

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.

Ctg customs revenue continues to grow on high imports

- Chattogram Customs House posted 26% growth in revenue receipts year-on-year in 1HFY22. The higher earnings over the last several months are a result of an increase in imports and a gradual normalisation of supply chains around the world, according to sources at the customs house. Chattogram customs collected a record BDT 51,577 crore in revenue in the 2020-21 financial year, posting 23.23% year-on-year growth despite the pandemic.
- The customs house has set a target of collecting BDT 64,075 crore in revenue in the current financial year, while the target for the July-December period of the year was set at BDT 31,570 crore. According to official data, Chattogram port posted 13.19% growth in container handling, 14.06% growth in cargo handling, and 12.63% growth in ship handling in 2021 when compared with the previous year.

<https://www.tbsnews.net/bangladesh/ctg-customs-revenue-continues-grow-high-imports-359710>

Govt moves to reopen textile mills thru PPP

- The government has called for open international tenders for four out of 16 textile mills through public-private partnerships (PPP). The tenure of the partnership may be up to 30 years but could be renewed further. The four mills are: RR Textile Mills, Dost Textile Mills, Rajshahi Textile Mills and Magura Textile Mill.
- As a partner, the government will only issue the land for building infrastructure. The private parties will implement the project, maintain the mills and market the textile products produced, the official said.
- However, president of the Bangladesh Textile Mills Association (BTMA), criticised the PPP system, citing the PPP project in such case is not a long-term solution. He added that the government has imposed a complex structure and no 'real' or renowned institutions have come forward to invest here.
- Earlier in the first phase, the first two mills - Ahmed Bawany Textile and Quaderia Textiles - signed deals with Tanzina Fashion Ltd and Orion Consortium respectively.

<https://www.thedailystar.net/business/economy/news/govt-moves-reopen-textile-mills-thru-ppp-2943101>

Record tea production in country's history

- Tea production in the country surged to a historic high of 9.6 crore kg in 2021 amid the Covid-19 pandemic, state-run Bangladesh Tea Board said. This is also the highest annual tea production in the region's 167-year history of commercial tea cultivation. Officials and tea garden owners described expansion of tea cultivation, increasing investment, use of new technologies and government initiatives as key reasons behind the rise in production. Previously, Bangladesh posted a record high tea production of 9.607 crore kg in 2019, but production fell to 8.639 crores kg the following year.
- Tea estate owners said that tea cultivation has expanded in the Northern region, including Panchagar, Lalmonirhat, Thakurgaon, Dinajpur and Chattogram districts in recent years. Although production has surged, tea consumption has decreased by half amid the pandemic. The annual tea consumption in the country during the pre-pandemic period was estimated to be 9.5 crore kg.

<https://www.tbsnews.net/economy/industry/record-tea-production-countrys-history-359692>

Bangabandhu Shilpa Nagar to have its first operational factory in March

- The country's largest industrial city, Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) is going to witness the operation of its very first factory – Asian Paints – in March this year. The authorities informed that the construction of several factories are about to be completed, some 6,000 acres of land in the portion have already been filled with soil, and currently roads, bridges and other infrastructure are being constructed. The authorities are installing gas and electricity lines and solar systems have been set up for roads inside the industrial city.
- Apart from Asian Paints and MacDonald Steel, Healthcare Pharma was seen developing its facility on 40 acres of land, Bangladesh Auto Industries on 100 acres, SQ Cable on 40 acres, Jingyuan on 10 acres, Modern Syntex on 20 acres, Nippon and others on 100 acres, and Berger Paints on 30 acres. According to the BEZA, a total of 153 companies have so far been awarded 6,500 acres of land for setting up factories there.

<https://www.tbsnews.net/economy/industry/bangabandhu-shilpa-nagar-have-its-first-operational-factory-march-359419>

Reprioritise spending, bring financial reforms

- The government should reprioritise spending, take steps to reduce corruption and initiate financial sector reforms for better use of public money with a view to overcoming challenges brought on by the pandemic, suggests the International Monetary Fund (IMF). According to the IMF, near-term policy measures should make room for health and social spending while enhancing fiscal transparency and governance. Managing risks amid large-scale uncertainties will require continued support for the economy, close monitoring of the financial sector and gradual rebuilding of buffers for policy manoeuvres as the recovery gets entrenched, it said.
- The IMF cautioned that under such an adverse scenario, public finances would be impaired by lower revenue, higher health, social and energy subsidy spending, and contingent liability materialising from explicit and implicit state guarantees provided to state-owned enterprises. The IMF recommends that the government phase out interest caps on lending and borrowing to strengthen market competitiveness and gradually shift away from the financial policy adopted for the pandemic to lessen the build-up of financial sector vulnerabilities.

<https://www.thedailystar.net/business/economy/news/fbcci-opposes-proposal-raise-gas-price-2943136>

Businesses oppose gas price hikes to maintain competitiveness

- Country's businessmen on Wednesday opposed the initiative for increasing the gas price, saying the utility price hike will shoot up the cost of production, cut industries' competitiveness and disrupt the economic revival amid the pandemic. An FBCCI Director said the country's growing dependence on imports of energy is not safe for the future. It is important to harness domestic resources to ensure long-term energy security and sustain industrialisation.
- He also said the government should drill at least 100 more wells to explore oil and gas and the management of the distribution companies should be left to the private sector to bring order. The members of the committee demanded a one-stop solution to increase solar power generation, installation of solar panels in uncultivated lands of chars, government initiatives for research and development activities, and undertaking power generation projects from waste and rice husks.

<https://www.tbsnews.net/economy/businesses-oppose-gas-price-hikes-maintain-competitiveness-359701>

RMG exports increases by 24% in non-traditional market

- Apparel sector is steadily expanding its exports in the non-traditional market as the shipment of clothes to such destinations has increased by 24.26 % in the first six months of the current fiscal year 2021-22. In the first six months (July-December) of FY22, Bangladesh fetched USD306 crore by exporting garment products in the non-traditional market, according to the latest statistics of the Export Promotion Bureau. During the same period of the previous

(FY21), apparel items worth USD246.19 crore were shipped to non-traditional market.

- The United States, Canada and European countries are generally known as the traditional markets for garment exports. But now Chile, China, Japan, India, Australia, Brazil, Mexico, Turkey, South Africa and Russia are being considered as new markets for garment exports. Cash incentives and duty-free market facilities are also playing a significant role in boosting RMG exports to the new markets.

<https://www.newagebd.net/article/160418/rmg-exports-increases-by-24pc-in-non-traditional-market>

Central fund provided export garment workers BDT 18 crore in 6 months

- The central fund has provided over BDT 18.07 crore in the last six months to garments workers for treating "incurable diseases", injuries and providing higher education to their children. Since its formation, the central fund -- used for workers' welfare -- has provided about BDT 125.21 crore to about 9,500 workers and their families. Of these, the families of 5,623 dead workers have been provided BDT 112.01 crore as financial assistance.
- Another BDT9.25 crore has been provided to 3,047 sick workers as medical assistance and BDT1.52 crore as education assistance to 763 workers for their children's education. Since July 2017, 0.03% of the total export value of garment factories have been directly deposited to the central fund through the Bangladesh Bank. Its current cash balance with FDRs in various banks stands at around BDT214 crore.

<https://www.tbsnews.net/bangladesh/central-fund-provided-export-garment-workers-tk18-crore-6-months-359629>

Prime Bank to offer nano loans

- The global trend of loan availability at one's fingertips is gaining grounds in Bangladesh, this time with Prime Bank preparing to launch PrimeAgrim app, an AI-based instant digital nano loan platform. Customers whose salaries are of a specific range can avail up to 30 % of that as a loan within a few seconds through the app, which makes use of machine learning and alternative credit scoring. This service is available 24/7, the bank said in a statement. A pilot project has already been run since November 8, 2021 with garment maker Ananta through which over 1,000 loans have been disbursed among garment workers. Prime Bank plans to expand the services for workers of other sectors.

<https://www.thedailystar.net/business/economy/banks/news/prime-bank-offer-nano-loans-2943106>

Trading of T-bonds likely to begin on DSE in February

- Trading of all listed government treasury bonds is likely to begin in February when the Dhaka Stock Exchange completes formation of new yield-based debt board. DSE chief operating officer told that the bourse expected that it could run trading activities of treasury bonds in February. The vendor is working to prepare a specialised debt board which would have some unique features necessary for debt securities, he said.
- On October 14, 2021, the DSE successfully experimented the first trading of treasury bonds after 16 years using its trading system. At present, there are 221 treasury bonds with tenure ranging from 5-20 years listed on the DSE. Stocks investors will not need to open the BP ID as they would be allowed to trade through their BO accounts. Investors can also trade treasury bonds through current Market Infrastructure (MI) Module of the central bank.

<https://www.newagebd.net/article/160434/trading-of-t-bonds-likely-to-begin-on-dse-in-february>

Two life insurers' shares keep surging sans PSI

- Shares prices of two life insurers-- Fareast Islami Life Insurance and Prime Islami Life Insurance--are soaring abnormally despite no undisclosed price sensitive information (PSI). Within a month, the Fareast Islami Life Insurance share price jumped over 134% while share price of Prime Islami Life Insurance soared by 57% riding on speculation. The scam-hit Fareast Life Insurance is witnessing an unprecedented price hike and increase in volume of shares in

recent weeks without any valid reason.

- An audit was commissioned by the stock market regulator after receiving allegations that the life insurer has failed to meet customers' claims and matured policyholders' payments. On the other hand, share price of Prime Islami Life Insurance also rose more than 57% or BDT 32 each in a month to close at BDT 89.20 on Tuesday. Even after being served show-cause notice, the company's share price has not stopped rising and soared 9.85 % further on Tuesday. Some influential investors by disseminating rumours are trying to manipulate the prices of shares of many companies, said a stockbroker.

<https://thefinancialexpress.com.bd/stock/two-life-insurers-shares-keep-surgjng-sans-psi-1642566228>

BSEC panel auditor to look into Samin Food's financials for merger

- The Bangladesh Securities and Exchange Commission (BSEC) has instructed RN Spinning Mills, a concern of FAR Group, to have the financials of Samin Food and Beverage Industries and Textile Mills audited by someone from the BSEC panel of auditors. Besides, the company has also been asked to submit an audited report along with the draft scheme of its proposed merger with Samin Food.

<https://www.tbsnews.net/economy/stocks/bsec-panel-auditor-look-samin-foods-financials-merger-359680>

Mozaffar Hossain Spinning to allow associate company to mortgage assets for loans

- Mozaffar Hossain Spinning wants to provide an associate company with an opportunity to mortgage its assets for availing loans and for this the spinning mill will add a new clause to the Memorandum of Association. The listed company will now require approval from its shareholders, and will hold an extraordinary general meeting (EGM) on 5 March. The company had earlier sought approval from the High Court in accordance with the Companies Act to add a new clause to the Memorandum of Association. Mozaffar Hossain Spinning Mills Limited is a concern of SIM Group. Under this group, there are five more companies that will be able to use the assets of the spinning mill as a mortgage for loans.
- Mozaffar Hossain Spinning disclosed its financial statement for the first half of fiscal 2021-2022 on the Dhaka Stock Exchange (DSE) website on Wednesday. According to the statement, its earnings per share (EPS) jumped 23 times to BDT0.73 in the October-December quarter. At the end of the first half, the EPS stood at BDT 0.97, which was BDT 0.39 negative a year ago.
- The company disclosed that the effect of production and sales from the new ring spinning unit and full capacity utilisation at rotor unit, as well as the current price hike of yarn, helped the company report such a jump. According to sources, the company's current annual production capacity is about 13,000 tonnes, which was 5,500 tonnes earlier.

<https://www.tbsnews.net/economy/stocks/mozaffar-hossain-spinning-allow-associate-company-mortgage-assets-loans-359665>

World Stock and Commodities*

| Index Name | Close Value | Value Change YTD | % Change YTD |
|--------------------|--------------------|-------------------------|---------------------|
| Crude Oil (WTI)* | USD 86.37 | USD 11.16 | 14.84% |
| Crude Oil (Brent)* | USD 87.61 | USD 9.83 | 12.64% |
| Gold Spot* | USD 1,842.69 | USD 13.49 | 0.74% |
| DSEX | 7,089.43 | 332.78 | 4.93% |
| S&P 500 | 4,532.76 | -233.42 | -4.90% |
| FTSE 100 | 7,589.66 | 205.12 | 2.78% |
| BSE SENSEX | 60,098.82 | 1,845.00 | 3.17% |
| KSE-100 | 44,833.43 | 237.36 | 0.53% |
| CSEALL | 13,462.39 | 1,236.38 | 10.11% |

Exchange Rates**1 US Dollar = 85.87 BDT****1 GBP = 117.07 BDT****1 Euro = 97.23 BDT****1 INR = 1.15 BDT**

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