

Weekly Market Update

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-0.69%) lost -45.00 points and closed the week at 6,515.01 points. The blue-chip index DS30 (-1.25%) lost -29.82 points and stood at 2,346.35 points. The Shariah-based index DSES (-0.81%) lost -11.69 points and stood at 1,429.56 points. The large cap index CDSET (-1.04%) lost -13.48 points and closed at 1,284.32 points. DSEX, DS30, DSES and CDSET showed YTD returns of -3.58%, -7.35%, -0.11%, -5.50%, respectively.

Total Turnover During the Week (DSE): BDT 70.8 billion (USD 664 million)

Average Daily Turnover Value (ADTV): BDT 14.2 billion (Δ% Week: -22.1%)

Market P/E: 16.0x

Daily Index Movement during the Week

Market performed five sessions during this week. Market started on a negative note (-0.33%) on Sunday. It remains negative (-0.15%) on Monday. It turned positive on Tuesday (+0.14%) and then again became negative on Wednesday (-0.77%). Moreover, market ended at a positive note (+0.43%) on Thursday.

Sectoral Performance

- Most of the financial sectors registered negative performance this week. NBF1 experienced the highest loss of -0.93% followed by General Insurance (-0.91%), Life Insurance (-0.84%), Bank (-0.06%), and Mutual Fund (+0.30%).

- Non-financial sectors posted mixed performance this week. Food & Allied booked the highest gain of 0.41% followed by Telecommunication (+0.01%). Pharmaceutical experienced the highest loss of 1.70% followed by Fuel & Power (-0.64%), and Engineering (-0.04%).

Macroeconomic arena

- Govt to procure 90,000 tonne fertilizer. New challenges facing five-year plan. MFS transactions drop over 5%, but card use rises 2%. BB sells USD ignoring market rates. Bangladesh leads global denim market. Traders now allowed to export from another country. FBCCI wants testing labs at ports to ease doing business. Public Debt Act updated with sovereign bonds, government sukuk clauses. Exporters in raw material crunch. Central bank website shows BDT106.15 as highest inter-bank dollar exchange rate. Bida plans new scheme to ease firm registration. Apparel exports to Europe, US may surge by USD54 Bn by 2030: Research. China going slow on its USD20 Bn loan pledge. Bangladesh Bank increases dollar price by BDT1 to BDT96. Hong Kong investments sought for logistics sector. Disbursal fails to catch up with WB loan commitments.

- Industrial credit rises 22% in FY22 on higher import costs. 80% CMSME loan disbursal target met in six months. US Coast Guard expresses satisfaction over Ctg port security measures. Only 16% of USD7.3 Bn Indian LoCs disbursed in 12 years. Manpower export sees robust growth in eight months. Rice acreage declines both in Aus and Aman season. Foreign currency dealers, banks cap dollar exchange rates. Industries invest big time in solar to combat energy crunch. Printers seek govt support for expansion, modernization. Forex reserve falls to USD37 Bn. Biz acquisition rises to duck registration hassles. Bankers, forex dealers associations to set uniform dollar rate Sunday. Farmers suffer as dealers charging higher price for fertilizer. Tea prices up by BDT30 a kg in peak season. 'Bangladesh yet to meet minimum requirements of fiscal transparency'.

Stock Market arena

- Scam-hit BIFC suffers losses for sixth straight year. Pubali Bank perpetual bond's half-yearly coupon rate declared as 9.58%. Pran-RFL enters mobile phone manufacturing. Genex Infosys partners with Standard Chartered to expand the bank's client base. Meghna Insurance declares 3% cash dividend for 2021. Post-listing non-performance: BSEC asks some merchant banks to explain. National Bank to raise USD100 Mn by issuing bonds. IPDC gets conditional approval for EUR15 Mn loan from DEG. Pragati Life Insurance allowed to issue bonus shares. Navana Pharma launches IPO Tuesday. Oryza Agro recommends 11% cash dividend. Apex Tannery profit jumps 141%. Regulators reject Rupali Bank's dividend. BSEC to review Kattali Textile's utilisation of IPO funds.

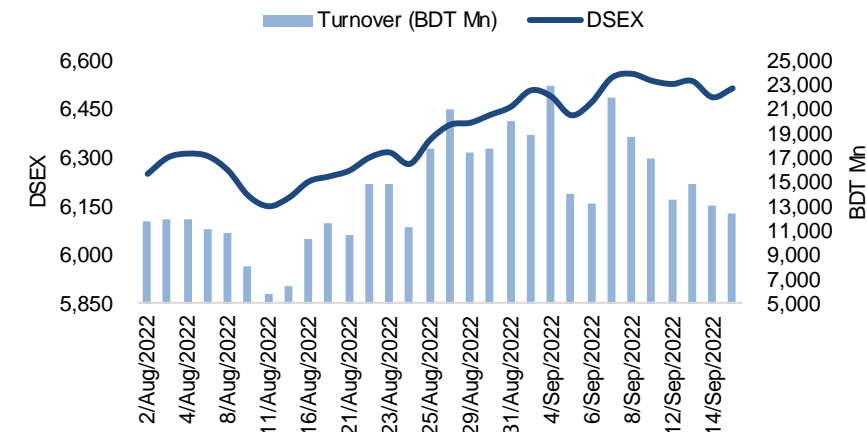
Table 1: Index

Index	Closing*	Opening*	Δ(Pts)	30-Dec-2021	Δ% Week	Δ% YTD
DSEX	6,515.01	6,560.02	-45.00	6,756.66	-0.69%	-3.58%
DS30	2,346.35	2,376.17	-29.82	2,532.58	-1.25%	-7.35%
DSES	1,429.56	1,441.25	-11.69	1,431.12	-0.81%	-0.11%
CDSET	1,284.32	1,297.80	-13.48	1,359.13	-1.04%	-5.50%

Table 2: Market Statistics

		This Week	Last Week	% Change
M cap	M n BDT	5,201,266	5,225,089	-0.5%
	M n USD	48,724	48,947	
Turnover	M n BDT	70,829	90,912	-22.1%
	M n USD	664	852	
Average Daily Turnover	M n BDT	14,166	18,182	-22.1%
	M n USD	133	170	
Volume	M n Shares	1,196	1,765	-32.2%

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
JUTESPINN	227.7	164.6	+38.3%	387	46.8	NM	NM
JHRML	115.8	92.7	+24.9%	14,509	2,630.5	39.1x	3.8x
SEAPEARL	85.5	68.6	+24.6%	10,324	433.6	NM	7.4x
JMISMDL	439.9	356.8	+23.3%	9,722	548.8	72.0x	3.5x
SONALIANSH	721.2	603.0	+19.6%	1,956	364.7	NM	3.2x
NORTHERN	288.3	241.3	+19.5%	618	36.1	NM	3.5x
AMBEEPFA	604.6	511.2	+18.3%	1,451	99.4	NM	31.1x
UNIONCAP	11.3	9.6	+17.7%	1,950	113.2	NM	NM
MONNOAGML	563.8	498.1	+13.2%	1,541	98.8	NM	37.4x
BDTHAIFOOD	42.5	37.7	+12.7%	3,464	269.6	58.3x	2.9x

Table 4: Top Ten Losers

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
SUNLIFEINS	63.2	69.9	-9.6%	2,260	100.0	NM	NM
SIMTEX	18.6	20.3	-8.4%	1,480	97.7	218x	0.8x
DACCADYE	18.7	20.4	-8.3%	1,630	91.8	20.3x	0.5x
FEKDIL	19.9	21.7	-8.3%	4,353	127.0	30.1x	10x
ACFL	27.2	29.6	-8.1%	2,743	35.5	23.9x	0.8x
ORIONPHARM	116.2	125.9	-7.7%	27,191	7,008.0	28.3x	14x
FUWANGCER	17.7	19.1	-7.3%	2,412	132.6	610x	15x
SILVAPHL	22.2	23.9	-7.1%	3,030	86.7	25.4x	13x
SILCOPHL	24.9	26.7	-6.7%	2,585	73.6	29.3x	1.1x
IFDAUTOS	49.2	52.6	-6.5%	12,445	115.7	218x	12x

Table 5: Top Ten Most Traded Shares

Company Name	Close*	Open*	Δ%	Mcap**	Turnover**	PE	PB
BEXIMCO	135.9	132.1	+2.9%	119,092	9,116.1	8.3x	15x
ORIONPHARM	116.2	125.9	-7.7%	27,191	7,008.0	28.3x	14x
JHRML	115.8	92.7	+24.9%	14,509	2,630.5	39.1x	3.8x
LHBL	77.8	82.8	-6.0%	90,355	1,943.1	23.2x	5.1x
SPCERAMICS	48.1	45.8	+5.0%	7,069	1,856.1	NM	15x
BSC	135.4	136.8	-1.0%	20,653	1,843.1	10.0x	2.0x
NAHEEACP	76.0	79.9	-4.9%	5,195	1,517.8	26.1x	4.0x
ORIONINFU	467.4	419.0	+11.6%	9,516	1,228.0	NM	34.5x
EHL	79.6	82.4	-3.4%	7,430	1,205.0	16.1x	1.1x
MALEKSPIN	39.8	41.1	-3.2%	7,705	1,098.1	9.2x	0.8x

Table 6: Most Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
IPDC	66.4	+72.0%	24,640	27.0x	3.9x
UNIQUEHRL	68.5	+36.5%	20,166	23.4x	0.7x
SQUARETEXT	70.6	+35.2%	13,926	8.1x	16x
EGEN	56.9	+19.8%	4,268	33.9x	2.7x
CROWNCEMENT	74.4	+19.6%	11,048	37.8x	14x
IBNSINA	322.6	+18.9%	10,079	16.6x	3.9x
ADNTEL	60.8	+16.0%	3,931	23.6x	2.3x
TITASGAS	41.4	+14.0%	40,954	12.2x	0.6x
SHASHADNIM	27.0	+10.2%	3,808	14.7x	0.6x
LHBL	77.8	+9.4%	90,355	23.2x	5.1x

Table 7: Sector Indices

Sector Name	Week Close*	Week Open*	Year Open*	Δ% Week	Δ% YTD
Bank	1462.7	1463.6	1589.69	-0.06%	-7.99%
NBFI	2,048.7	2,067.9	2,327.63	-0.93%	-11.98%
Mutual Fund	857.1	854.5	882.99	+0.30%	-2.94%
General Insurance	3,238.0	3,267.8	4,698.62	-0.91%	-31.09%
Life Insurance	2,465.0	2,485.7	2,687.55	-0.84%	-8.28%
Telecommunication	4,961.6	4,960.9	5,800.37	+0.01%	-14.46%
Pharmaceutical	3,933.8	4,001.7	3,866.63	-1.70%	+1.74%
Fuel & Power	1,749.2	1,760.5	1,792.97	-0.64%	-2.44%
Cement	2,624.5	2,794.9	2,534.76	-6.10%	+3.54%
Services & Real Estate	1,708.5	1,559.0	1,309.43	+9.59%	+30.48%
Engineering	4,614.4	4,616.3	4,727.46	-0.04%	-2.39%
Food & Allied	21,576.0	21,486.8	25,222.81	+0.41%	-14.46%
IT	2,683.7	2,562.9	3,274.61	+4.71%	-18.05%
Textile	1,699.0	1,745.8	1,470.60	-2.68%	+15.53%
Paper & Printing	10,697.4	10,529.7	9,680.03	+1.59%	+10.51%
Tannery	3,184.4	3,103.3	3,236.76	+2.61%	-1.62%
Jute	11,517.8	9,941.7	8,747.84	+15.85%	+31.66%
Ceramics	747.9	743.8	675.88	+0.55%	+10.66%
Miscellaneous	4,514.0	4,523.1	4,625.39	-0.20%	-2.41%

Table 8: Sector Trading Matrix

Sector Name	Daily average this week	Daily average last week	% Change	% of Total Turnover	PE	PB
Bank	402.8	521.4	-22.74%	+3.00%	7.8x	0.8x
NBFI	507.6	631.0	-19.56%	+3.78%	NM	3.9x
Mutual Fund	20.6	87.8	-76.53%	+0.15%	NM	0.8x
General Insurance	175.8	333.5	-47.28%	+1.31%	15.1x	15x
Life Insurance	413.3	680.5	-39.26%	+3.08%	NM	NM
Telecommunication	149.7	189.7	-21.11%	+1.11%	15.5x	4.6x
Pharmaceutical	2,994.2	3,252.8	-7.95%	+22.30%	18.6x	2.7x
Fuel & Power	617.6	1,005.0	-38.54%	+4.60%	115x	12x
Cement	410.9	779.5	-47.28%	+3.06%	27.8x	2.8x
Services & Real Estate	676.0	1,185.4	-42.98%	+5.03%	90.2x	12x
Engineering	1,262.5	2,069.1	-38.98%	+9.40%	20.3x	19x
Food & Allied	498.0	844.3	-41.02%	+3.71%	23.0x	8.1x
IT	396.5	532.4	-25.52%	+2.95%	28.0x	2.4x
Textile	1,110.4	1,843.4	-39.76%	+8.27%	27.0x	1.1x
Paper & Printing	262.4	466.7	-43.78%	+1.95%	NM	2.7x
Tannery	125.9	97.3	+29.40%	+0.94%	36.1x	3.3x
Jute	89.5	51.2	+75.02%	+0.67%	NM	41.8x
Ceramics	470.9	389.4	+20.92%	+3.51%	32.1x	2.1x
Miscellaneous	2,841.0	2,512.0	+13.10%	+21.16%	12.6x	2.2x

Table 9: Least Appreciated YTD in BRAC EPL Universe

Company Name	Close*	YTD %Δ	Mcap**	PE	PB
HEIDELBCEM	182.0	-33.2%	10,284	NM	2.9x
PIONEERINS	71.5	-32.7%	6,054	10.7x	14x
LANKABAFIN	26.5	-29.0%	14,279	118x	14x
BRACBANK	38.5	-25.2%	57,619	113x	10x
ACTIVEFINE	19.3	-24.6%	4,631	83.9x	0.9x
BATBC	518.7	-18.4%	280,098	18.1x	7.4x
GP	286.6	-18.0%	386,996	114x	7.7x
DBH	57.8	-17.5%	11,270	10.3x	15x
OLYMPIC	135.5	-15.6%	27,092	18.5x	3.0x
RECKITBEN	4,885.1	-14.7%	23,082	30.6x	56.6x

Important News: Business & Economy

Govt to procure 90,000 tonne fertilizer

- The government is set to procure 90,000 tonne fertilisers at a cost of BDT6.8313 Bn from Canada and Morocco. The Cabinet Committee on Government Purchase (CCGP) on Wednesday approved two separate proposals of the Bangladesh Agriculture Development Corporation (BADC) under the agriculture ministry, reports the UNB.
- Of the bulk agro-inputs, some 50,000 tonnes of Muriate of Potash (MoP) fertiliser will be imported from Canadian Commercial Corporation at a cost of BDT3.8619 Bn with each metric tonne costing USD812.62 while previous price was USD914. Some 40,000 tonnes of Diammonium phosphate (DAP) fertiliser will be imported by BADC from OCP, SA of Morocco at a cost of BDT2.9693 Bn with each metric tonne costing USD781 against an earlier price of USD914.
- Meanwhile, the Cabinet Committee on Economic Affairs at a meeting approved in principle two separate proposals on rice import. As per a proposal, the Directorate General of Food will import 400,000 tonnes of rice through direct purchase method (DMP) from rice exporting countries.

<https://www.tbsnews.net/economy/govt-procure-90000-tonne-fertiliser-496450>

New challenges facing five-year plan

- Bangladesh will have to deal with the challenges related to the Covid-19 pandemic, graduation from the list of the least-developed country and climate change, and the barriers standing in the way of Sustainable Development Goals during the Eighth Five-Year Plan period.
- "Besides, the Russia-Ukraine war, the rise in fuel prices, the disruption in the supply chain, and the currency depreciation are some other major challenges that the government will confront," said Shubhashish Bose, chief executive officer of the Institute of Chartered Accountants of Bangladesh (ICAB).
- He made the remarks while giving a presentation at a roundtable on the Eighth Five-Year Plan at the ICAB in Dhaka. The plan, which will be implemented from 2021 to 2025, has targeted to attain an 8.51% economic growth and reduce the poverty rate to 15.6%, among major goals.

<https://www.thedailystar.net/business/economy/news/new-challenges-facing-five-year-plan-3119756>

MFS transactions drop over 5%, but card use rises 2%

- Transactions through mobile financial services registered a fall of more than 5% or BDT51.24 Bn in July because economic activities went slow after Eid-UI-Azha, one of the biggest festivals of the Muslims. Eid was celebrated on 10 July and Eid-centric activities took place mostly towards the later part of June.
- The amount of money transacted through MFS platforms dropped to BDT891.69 Bn in July from BDT942.93 Bn a month before, according to the latest Bangladesh Bank data. On the other hand, card transactions rose by 2% to BDT384.61 Bn in the same month, while foreign currency transactions stood at BDT4.42 Bn, with more people preferring credit cards in foreign travels amid a crisis of cash dollars. The number of card holders stood at 32.4 Mn as of July.

<https://www.tbsnews.net/economy/banking/mfs-transactions-drop-over-5-card-use-rises-2-496418>

BB sells USD ignoring market rates

- The Bangladesh Bank yesterday sold USD40 Mn to banks at BDT96 each, a rate that contradicts its own efforts aimed at embracing a floating exchange rate since it is far lower than the market rate. A senior BB official, on the condition of anonymity, argued that the central bank will need some time to follow the market-based rate while selling the greenback to banks.

<https://www.thedailystar.net/business/economy/banks/news/bb-sells-usd-ignoring-market-rates-3119781>

Bangladesh leads global denim market

- Bangladesh's dominance in the global denim market has continued thanks to a surge in demand driven by the trade tension between the US and China. Owing to higher demand, denim product manufacturers have surpassed their Chinese counterparts in Europe and the US, the two major export destinations for Bangladesh.
- Bangladesh exported denim products worth USD689.69 Mn to European Union in the January–June period of 2022, registering a 37.26% year-on-year growth, according to data from the Export Promotion Bureau and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). It was USD502.45 Mn during the corresponding period of 2021.
- Similarly, Bangladesh is the top denim exporter in the US, fetching USD445.51 Mn in the first half, an increase of 57.06% from USD283.65 Mn during the identical six-month period last year.

<https://www.thedailystar.net/business/economy/news/bangladesh-leads-global-denim-market-3118961>

Traders now allowed to export from another country

- The Bangladesh Bank has announced a "Merchanting Trade" policy which will allow traders to buy goods and services from another country and export those to a third country in a bid to diversify exports.
- The Foreign Exchange Policy Department of Bangladesh Bank issued a circular in this regard on Wednesday, stating, "In accordance with the export policy in force, a trade for which goods or services procured from a country, are shipped or delivered directly to a third country is defined as 'merchanting trade'. To facilitate transactional services by ADs [authorised dealers] to their 'merchanting, trade' customers, it has been decided to formulate a set of operational guidelines."

<https://www.tbsnews.net/economy/traders-now-allowed-export-another-country-496414>

FBCCI wants testing labs at ports to ease doing business

- Testing labs need to be set up at ports so that imported raw materials can be released swiftly and factory production continues up and running, said Md Jasim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on Wednesday.
- Now, goods imported mainly through the Chattogram port have to be sent to Dhaka for testing, which leads to a delay up to a month in releasing the goods, he noted at the second meeting of the FBCCI standing committee on port and shipping held at the FBCCI office.

<https://www.tbsnews.net/economy/fbcci-wants-testing-labs-ports-ease-doing-business-496258>

Public Debt Act updated with sovereign bonds, government sukuk clauses

- The government published the gazette for Public Debt Act, 2022 on Tuesday. The new act, replacing Public Debt Act 1944, incorporates clauses for sovereign bonds and Shariah-compliant securities. In the absence of necessary clauses in the previous act, the government had to rely on executive orders for its borrowings.
- For example, the government collected BDT80 Bn for a countrywide safe water project with a sukuk in fiscal year 2020-21, based on executive orders. But from now on, it can rely on the added clauses in the new act. The new act incorporates clauses related to the state's guarantee against debts issued by its various entities.

<https://www.tbsnews.net/economy/public-debt-act-updated-sovereign-bonds-government-sukuk-clauses-495790>

Exporters in raw material crunch

- Export-oriented businesses now fear that they might miss shipment deadlines as their sourcing of necessary raw materials are now facing disruptions as some banks are refusing to open LCs on account of dollar shortages and non-settlements of previous loans taken from Export Development Fund (EDF) with export proceeds, according to industry people.
- On top of it, a number of exporters now see their borrowing from the EDF inadequate because raw material prices have gone up in the global market and the US dollar continues to gain against taka, a dozen of entrepreneurs and business leaders told The Business Standard. As a result, timely deliveries for ordered goods have become uncertain, they noted.

<https://www.tbsnews.net/economy/exporters-raw-material-crunch-495818>

Central bank website shows BDT106.15 as highest inter-bank dollar exchange rate

- The website of the Bangladesh Bank shows BDT106.15 as the highest inter-bank rate of dollar exchanges and BDT101.67 as the lowest rate. According to the website of the central bank, these prices were the highest and lowest rates of exchanges among the dealer banks as of Tuesday.
- The dollar exchange rate was BDT95 till Sunday and increased by BDT1.0 on Monday. However, UNB reported that the central bank sold USD45 Mn from foreign exchange reserves at the rate of BDT96 on Tuesday.

<https://thefinancialexpress.com.bd/economy/central-bank-website-shows-tk-10615-as-highest-inter-bank-dollar-exchange-rate-1663079380>

Bida plans new scheme to ease firm registration

- The Bangladesh Investment Development Authority (Bida) is undertaking a new programme to encourage investment by simplifying firm registration procedures for starting a business. The programme, called the Bangladesh Investment Climate Improvement (BICI), aims to increase investment and firm registration by at least 10% annually.
- Initially, 50 reform proposals will be implemented in the next 50 weeks and 100 reform proposals will be implemented by the ministries concerned in three years, according to the BICI framework finalised in consultation with the Cabinet Division and sent to the Ministry of Finance.

<https://www.tbsnews.net/economy/bida-plans-new-scheme-ease-firm-registration-494050>

Apparel exports to Europe, US may surge by USD54 Bn by 2030: Research

- A declining trend of China's garment exports on top of the establishment of a strong local backward linkage industry makes the Bangladesh apparel sector nicely poised to increase its annual exports to two key markets – Europe and the US – by USD54 Bn by 2030, predicts Research and Policy Integration for Development (RAPID).
- Bangladesh has the potential to boost its apparel exports to the US market to USD24 Bn and to the European market to USD65 Bn by next eight years, says the research organisation. It has calculated the potential of garment exports in view of the current trend and statistics of the global apparel market, and the potential capacity of the Bangladesh RMG industry.
- According to Export Promotion Bureau (EPB) estimates, Bangladesh exported garments worth about USD43 Bn in the fiscal 2021-22, of which exports to Europe accounted for USD26 Bn. Bangladesh's RMG exports to the US market stood at USD9 Bn last fiscal year. In other words, Bangladesh's garment exports to these two markets may increase two and a half times in eight years, with an average annual export growth of 12% to Europe and 15% to the US, according to RAPID.

<https://www.tbsnews.net/economy/rmg/apparel-exports-europe-us-may-surge-54b-2030-research-495114>

China going slow on its USD20 Bn loan pledge

- China is going slow in materialising its loan pledges for Bangladesh, with signing only two projects worth USD400 Mn in the current fiscal year, Economic Relations Division (ERD) officials said. In the last fiscal year, only one project was signed for a USD1.12 Bn Chinese loan.
- With these, the loan deals amounted to USD7.8 Bn for 27 projects since the Asian powerhouse had pledged USD20 Bn loans under the Strengthening and Production Capacity Cooperation scheme signed in 2016 during the Dhaka visit of Chinese president Xi Jinping.
- ERD officials, who find Chinese loan offers flexible, said the deals for the USD20 Bn loan were supposed to be concluded in five years since the offer was made. But the Chinese authorities seem to be going slow, which made officials worried about the prospect of getting the pledged low-cost loan before 2026 – the year Bangladesh is set to graduate from LDC and will have to pay higher cost for borrowing.

<https://www.tbsnews.net/economy/china-going-slow-its-20b-loan-pledge-494510>

Bangladesh Bank increases dollar price by BDT1 to BDT96

- The Bangladesh Bank increased the exchange rate for dollar by BDT1 to BDT96 Monday (12 September). Central bank sources confirmed the increase in the exchange rate. A day ago, the central bank had traded dollars for BDT95 each. On the same day, banks capped the rates of the dollar at BDT108 for remittance inflows and BDT99 for export proceeds as part of an effort to curb volatility in the country's foreign exchange market.
- The two organisations collected a maximum of BDT108 per dollar in remittances from Monday while encashing export revenue at a maximum of BDT99 per dollar. Additionally, they opened LC at BDT1 more than the weighted average of the exchange rate of remittance and export. The interbank dollar exchange rate on Monday was BDT103.5.

<https://www.tbsnews.net/economy/banking/bangladesh-bank-increases-dollar-price-tk1-tk96-495086>

Hong Kong investments sought for logistics sector

- Bangladesh has sought investments in its logistics sector from Hong Kong. At a programme – Exploring business and investment opportunities for Bangladesh via Hong Kong – speakers urged investors from Hong Kong to invest in Bangladesh owing to its pro-investment environment. They also said Bangladesh has set up 100 economic zones where various facilities are being provided for investors.

<https://www.tbsnews.net/economy/hong-kong-investments-sought-logistics-sector-495106>

Disbursal fails to catch up with WB loan commitments

- The net loan pledge by the World Bank to Bangladesh edged up USD4.6 Bn in the last five years, while the disbursement ratio registered a fall, according to the lender's portfolio. Compared to FY18, the World Bank disbursed only USD519 Mn more in FY22, show a WB report. At the end of FY22, the undisbursed amount was USD8.5 Bn as it was USD7 Bn in FY18.
- According to the report, the commitment-disbursement ratio declined to 16.1% in FY22. The figure was at 17.8% in FY21, 15.2% in FY20, 21.2% in FY19 and 21.8% in FY18. A tripartite meeting on 11-12 September in Dhaka by the global lender, implementing agencies and the Economic Relations Division (ERD) identified a number of project issues such as slow start, readiness and improper synchronisation between the government and the lender mainly responsible for delaying the disbursement.

<https://www.tbsnews.net/economy/disbursal-fails-catch-wb-loan-commitments-495098>

Industrial credit rises 22% in FY22 on higher import costs

- Credit flow to the industrial sector has registered a 22% jump year-on-year in FY22, riding on high import costs and rising dollar prices. In the last fiscal year, banks and non-bank financial institutions disbursed BDT4,815.17 Bn in loans to the industrial sector, while the disbursement was BDT3,747.19 Bn in FY21, according to the central bank's industrial quarterly report.
- Bankers have mainly linked this healthy credit growth to imports of capital machinery and other goods at higher costs because of soaring global prices and continuous gain of dollars against taka. The lending rate is still capped at 9% for banks although the central bank has raised the repurchase agreement (repo) rate to 5.5% to control inflation. That is why customers are availing bank loans at lower rates, leading to a rise in disbursements to the industrial sector, they say.

<https://www.tbsnews.net/economy/industrial-credit-rises-22-fy22-higher-import-costs-495102>

80% CMSME loan disbursement target met in six months

- Loan disbursement to the cottage, micro, small and medium enterprises (CMSME) sector has gained pace with improving pandemic situation as banks and non-bank financial institutions (NBFIs) have disbursed 80% of the yearly target from January to June this year. As of the end of June, BDT2,300 Bn has been disbursed to the CMSME sector against the yearly disbursement target of BDT2,850 Bn.

<https://www.tbsnews.net/economy/80-cmsme-loan-disbursement-target-met-six-months-494506>

US Coast Guard expresses satisfaction over Ctg port security measures

- The US Coast Guard has expressed satisfaction with the overall security measures at Chattogram port. Recently a delegation of the US Coast Guard visited the port and gave their positive opinion after observing its overall security system, said a press release.
- Some 1,241 cameras have been installed to strengthen and modernise the port's security system and 60 tonnes of hazardous goods have already been destroyed at the port under the supervision of customs authorities. Navigability improvement work reached 95% of completion through dredging from Sadarghat of Karnaphuli river to Bakliar Char; The rest of the work will be completed in September.

<https://www.tbsnews.net/economy/us-coast-guard-expresses-satisfaction-over-ctg-port-security-measures-494314>

Only 16% of USD7.3 Bn Indian LoCs disbursed in 12 years

- Of USD7.3 Bn loans committed to Bangladesh under three lines of credit (LoCs) of India, USD1.2 Bn has so far been disbursed since the first credit line was signed 12 years ago and the third one five years back. The disbursed loan accounts for 16.6% of the total amount pledged, according to the updated report of the Economic Relations Division (ERD).

<https://www.tbsnews.net/economy/only-16-73b-indian-locs-disbursed-12-years-494498>

Manpower export sees robust growth in eight months

- The country's overseas employments in the eight months of the current year witnessed a robust growth following demands of manpower from different job-destination countries. Bangladesh sent 783,925 workers abroad in the January-August period of 2022, as against 275,791 in the matching period of 2021, reflecting more than 184% growth, official data showed. Besides, the employments has increased over 23% in August alone than that of previous month. It showed 92,908 workers found jobs in August and 75,499 in July.

<https://thefinancialexpress.com.bd/economy/bangladesh/manpower-export-sees-robust-growth-in-eight-months-166277787>

Rice acreage declines both in Aus and Aman season

- Rice acreage in both Aus and Aman seasons, which comprise 45% of the country's rice supplies combined, has shrunk notably this year, causing a great concern for food security. The astronomical hike in diesel price during July-August drought as well as a fertiliser supply crunch has made the situation critical, forcing Bangladesh to source grains from abroad, said insiders.
- The Department of Agricultural Extension (DAE) discloses that Aman has been planted on 5.4 Mn hectares of land until September 07 against last year's 5.6 Mn hectares. The government had a target to produce 15.5 Mn tonnes of rice on 5.9 Mn hectares under Aman farming this fiscal, said the DAE and the Bangladesh Bureau of Statistics (BBS).
- However, the acreage this year is almost 0.2 Mn hectares short of last year's, when the Aman output was an all-time high of 14.95 Mn tonnes. Aman season comprises 36-38% of the country's total rice demand. According to the DAE data, Aus acreage also shrank to 1.06 Mn hectares this year. It was 1.15 Mn hectares in fiscal year (FY) 2021-22.

<https://thefinancialexpress.com.bd/economy/rice-acreage-declines-both-in-aus-and-aman-season-1662899427>

Foreign currency dealers, banks cap dollar exchange rates

- Foreign currency dealers and banks have finally capped the dollar exchange rates following Bangladesh Bank's instructions amid a lingering crisis centring the greenback. The ceiling will be BDT108 for inward remittances and BDT99 for export proceeds, effective from Monday, reports bdnews24.com. The rate for letters of credit for import will be an average between the rate for remitters and the rate for exporters.

<https://thefinancialexpress.com.bd/economy/foreign-currency-dealers-banks-cap-dollar-exchange-rates-1662900511>

Industries invest big time in solar to combat energy crunch

- Amid a power supply crunch triggered by severe energy shortages and a fear that power tariff may go further up in coming days, industries in Bangladesh are increasingly turning to solar plants to meet a part of their electricity needs. Some entrepreneurs are also installing sophisticated energy-efficient equipment to reduce power consumption. They are trying to cope with the situation by installing boilers that work even at low gas pressure. Entrepreneurs have told The Business Standard that they do not see a long-term solution to the energy and power crisis.
- Electricity bills will keep increasing steadily, coming close to the cost of self-managed power generation, they mentioned, adding that global buyers of Bangladeshi apparels are also asking Bangladeshi suppliers for a long-term plan on green energy as there is a pressure on them to reduce the use of electricity generated using fossil fuels such as gas and coal in the production process in the supply chain.

<https://www.tbsnews.net/bangladesh/energy/industries-invest-big-time-solar-combat-energy-crunch-493294>

Printers seek govt support for expansion, modernization

- The country's printing sector has huge potential and can be expanded with proper policy support from the government and modernisation of the factories, said sector insiders. The size of the global printing market is USD3.0 Tn but Bangladesh has a tiny share of that market with exports worth only BDT1.60 Bn, according to Printing Industries Association of Bangladesh (PIAB).
- Currently, there are 7,000 small and big printing companies in Bangladesh, where about 0.30 Mn people are employed. Industry owners say they are able to meet the demand for printing government textbooks in the country. This sector can contribute to exports if technological upgradation and necessary policies can be set by the government.

<https://www.tbsnews.net/economy/printers-seek-govt-support-expansion-modernisation-493270>

Forex reserve falls to USD37 Bn

- Amid the ongoing dollar crisis, Bangladesh's foreign exchange reserves have further declined to USD37 Bn. Reserves have fallen to this level after paying off USD1.73 Bn to Asian Clearing Union (ACU). At the end of Thursday (8 September), reserves stood at USD37.06 Bn; on Wednesday (7 September) it was USD38.94 Bn.

<https://www.tbsnews.net/economy/forex-reserve-falls-37-billion-492842>

Biz acquisition rises to duck registration hassles

- To cut time and costs, entrepreneurs are now preferring to buy out existing sick or underperforming companies rather than start from the ground up. Many such acquisitions in the recent past have been in the sectors of RMG, textile, leather and packaging and processing.
- Around 8,000 such companies went through change in ownerships in the last three years. In FY22, company acquisition rose 12% year-on-year, according to the Registrar of Joint Stock Companies and Firms (RJSC). Avoiding bureaucratic tussle is one of the overriding reasons for the Entrepreneurs to go for acquisition of companies as it allows them to start business operations faster, they say.

<https://www.tbsnews.net/economy/biz-acquisition-rises-duck-registration-hassles-493878>

Bankers, forex dealers associations to set uniform dollar rate Sunday

- The Association of Bankers, Bangladesh (ABB) and the Bangladesh Foreign Exchange Dealers' Association (Bafeda) are expected to fix a uniform exchange rate of Taka against the US dollar on Sunday after reviewing the overall situation of the country's foreign exchange market. The two associations were given the authority at a meeting held yesterday with Bangladesh Bank Governor Abdur Rouf Talukder in the chair, according to meeting sources.
- The sources also said banks in the country are currently encashing export proceeds between BDT99 and BDT102 per dollar, while they are collecting remittances at BDT108-110 per dollar. On the other hand, banks are settling import payments at a rate BDT1 higher than the weighted average of the export proceeds encashment rate and remittance collection rate. Against such a backdrop, the central bank governor has tasked the ABB and Bafeda with fixing these three rates.

<https://www.tbsnews.net/economy/bankers-forex-dealers-associations-set-uniform-dollar-rate-sunday-492766>

Farmers suffer as dealers charging higher price for fertilizer

- Abdul Jalil, a farmer in Jamalpur, started looking for Muriate of Potash (MoP) fertiliser last week, but he found none in the nearby shops. When he managed to find it, the seller charged him BDT1,500 for a 50kg sack, which is actually priced at BDT750. Farmers across the country said they have already been confronting a crisis of urea fertiliser, and the scarcity of MoP has worsened the situation.
- Farmers in various districts, including Rangpur, Bogura, Dinajpur, Rajshahi, Jamalpur, Barishal, and Barguna, said the government recently fixed the price of a 50kg bag of urea at BDT1,100, but the sellers are charging them BDT1,300-1,400.

<https://www.tbsnews.net/economy/farmers-suffer-dealers-charging-higher-price-fertiliser-493366>

Tea prices up by BDT30 a kg in peak season

- Prices of tea usually slide in the country's markets in June-October, during the peak season of production, but this year the prices have gone up. According to industry insiders, tea prices have increased by BDT30-40 per kg in the last two weeks in the auction and market levels as leaves picking in the country's tea gardens remained closed for three consecutive weeks last month due to workers' movement demanding higher wages.
- The average price of tea in the 17th auction held in Chattogram on 5 September was over BDT220 per kg. In the previous auction on 29 August, the average price was BDT210. In the previous 10th to 15th auctions, the prices ranged between BDT90 and BDT200, said auction sources.

<https://www.tbsnews.net/markets/tea-prices-tk30-kg-peak-season-493874>

'Bangladesh yet to meet minimum requirements of fiscal transparency'

- Bangladesh has made significant progress towards meeting international requirements of fiscal transparency for the first time, but it continues to fall short of the minimum standard, according to the 2022 Fiscal Transparency Report, published by the US Department of State on Friday. The US Department of State has been publishing the report since 2008 on the governments, which receive US foreign assistance, in consultation with other relevant US agencies.

<https://thefinancialexpress.com.bd/economy/bangladesh-yet-to-meet-minimum-requirements-of-fiscal-transparency-1662810213>

Important News: Capital Market

Scam-hit BIFC suffers losses for sixth straight year

- Trouble-hit Bangladesh Industrial Finance Company Ltd (BIFC) suffered losses in 2020, extending its loss to the sixth year. The non-bank financial institution reported negative earnings per share of BDT 8.10 for the year that ended on December 31 of 2020 against BDT12.20 in the negative a year ago, according to a filing on the Dhaka Stock Exchange yesterday.
- Net asset value per share widened to BDT 102.37 in the negative in 2020 from BDT 94.27 in the negative in 2019, while net operating cash flow per share was BDT 2.78 in the negative in 2020 compared to a negative BDT 4.26 in the previous year. The board of directors recommended no dividend for 2020.

<https://www.thedailystar.net/business/economy/news/scam-hit-bifc-suffers-losses-sixth-straight-year-3119741>

Pubali Bank perpetual bond's half-yearly coupon rate declared as 9.58%

- Pubali Bank Limited has announced a coupon rate of 9.58% for its perpetual bond traded on the Dhaka Stock Exchange (DSE) since 23 March and ending on 22 September.
- The record date for the bond's coupon entitlement has been set as 20 September, according to the disclosure. This bond is an unsecured, contingent-convertible, fully paid-up, non-cumulative and Basel III compliant one that started trading at the stock exchanges on 24 March 2022.

<https://www.tbsnews.net/economy/stocks/pubali-bank-perpetual-bonds-half-yearly-coupon-rate-declared-958-496334>

Pran-RFL enters mobile phone manufacturing

- The country's manufacturing and processing behemoth Pran-RFL Group has made a foray into mobile phone manufacturing to capture a slice of the rapidly expanding digital device market in Bangladesh.
- The group has already set up a 30,000-square foot manufacturing plant at Palash, Narsingdi. At its peak, it will produce 0.35 Mn feature phones and 0.10 Mn smartphones per month. Its first batch of phones could hit the market soon.

<https://www.thedailystar.net/business/organisation-news/news/pran-rfl-enters-mobile-phone-manufacturing-3119786>

Genex Infosys partners with Standard Chartered to expand the bank's client base

- Genex Infosys Limited — a publicly listed information technology (IT) firm — has partnered with Standard Chartered Bangladesh to help the bank build a wider client base and scale up its distribution network. The board of directors of Genex approved the deal on Tuesday, according to a stock exchange filing by the company. The company is expected to earn BDT60 Mn a year in revenue from this project, the disclosure added.

<https://www.tbsnews.net/economy/stocks/genex-infosys-partners-standard-chartered-expand-banks-client-base-495702>

Meghna Insurance declares 3% cash dividend for 2021

- Meghna Insurance Company Limited, listed in 2022, has recommended a 3% cash dividend for its shareholders for 2021. The company disclosed the dividend information in a filing on the stock exchanges on Tuesday.
- According to the filing, its earnings per share (EPS) stood at BDT0.94 that year, which was BDT0.95 in 2020. Its net asset value (NAV) per share also declined to BDT17.88 from BDT26.04 in the previous year. The annual general meeting (AGM) of the company will be held on 22 December. The record date has been set for 24 October.

<https://www.tbsnews.net/economy/stocks/meghna-insurance-declares-3-cash-dividend-2021-495778>

Post-listing non-performance: BSEC asks some merchant banks to explain

- The securities regulator has asked several merchant banks to explain why their issue management activities will not be suspended over their involvement in the listing of non-performing companies. The Bangladesh Securities and Exchange Commission (BSEC) on Monday asked the companies to submit explanations within seven working days. Asked, the BSEC officials, however, refused to mention the names and the exact number of companies from which explanations have been called.

<https://thefinancialexpress.com.bd/stock/post-listing-non-performance-bsec-asks-some-merchant-banks-to-explain-1663045281>

National Bank to raise USD100 Mn by issuing bonds

- National Bank Ltd has decided to raise USD100 Mn by issuing foreign currency-denominated subordinated bonds in order to strengthen its capital base under Basel III guidelines. The board of the private commercial bank has taken a decision to this effect, according to a post on the Dhaka Stock Exchange yesterday. The term of the bond would be seven years.

<https://www.thedailystar.net/business/economy/news/national-bank-raise-100m-issuing-bonds-3117036>

IPDC gets conditional approval for EUR15 Mn loan from DEG

- The Bangladesh Bank (BB), with Standard Chartered Bank mediating, has conditionally allowed IPDC Finance Ltd to avail a long-term loan of EUR15 Mn from the Germany-based Deutsche Investitions-und Entwicklungsgesellschaft (DEG). The conditions would require IPDC to renegotiate the terms and conditions of the foreign currency loan.
- Mominul Islam, managing director and chief executive officer (CEO) of IPDC Finance, said IPDC was in talks to avail the financing at a floating rate of interest that would be determined based on the London interbank rate benchmark. However, the central bank has asked that the rate be within 4.2%, which is lower than the negotiated one.

<https://www.tbsnews.net/economy/stocks/ipdc-gets-conditional-approval-eu15m-loan-deg-495726>

Pragati Life Insurance allowed to issue bonus shares

- The Bangladesh Securities and Exchange Commission (BSEC) has approved Pragati Life Insurance Ltd to issue stock dividends for the year ended 31 December 2021, according to the company's stock exchange filing on Monday. In June this year, the company recommended 11% cash and 6% stock dividends for its shareholders for 2021.
- It recommended bonus shares to utilise their retained earnings as capital for business expansion. According to the disclosure, the company's board of directors has set 26 September as the record date to identify shareholders entitled to the stock dividend.

<https://www.tbsnews.net/economy/stocks/pragati-life-insurance-allowed-issue-bonus-shares-495026>

Navana Pharma launches IPO Tuesday

- The initial public offering (IPO) of Navana Pharmaceuticals will open for subscription tomorrow (Tuesday), aiming to raise BDT750 Mn under the book-building method. The IPO subscription period will continue until September 19, officials said. Navana Pharma received the regulatory approval for its IPO on June 8 this year.
- Eligible investors took part in the price discovery of the IPO shares by bidding for 72 hours from July 4 to July 7, a requirement for going public under the book-building method. Following the bidding, the cut-off price for each share was fixed at BDT34. However, general investors will be able to purchase its IPO shares at a 30% discount on the cut-off price, as per the regulatory approval.

<https://thefinancialexpress.com.bd/stock/navana-pharma-launches-ipo-tuesday-1662969855>

Oryza Agro recommends 11% cash dividend

- Oryza Agro Industries Limited, trading on the SME platform of the Dhaka Stock Exchange (DSE) as a low-cap company, recommended an 11% cash dividend in fiscal 2021-22 for its shareholders.
- But its sponsors and directors will not take the dividend as the feed manufacturer suffered an operating cash crisis in the last fiscal year, said a source in the company.
- According to a stock exchange filing, Oryza Agro will hold its annual general meeting (AGM) on 1 December for shareholder approval of audited financial statements and the recommended dividend.

<https://www.tbsnews.net/economy/stocks/oryza-agro-recommends-11-cash-dividend-494430>

Apex Tannery profit jumps 141%

- Apex Tannery Ltd – a 100% export-oriented leather processing and finishing company – has reported a 141% jump in profit in FY22 as its sales increased significantly. Owing to the profit growth, the company has recommended a 10% cash dividend for its shareholders. The company had paid 10% cash dividends in FY21 too.
- Apex Tannery produces high-quality leather for export. Its annual production is 32 Mn square feet of finished leather. According to its financial reports, the company made BDT12.5 Mn profit in FY22. Its earnings per share (EPS) stood at BDT0.82 in that fiscal year. Its profit was BDT5.2 Mn in the previous fiscal year.

<https://www.tbsnews.net/economy/stocks/apex-tannery-profit-jumps-141-493782>

Regulators reject Rupali Bank's dividend

- Rupali Bank is facing hurdles over disbursing dividends among its shareholders as the listed state-owned bank did not get the harmonic go-ahead from its two regulators. In May, the state-owned bank proposed to give a 2% stock dividend for 2021 but the Bangladesh Securities and Exchange Commission (BSEC) rejected the proposal citing consequential pains for its shareholders.
- Then the bank converted the dividend into cash at its annual general meeting just to be rejected again by the Bangladesh Bank as it did not comply with the cash dividend disbursement conditions. To overcome the obstacle, the bank has once again turned to the BSEC seeking its approval to stock dividends.

<https://www.tbsnews.net/economy/stocks/regulators-reject-rupali-banks-dividend-492762>

BSEC to review Kattali Textile's utilisation of IPO funds

- The Bangladesh Securities and Exchange Commission (BSEC) is going to appoint an auditor to review the initial public offering (IPO) fund utilisation of Kattali Textile Mills Ltd. In July this year, the commission expressed its concern about the company's utilisation of IPO funds after observing that it did not use the money in the past few months.

<https://www.tbsnews.net/economy/stocks/bsec-review-kattali-textiles-utilisation-ipo-funds-493786>

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