO shares under the book-building method. The company will issue IPO shares to general investors at 20% discount on the cut-off price, meaning the general investor will get IPO shares at BDT 20 each, as per the BSEC approval. The company will utilise the IPO fund for the

purpose of purchasing machinery, constructing building, land development, repaying bank loans and bearing IPO expenses.

<https://today.thefinancialexpress.com.bd/stock-corporate/jmi-hospital-requisites-cut-off-price-set-at-tk-25-each-1642350323>

Special auditor to look into Sonali Paper assets

- The stock market regulator has decided to appoint a special auditor for Sonali Paper and Board Mills, a concern of Younus Group of Industries, to look into its assets that were revalued in 2016. BSEC Commissioner Dr Sheikh Shamsuddin Ahmed said a special auditor will try to review the fact of asset revaluation of the company. If any irregularity is found, the commission will take legal action against the company, he added.
- The company has focused on the capital market instead of the manufacturing business. Its principal activities are manufacturing and marketing of media, liner, simplex, duplex paperboard, and quality papers such as newsprint.
- From July to September 2021, its operating income increased by 23%, compared to the same period of the previous year. The company has invested BDT55.55 crore in the capital market, but its inventories are only BDT22.68 crore. A big portion of revenue has been generated through capital market investment.

<https://www.tbsnews.net/economy/stocks/special-auditor-look-sonali-paper-assets-358366>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	USD 84.46	USD 9.25	12.30%
Crude Oil (Brent)*	USD 86.55	USD 8.77	11.28%
Gold Spot*	USD 1,814.91	(USD 14.29)	-0.78%
DSEX	7,019.60	262.94	3.89%
S&P 500	4,662.85	-103.33	-2.17%
FTSE 100	7,542.95	158.41	2.15%
BSE SENSEX	61,223.03	2,969.21	5.10%
KSE-100	45,763.45	1,167.38	2.62%
CSEALL	13,338.49	1,112.48	9.10%

Exchange Rates**1 US Dollar = 85.78 BDT****1 GBP = 117.31 BDT****1 Euro = 97.89 BDT****1 INR = 1.16 BDT**

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BRAC EPL Stock Brokerage Limited

Research

Salim Afzal Shawon, CFA	Head of Research	salim@bracepl.com	01708 805 221
Nazmus Saadat, CFA	Research Analyst	nazmus.saadat@bracepl.com	01708 805 229
Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Fahim Hassan	Research Associate	fahim.hassan@bracepl.com	01709 636 546

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