

*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.*

### **Foreign aid release, commitment surge in H1 of FY22**

- Bangladesh witnessed marked jumps in both foreign aid disbursement and commitments for new loans and grants in the first six months of the current 2021-22 fiscal year, mainly riding on Covid-related budget assistance and loans for purchasing vaccines. The country received 83% higher aid commitments year-on-year in the July-December period of FY22, while the amount of assistance released by the development partners in the period was USD1.2 billion higher compared to the same period a year ago, according to the Economic Relations Division's latest data.
- The amount of foreign aid allocation in this year's ADP is BDT88,024 crore. Because the pace of implementation is slow, the ministries and divisions have proposed to reduce the allocation of foreign aid by BDT17,774 crore in the revised ADP, the officials added. In the first six months of the financial year, the ADB released the highest amount of aid for Bangladesh. The Manila-based development partner freed more than USD1.5 billion during the period. Japan disbursed the second highest amount of foreign aid – USD 817 million – during the period, followed by the World Bank, and China. During the period, the government paid the development partners USD1 billion in principal and interest on loans. The volume of repayment was 900 million in July-December last year.

<https://www.tbsnews.net/economy/foreign-aid-release-commitment-surge-h1-fy22-362809>

### **Per capita income to reach USD 2,785 in FY22: Finance Minister**

- Finance Minister AHM Mustafa Kamal on Wednesday said the country's economy will recover to normal very soon, expressing optimism that the per capita income will reach USD2,785 in the current fiscal year. According to the provisional estimates of the Bangladesh Bureau of Statistics, the per capita income at the end of the last fiscal year stood at USD 2,554.
- This year USD 231 more will be added to the per capita income, according to the minister. The finance minister said credit flow to the private sector increased by 8.77% year-on-year at the end of September. The private sector credit growth is expected to reach close to 14.8% by the end of the current fiscal year as economic activities will get back full momentum in the current financial year, the minister noted.

<https://www.tbsnews.net/economy/capita-income-reach-2785-fy22-finance-minister-362794>

### **Companies can invest 25% of asset offshore**

- The government issued guidelines permitting Bangladeshi entrepreneurs to make offshore equity investment to the tune of 25% of net asset of a company. Seven core conditions are tied to the investment in foreign countries. They will be allowed to make equity investment abroad up to 20% of their average annual income from exports during the last five years or 25% of net asset mentioned in the last audited financial report.
- Interested entrepreneurs also must be an exporter with adequate balance in its Exporters' Retention Quota (ERQ) account, and must have sound financials in the past five years. The credit-rating grade of the entrepreneur has to be at least 2.0, and also cannot be a loan defaulter.
- Also, overseas equity investment will get priority in countries with which Bangladesh has agreements on bilateral equity investment, development, expansion, and conservation. However, equity investment by Bangladeshi entrepreneurs would not be allowed in countries where sanctions have been imposed by the United Nations, the European Union, Office of Foreign Asset Control (OFAC), and the countries which are not compatible with Financial Action Task Force (FATF) requirements.

<https://today.thefinancialexpress.com.bd/first-page/companies-can-invest-25pc-of-asset-offshore-1643220825>

### **BD businesses can avail credit from ESG Fund**

- Bangladeshi businesses can avail credit from USD 250 million worth of ESG First Fund, a finance initiative to promote environmental, social and governance (ESG) practices among the businesses in Asia and Africa. Aavishkaar Capital of India in partnership with KfW, a German state-owned investment and development bank, has introduced the fund recently.
- Exporters, especially the medium-sized ones, who have strong commitment to ESG practices can avail the fund, added Mr Karim. It also aims to enable the businesses with capabilities so that they can capitalise on the increasing consumer preference for ecologically-conscious, gender-equal and purpose-driven businesses and meet increasing demands on corporate due diligence in the course of regulatory measures in the European market.

<https://today.thefinancialexpress.com.bd/trade-market/bd-businesses-can-avail-credit-from-esg-fund-1643216491>

### **Private banks say unable to implement BB-set pay structure by 1 March**

- The Bangladesh Association of Bankers (BAB) has said it is not possible to implement a new pay structure set by the Bangladesh Bank for officers and employees at private banks from 1 March this year. "We have urged the central bank to extend the deadline for the implementation of salaries and allowances and review the pay structure," said BAB Chairman Md Nazrul Islam Mazumder. Asked about ambiguities in the circular, the BAB president said it lacks specific directions on increasing salaries and promotions.

<https://www.tbsnews.net/economy/banking/bb-pay-guideline-bank-officials-difficult-implement-march-bab-chairman-362608>

### **Banks' shock absorbing capacity deteriorates**

- Banks' capacity to absorb shock generated from an increased amount of non-performing loans deteriorated in the July-September quarter of 2021 compared with that in the previous quarter, according to a Bangladesh Bank report. Banks' capital base, also known as capital to risk weighted assets ratio, would drop to 9.36 % if top three large borrowers turn defaulters, the report said. The banks are supposed to maintain a CRAR of above 10 %. Pre-shock CRAR of the country's banks was 11.22 % at the end of September 2021.
- At the end of June 2021, the CRAR of the country's banking sector was 11.57 % and the ratio was 11.63 % in June 2020. Of the rest 48 banks, 16 banks would become non-compliant in maintaining the minimum required CRAR if NPL increases due to defaulting of top three large borrowers of the banks. Defaulted loans in the country's banking sector surged to BDT 1,01,150.3 crore as of September 30, 2021 from BDT 88,734.06 crore as of December 31, 2020.

<https://www.newagebd.net/article/161075/banks-shock-absorbing-capacity-deteriorates>

### **High engine capacity bikes see faster sales**

- The sale of higher engine capacity motorcycles grew thanks to their reduced prices as well as a reduction in registration fees. The demand for motorcycles with a cubic capacity (cc) of 150 achieved a 30% growth last year while that of 125cc models grew only 13%. 100cc to 110cc bikes witnessed 16% growth in demand after the market started recovering from coronavirus-induced shocks, according to market players. But in terms of market share, lower capacity engines still rule the roost with roughly 55 per cent more sales.
- Customers can now purchase a 150cc motorcycle at the same price as a 125cc bike. The price of a 125cc bike is around BDT 200,000 while 150cc models basically cost the same. Executive director of ACI Motors said that, barring any other unforeseen economic disaster, the demand for motorcycles will grow by 20- 25% annually until 2030.

- A total of 375,252 motorcycles were sold in 2021, up 21 per cent compared to 311,016 units the year before, according to data from the Bangladesh Road Transport Authority (BRTA). On average, monthly sales stood at about 31,271 units in 2021 while it was 25,918 units in 2020.

<https://www.thedailystar.net/business/economy/news/high-engine-capacity-bikes-see-faster-sales-2948231>

### **Eastern Bank to issue BDT 500 crore subordinated bond**

- Eastern Bank has decided to issue its third subordinated bond, worth up to BDT 500 crore for seven years, in a bid to enhance the company's capital base. The bond would be non-convertible, non-listed, and redeemable, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Wednesday.

<https://www.thedailystar.net/business/news/eastern-bank-issue-tk-500-crore-subordinated-bond-2947831>

### **Union Bank shares halted on debut day**

- Trading of Union Bank Ltd, a fourth generation private commercial bank, was halted at the upper limit circuit breaker after a few minutes of debut trading on Wednesday. The bank's share price closed at BDT 11 each on the Dhaka Stock Exchange (DSE), rising 10 %, the highest allowable limit on its issue price of BDT 10 each. A total number of 58 trades were executed with the trading volume of 40,265 shares with turnover value of BDT 0.44 million on the DSE. On the Chittagong Stock Exchange (CSE), the bank's share also rose 10% to close at BDT 11 each. Some eight trades were executed with 2,490 shares changing hands on the CSE.

<https://today.thefinancialexpress.com.bd/stock-corporate/union-bank-shares-halted-on-debut-day-1643215934>

### **JMI Hospital Requisite's IPO subscription to begin Feb 27**

- The initial public offering (IPO) subscription of JMI Hospital Requisite Manufacturing will open on February 27, aiming to raise BDT 750 million from the capital market. The IPO subscription of the medical requisite manufacturer through electronic subscription system (ESS) will be continued until March 3.
- The cut-off price of shares of JMI Hospital Requisite fixed at BDT 25 each through electronic bidding by eligible investors. The general investors, including NRBs, will get its IPO shares 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.

<https://today.thefinancialexpress.com.bd/stock-corporate/jmi-hospital-requisites-ipo-subscription-to-begin-feb-27-1643215980>

### **Two Monno entities see profit drop**

- Two out of three listed companies of Monno Group reported lower earnings in the first half of the financial year owing to increased expenses. Monno Fabrics said its earnings grew 150 % year-on-year in the July-December period. Earnings per share rose to BDT 0.05 from BDT 0.02 recorded in the previous year. Monno Ceramic, one of the oldest concerns of the group, recorded an 11 % decline in net profit, while Monno Agro & General Machinery's earnings dropped 20 %, according to the postings by the concerns on the website of the Dhaka Stock Exchange yesterday.
- Monno Ceramic said despite a 16 % rise in the October-December period, net profit declined in the six-month period, falling 11 %. The EPS declined to BDT 0.64 in July-December from BDT 0.72 recorded in the same period a year ago. The ceramics maker blamed increased operating expenses and finance costs for the EPS drop. Monno Agro closed 2.99 % lower at BDT 564.20, Monno Ceramic was down 0.53 % at BDT 112.70, and Monno Fabrics fell 2.08 % to end the day at BDT 23.50 on the DSE yesterday.

<https://www.thedailystar.net/business/organisation-news/news/two-monno-entities-see-profit-drop-2948211>

**World Stock and Commodities\***

<b>Index Name</b>	<b>Close Value</b>	<b>Value Change YTD</b>	<b>% Change YTD</b>
Crude Oil (WTI)*	USD 87.14	USD 11.93	15.86%
Crude Oil (Brent)*	USD 89.63	USD 11.85	15.24%
Gold Spot*	USD 1,816.56	(USD 12.64)	-0.69%
DSEX	7,032.44	275.79	4.08%
S&P 500	4,349.93	-416.25	-8.73%
FTSE 100	7,469.78	85.24	1.15%
BSE SENSEX	57,858.15	-395.67	-0.68%
KSE-100	44,955.05	358.98	0.80%
CSEALL	13,065.75	839.74	6.87%

**Exchange Rates****1 US Dollar = 85.85 BDT****1 GBP = 115.46 BDT****1 Euro = 96.45 BDT****1 INR = 1.15 BDT**

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