

Capital Market Overview

The market closed in red this week. The benchmark index DSEX (-5.34%) lost 252.92 points and closed the week at 4,480.23 points. The blue-chip index DS30 (-6.31%) lost 100.43 points and stood at 1,492.37 points. The Shariah-based index DSES (-4.12%) lost 44.90 points and stood at 1,044.91 points. The large cap index CDSET (-6.92%) lost 65.95 points and closed at 886.44 points. DSEX and DSES showed posted positive YTD returns of +0.61% and +4.51% whereas DS30 and CDSET showed negative YTD returns of -1.39% and -1.48% respectively.

Total Turnover During The Week (DSE): BDT 31.2 billion (USD 376.1 million)
Average Daily Turnover Value (ADTV): BDT 6.3 billion (Δ% Week: -30.9%)

Market P/E: 12.96x

Daily Index Movement during the Week:

The market performed five sessions during this week. Market opened this week with a negative movement of 0.72% in the first session and continued to be negative in the second (-1.02%), third (-0.64%) and fourth (-1.56%). The market ended the week in negative at 1.51%.

Sectoral Performance:

- All financial sectors showed negative performance during this week. Banks booked the highest loss of 7.53% followed by Life Insurance (-5.10%), General Insurance (-5.10%), NBFIs (-4.74) and Mutual Funds (-4.20%).
- All the non-financial sectors too showed negative performance during this week. Food & Allied booked the highest loss of 7.71% followed by Telecommunication (-7.11%), Power (-5.10%), Engineering (-4.45%), and Pharmaceuticals (-3.09%).

Macroeconomic arena:

- The interest on the post office savings tools, are likely to return to their previous rates subject to the completion of automation formalities of those tools by March 17 this year.
- Bangladesh Bank (BB) assured 92% depositors would get back their money while the rest 8% depositors' money would be returned after asset and liability assessment.
- The Bangladesh Bank formally instructed banks to set a maximum 9% interest rate on all loan products except credit cards.
- Imports from China slumped 21% year-on-year in volume in the one and a half months to February 15 amid supply disruption caused by the coronavirus pandemic.
- Japanese large firms are to invest about USD 6.4 billion to implement six infrastructure projects in Bangladesh under the public-private partnership model.
- All the SOCBs have failed again to achieve major targets, including recovery of bad loans in the first 6 months of the current FY.

Stock Market arena:

- The Bangladesh Securities and Exchange Commission on Tuesday allowed City Bank to float non-convertible zero-coupon bonds worth BDT 3 billion on the market.
- Beximco Pharmaceuticals yesterday penned a deal to begin the sale of medication for cancer, rheumatoid arthritis and other diseases made by US-based Mylan.
- Grameenphone decided to deposit BDT 10 billion to the state coffers as per the order of the Supreme Court on Thursday. The Appellate Division ordered GP to pay remaining BDT 10 billion to BTRC within 3 months over its disputed audit claim.
- Robi plans to submit its application for listing in the country's twin bourses to the Bangladesh Securities and Exchange Commission in the middle of next month, as the long-awaited debut of the second largest mobile phone operator is finally taking shape.

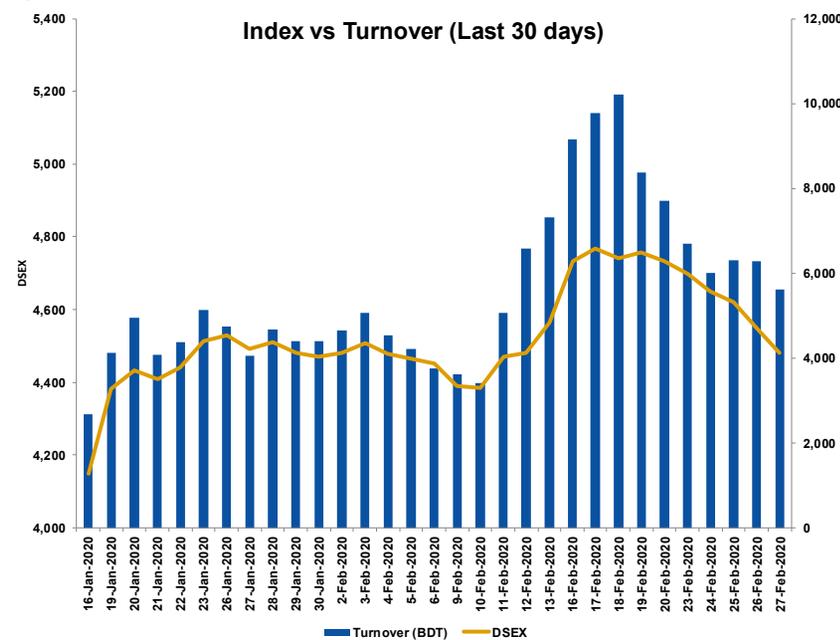
Table 1: Index

| Index | Closing | Opening | Δ(Pts) | 30-Dec-2019 | Δ% Week | Δ%YTD |
|-------|----------|----------|---------|-------------|---------|--------|
| DSEX | 4,480.23 | 4,733.14 | -252.92 | 4,452.93 | -5.34% | 0.61% |
| DS30 | 1,492.37 | 1,592.80 | -100.43 | 1,513.35 | -6.31% | -1.39% |
| DSES | 1,044.91 | 1,089.81 | -44.90 | 999.83 | -4.12% | 4.51% |
| CDSET | 886.44 | 952.39 | -65.95 | 899.76 | -6.92% | -1.48% |

Table 2: Market Statistics

| | | This Week | Last Week | %Change |
|------------------------|-----------|--------------|--------------|---------|
| Mcap | Mn BDT | 17,664,055.0 | 17,877,734.7 | -1.2% |
| | Mn USD | 212,487.1 | 215,057.6 | |
| Turnover | Mn BDT | 31,262.3 | 45,217.5 | -30.9% |
| | Mn USD | 376.1 | 543.9 | |
| Average Daily Turnover | Mn BDT | 6,252.5 | 9,043.5 | -30.9% |
| | Mn USD | 75.2 | 108.8 | |
| Volume | Mn Shares | 1,089.3 | 1,670.3 | -34.8% |

Figure 1: DSEX & Turnover in last four weeks



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Table 3: Top Ten Gainers

| Company Name | Close | Open | Δ% | Mcap (mn) | Vol (mn BDT) | P/E | P/B |
|---------------------------------------|--------|-------|-------|-----------|--------------|-------|------|
| Orion Infusion | 86.00 | 53.50 | 60.7% | 1,750.9 | 169.66 | 43.1x | 7.2x |
| Orion Pharma Ltd. | 44 | 27.80 | 59.4% | 10,366.2 | 214.27 | 12.1x | 0.6x |
| Central Pharmaceuticals Limited | 13.80 | 8.70 | 58.6% | 1,653.3 | 8.80 | 3.4x | 0.8x |
| SK Trims & Industries Limited | 72.80 | 49.40 | 47.4% | 6,166.2 | 191.12 | 30.8x | 6.3x |
| ICB Employees Provident MF 1 Scheme 1 | 6.70 | 4.60 | 45.7% | 502.5 | 11.84 | NM | 0.5x |
| Chittagong Vegetable | 120.80 | 83.30 | 45.0% | 3,049.6 | 12.27 | NM | 9.2x |
| Global Heavy Chemicals Limited | 37.20 | 25.80 | 44.2% | 2,678.4 | 2.34 | 55.2x | 0.7x |
| Premier Cement Mills Limited | 73.40 | 51.00 | 43.9% | 7,740.0 | 1.03 | 14.0x | 1.9x |
| Hakkani Pulp & Paper | 73.30 | 53.70 | 36.5% | 1,392.7 | 37.78 | NM | 2.7x |
| Argon Denims Limited | 22.50 | 16.60 | 35.5% | 2,834.5 | 6.17 | 8.1x | 1.1x |

Table 4: Top Ten Losers

| Company Name | Close | Open | Δ% | Mcap (mn BDT) | Vol (mn BDT) | P/E | P/B |
|-----------------------------------|--------|--------|--------|---------------|--------------|--------|-------|
| Far Chemical Industries Limited | 11.20 | 368.40 | -97.0% | 2,442.6 | 25.16 | 16.0x | 0.8x |
| Standard Ceramic | 425.60 | 621.80 | -31.6% | 2,749.7 | 38.75 | NM | 33.5x |
| Northern Jute | 373.90 | 508.90 | -26.5% | 800.9 | 10.59 | 16.8x | 6.6x |
| Prime Insurance | 19.40 | 25.60 | -24.2% | 793.0 | 2.86 | 13.8x | 1.1x |
| Shaympur Sugar | 26.20 | 34.20 | -23.4% | 131.0 | .15 | NM | NM |
| BRAC Bank | 37.10 | 47.30 | -21.6% | 45,758.2 | 15.38 | 8.9x | 1.2x |
| Samata Leather | 138.40 | 176.30 | -21.5% | 1,428.3 | 12.75 | 358.9x | 9.6x |
| FAS Finance & Investments Limited | 4.30 | 5.30 | -18.9% | 641.0 | 5.90 | 7.1x | 0.3x |
| International Leasing | 3.90 | 4.80 | -18.8% | 865.1 | 2.50 | 21.9x | 0.3x |
| Paramount Insurance | 35.90 | 43.70 | -17.8% | 1,192.7 | 15.03 | 39.1x | 2.8x |

Table 5: Top Ten Most Traded Shares

| Company Name | Close | Open | Δ% | Mcap (mn BDT) | Vol (mn BDT) | P/E | P/B |
|-------------------------------------|--------|--------|--------|---------------|--------------|-------|------|
| Grameenphone Ltd. | 274.40 | 260.70 | 5.3% | 370,522.3 | 1,156.66 | 10.7x | 8.7x |
| VFS Thread Dyeing Limited | 30.40 | 22.90 | 32.8% | 3,116.1 | 906.74 | 15.3x | 1.8x |
| Orion Pharma Ltd. | 44.30 | 27.80 | 59.4% | 10,366.2 | 763.22 | 12.1x | 0.6x |
| BRAC Bank | 37.10 | 47.30 | -21.6% | 45,758.2 | 702.66 | 8.9x | 1.2x |
| Indo-Bangla Pharmaceuticals Limited | 25.40 | 22.80 | 11.4% | 2,832.3 | 642.01 | 15.0x | 2.0x |
| Orion Infusion | 86.00 | 53.50 | 60.7% | 1,750.9 | 616.82 | 43.1x | 7.2x |
| LafargeHolcim Bangladesh Limited | 44.10 | 46.60 | -5.4% | 51,216.6 | 556.91 | 28.4x | 3.4x |
| Confidence Cement | 113.60 | 106.20 | 7.0% | 8,464.3 | 549.05 | 14.3x | 2.4x |
| Golden Harvest Agro Industries Ltd. | 21.60 | 17.90 | 20.7% | 4,662.1 | 525.68 | 15.7x | 1.4x |
| SK Trims & Industries Limited | 72.80 | 49.40 | 47.4% | 6,166.2 | 508.67 | 30.8x | 6.3x |

Table 8: Most Appreciated YTD in BRAC EPL Universe

| Top 10 Most Appreciated Stocks | Close | Δ% YTD | Mcap (mn BDT) | P/E |
|--|--------|--------|---------------|-------|
| Bangladesh Steel Re-Rolling Mills Limited | 65.80 | 34.84% | 15,533.3 | 9.7x |
| M.I. Cement Factory Limited | 52.10 | 33.59% | 7,736.9 | NM |
| LafargeHolcim Bangladesh Limited | 44.10 | 31.25% | 51,216.6 | 28.4x |
| MJL Bangladesh Limited | 79.20 | 25.12% | 25,086.8 | 13.5x |
| Khulna Power Company Limited | 55.30 | 18.42% | 21,976.9 | 17.4x |
| Shasha Denim Limited | 28.70 | 16.19% | 3,855.0 | 14.8x |
| Doreen Power Generations and Systems Limited | 67.90 | 15.28% | 8,912.6 | 8.4x |
| GPH Ispat Limited | 29.50 | 13.90% | 11,156.8 | 13.9x |
| BBS Cables Limited | 65.50 | 11.39% | 11,434.3 | 8.0x |
| Olympic Industries | 183.40 | 11.15% | 36,668.8 | 18.3x |

Table 6: Sector Indices

| Sector Name | Week Close | Week Open | Year Open | %Δ Week | %Δ YTD |
|------------------------|------------|-----------|-----------|---------|---------|
| Banks | 1191.12 | 1288.13 | 1319.28 | -7.53% | -9.71% |
| NBFIs | 1551.94 | 1629.23 | 1565.13 | -4.74% | -0.84% |
| Mutual Funds | 635.25 | 663.08 | 591.17 | -4.20% | 7.46% |
| General Insurance | 1820.91 | 1918.81 | 1927.02 | -5.10% | -5.51% |
| Life Insurance | 2036.40 | 2159.70 | 2194.70 | -5.71% | -7.21% |
| Telecommunication | 3846.18 | 4140.52 | 3993.59 | -7.11% | -3.69% |
| Pharmaceuticals | 2595.16 | 2677.90 | 2492.51 | -3.09% | 4.12% |
| Fuel & Power | 1613.95 | 1700.72 | 1515.21 | -5.10% | 6.52% |
| Cement | 1424.93 | 1514.50 | 1132.29 | -5.91% | 25.84% |
| Services & Real Estate | 1038.98 | 1065.38 | 886.70 | -2.48% | 17.17% |
| Engineering | 2413.03 | 2525.45 | 2257.22 | -4.45% | 6.90% |
| Food & Allied | 12542.20 | 13589.35 | 12121.49 | -7.71% | 3.47% |
| IT | 2059.49 | 2082.22 | 1823.13 | -1.09% | 12.96% |
| Textiles | 1154.73 | 1167.62 | 1042.04 | -1.10% | 10.81% |
| Paper & Printing | 5950.65 | 6299.67 | 5233.20 | -5.54% | 13.71% |
| Tannery | 1909.19 | 1963.75 | 1826.45 | -2.78% | 4.53% |
| Jute | 8801.29 | 10043.69 | 11393.28 | -12.37% | -22.75% |
| Ceramics | 432.53 | 485.11 | 459.10 | -10.84% | -5.79% |
| Miscellaneous | 1864.02 | 1893.74 | 1745.96 | -1.57% | 6.76% |

Table 7: Sector Trading Matrix

| Sector Name | Daily average this | Daily average last | % Change | % of Total Turnover | P/E | P/B |
|------------------------|--------------------|--------------------|----------|---------------------|--------|------|
| Banks | 360.1 | 613.0 | -41.25% | 6.13% | 6.4x | 0.7x |
| NBFIs | 109.8 | 211.9 | -48.20% | 1.87% | 90.3x | 2.1x |
| Mutual Funds | 107.8 | 225.3 | -52.17% | 1.83% | NM | 0.5x |
| General Insurance | 177.9 | 514.7 | -65.43% | 3.03% | 12.8x | 1.2x |
| Life Insurance | 93.2 | 236.2 | -60.53% | 1.59% | NM | 8.4x |
| Telecommunication | 269.4 | 269.6 | -0.10% | 4.58% | 11.0x | 8.0x |
| Pharmaceuticals | 1,038.7 | 1,148.8 | -9.58% | 17.67% | 17.2x | 2.3x |
| Fuel & Power | 489.9 | 926.3 | -47.11% | 8.33% | 10.5x | 1.9x |
| Cement | 230.3 | 360.6 | -36.14% | 3.92% | 28.9x | 2.6x |
| Services & Real Estate | 136.5 | 146.8 | -7.06% | 2.32% | 62.1x | 0.9x |
| Engineering | 842.7 | 1,340.2 | -37.12% | 14.33% | 14.6x | 1.4x |
| Food & Allied | 302.6 | 397.6 | -23.90% | 5.15% | 22.5x | 7.1x |
| IT | 175.8 | 263.4 | -33.26% | 2.99% | 18.3x | 2.7x |
| Textiles | 938.4 | 1,218.7 | -23.00% | 15.96% | NM | 0.8x |
| Paper & Printing | 79.8 | 93.6 | -14.66% | 1.36% | 295.4x | 1.5x |
| Tannery | 103.2 | 145.8 | -29.22% | 1.76% | 23.5x | 2.1x |
| Jute | 46.6 | 54.2 | -14.00% | 0.79% | NM | 4.0x |
| Ceramics | 63.9 | 129.3 | -50.59% | 1.09% | 26.9x | 1.6x |
| Miscellaneous | 312.4 | 519.5 | -39.86% | 5.31% | 20.5x | 1.1x |

Table 9: Least Appreciated YTD in BRAC EPL Universe

| Top 10 Least Appreciated Stocks | Close | Δ% YTD | Mcap (mn BDT) | P/E |
|---------------------------------|--------|---------|---------------|-------|
| BRAC Bank | 37.10 | -35.03% | 45,758.2 | 8.9x |
| City Bank | 17.60 | -16.59% | 17,888.4 | 6.9x |
| Prime Bank | 15.60 | -14.29% | 17,663.6 | 7.2x |
| Lankabangla Finance | 15.60 | -13.33% | 8,005.6 | 14.1x |
| Dutch-Bangla Bank | 63.30 | -11.22% | 31,650.0 | 6.5x |
| Bank Asia Ltd. | 16.30 | -10.44% | 19,004.3 | 7.6x |
| Eastern Cables | 180.50 | -9.39% | 4,332.0 | NM |
| Padma Oil Co. | 176.50 | -8.17% | 17,338.1 | 6.3x |
| Singer Bangladesh | 166.80 | -7.54% | 16,630.4 | 16.1x |
| Grameenphone Ltd. | 274.40 | -3.99% | 370,522.3 | 10.7x |

Important News: Business & Economy

Government to restore previous interest rates on condition

- The interest on the post office savings tools, which were slashed recently, are likely to return to their previous rates subject to the completion of automation formalities of those tools by March 17 this year. The disclosure came two weeks after the finance ministry slashed the interest rates on the three-year tenure fixed deposit in postal savings banks to 6% from 11.28%, a move that sparked outcry from various quarters. The automation of the post office savings tools is likely to be completed by March 17. After that the interest rates of those tools will return to their previous rates.
- The deposits in the Post Office Savings Bank were more than a fifth of BDT 836.30 billion of investment made by people in various types of savings certificates, bonds and government schemes in fiscal year 2018-19. Like the other savings schemes, the beneficiaries of the post office savings tools would have to give IDs and TIN numbers, but there would require no TIN numbers for making deposit up to Taka 0.2 million under this post office savings schemes while its ceiling of investment would remain intact.

<https://www.newagebd.net/article/100659/govt-to-restore-previous-interest-rates-on-condition>
<https://www.dhakatribune.com/business/banks/2020/02/26/post-office-savings-interest-to-return-to-previous-rates>
<https://thefinancialexpress.com.bd/national/interest-on-post-office-savings-to-return-to-previous-rates-1582726522>
<https://www.thedailystar.net/business/news/old-interest-rates-postal-savings-mar-17-1873435>

Banks' liquidation: Bangladesh Bank assures depositors of getting back money

- Bangladesh Bank (BB) on Wednesday assured bank depositors that there was nothing to be worried about getting back their money in case of winding up of any scheduled bank. The central bank said 92% depositors' money was protected under the existing rules.
- As per the Bank Deposit Insurance Act- 2000, each of the depositors will get back up to BDT 0.1 million from the deposit insurance trust fund within 180 days in case of winding up any bank. With the BDT 0.1 million coverage, 92% depositors would get back their money while the rest 8% depositors' money would be returned after asset and liability assessment.
- 96% of the depositors would get protection of their money if the repayment amount was increased to BDT 0.2 million from the existing BDT 0.1 million.

<https://www.dhakatribune.com/business/banks/2020/02/26/banks-liquidation-bb-assures-depositors-of-getting-back-money>
<https://www.newagebd.net/article/100624/bb-tries-to-quell-depositors-concern-about-refund>
<https://www.thedailystar.net/business/news/no-bank-face-liquidation-1873411>
<https://thefinancialexpress.com.bd/economy/depositors-money-to-be-more-secure-under-new-act-bb-1582731415>

Export Development Fund (EDF) loan limit for knitwear makers raised to USD 20 million

- The Bangladesh Bank on Tuesday raised the limit of foreign currency loans for knitwear manufacturers and exporters from the central bank's export development fund to USD 20 million from USD 15 million. Bangladesh Knitwear Manufacturers and Exporters Association would from now on get USD 20 million from EDF for input procurement. Since the knitwear sector contributes more than 41% to the country's total export earnings, so BKMEA member mills should also get EDF loan facility similar to that of the BGMEA ones. The EDF was launched in 1989 to facilitate access to low-interest financing in foreign exchange for input procurements by manufacturer exporters, and the current size of the fund is USD 3.5 billion.

<https://today.thefinancialexpress.com.bd/trade-market/bb-raises-edf-loan-limit-for-bkmea-mills-1582660291>
<https://www.newagebd.net/article/100501/edf-loan-limit-for-knitwear-makers-raised-to-20m>

Bangladesh Bank formally asks banks to set single-digit lending rates

- The Bangladesh Bank yesterday instructed banks to set a maximum 9% interest rate on all loan products except credit cards, in a move that suggests single-digit lending rate would actually be material sing. But borrowers will have to cough up an additional two% in penal interest along with the new rates if they default on their instalment payments, according to a central bank notice. The new rates will come into effect on April 1.
- The central bank, however, kept unchanged the interest rate of 7% for exporters who take loans before shipping products. In many cases, exporters take out loans to purchase raw materials in order to produce export-oriented items. From this year, banks will also not be allowed to lower the disbursement of funds flowing to the industrial sector below their average credit growth in the last three years. The provision came as central bankers fear that banks may cut loans to industries because of the new ceiling on the lending rates.
- The central bank, however, will not issue any notice on fixing the interest rate on fixed deposit schemes at 6% as banks have already started to do so in preparation for the 9% lending rate, said a BB official. On January 28, the Association of Bankers, Bangladesh, a forum of managing directors of banks, took the decision to provide not more than 6% on fixed deposit receipts (FDRs) from February 1. As of February 14, 21 banks brought down the interest rate on FDRs to 6%.

<https://www.thedailystar.net/business/news/bb-formally-asks-banks-set-single-digit-lending-rates-1872652>
<https://thefinancialexpress.com.bd/economy/bangladesh/bb-sets-90pc-interest-rate-on-all-loans-1582562026>

Imports from China tumble 21% for coronavirus

- Imports from China slumped 21% year-on-year in volume in the one and a half months to February 15 amid supply disruption caused by the coronavirus pandemic. Businesses imported 3.6 million tonnes of products in the first seven months of fiscal 2019-20, down 19% from a year earlier.

- Cotton yarn and woven textile fabrics top the list of the items coming to Bangladesh from China, followed by woven textile fabrics, knit textile fabrics and garment accessories. The import of mobile parts, which soared last year, may suffer as 27% of last fiscal year's total imports amounting to USD 505 million came in the last seven months.

<https://www.thedailystar.net/business/news/imports-china-tumble-21pc-coronavirus-1872649>

Bangladesh mobile phone market grows by 4.1% in 2019: Report

- Bangladesh's mobile phone market returned to growth in 2019 with a 4.1% annual growth, shipping 29.6 million units during the year, a new report released from New Delhi stated. Feature phones continued to dominate with 76.6% share and 22.7 million units shipment with a 4.9% annual growth, according to the International Data Corporation's (IDC) Worldwide Quarterly Mobile Phone Tracker, 4Q19. In the smartphone category, a total of 6.9 million smartphones were shipped in 2019 with a 1.4% year-over-year (YoY) growth. The last quarter of the year (4Q19) saw the healthy growth in the overall mobile phone shipments as the category grew 19.5% YoY and 16.2% from the previous quarter, contributing 8.8 million shipments to the year.

- In June 2019, the government of Bangladesh increased the customs duty on the import of completely built units (CBU) of the smartphone to 25% from 10% earlier, resulting in a 4.1% decline YoY in 2H19. However, as feature phones were left outside of this increased duty structure, it saw a strong recovery with 20.1% YoY growth in 2H19.

<https://today.thefinancialexpress.com.bd/trade-market/bangladesh-mobile-phone-market-grows-by-41pc-in-2019-report-1582569521>

<https://www.dhakatribune.com/business/2020/02/24/4-1-growth-in-local-mobile-phone-market-in-2019>

Hero to ramp up production in Jashore plant

- Hero MotoCorp plans to increase the production capacity of its factory in Bangladesh seeing the huge growth potential of the country's automotive industry, said its chairman. In 2016, Hero set up a motorcycle manufacturing plant in Jashore in what was the Delhi-based motorcycle and scooter manufacturer's first overseas venture. Over the past four years, more than 250,000 motorcycles were manufactured at the factory, which has an average production capacity of more than 100,000 vehicles per annum.

- The sales of motorcycles increased 13% in 2019. But the growth rate was higher previously, according to industry insiders. The sudden change in regulations is one of the biggest challenges faced by Bangladesh's automotive industry, which is the third largest in South Asia. A set of regulations are changed when the government announces its yearly fiscal budget in June. Besides, the Statutory Regulatory Order (SRO) also brings changes on taxes. Scooters account for only 1% of the total demand for two-wheelers in Bangladesh, while motorcycles make up the rest, the chairman of Hero said, adding that 65% of the two-wheeler market in Sri Lanka is cornered by scooters.

<https://www.thedailystar.net/business/news/hero-ramp-production-jashore-plant-1872616>

Japanese firms to invest USD 6.4 billion

- Major Japanese large firms are to invest about USD 6.4 billion to implement six infrastructure projects in Bangladesh under the public-private partnership model. The implementation timeline for the projects to be implemented by groups such as Kajima, Sojitz and Marubeni will be set at the fourth Bangladesh-Japan Joint PPP Platform meeting in Dhaka next month.

- The ministry of land, infrastructure, transport and tourism (MLIT) of Japan has selected a consortium of private investors for each project to be led by a major company. The consortium is known as the sub working group (SWG). The Japanese companies will invest under the government-to-government system without participating in any bidding. At the meeting, Dhaka will seek investment for four more projects.

<https://www.thedailystar.net/business/news/japanese-firms-invest-64b-1872655>

<https://www.newagebd.net/article/100451/pm-seeks-more-japanese-investment-in-power-sector>

Another new bank gets license

- The number of scheduled banks reached 60 as the central bank issued license to Bengal Commercial Bank Ltd on Sunday. Earlier on February 09, the BB board of directors gave its final approval to the proposed Bengal Commercial Bank, asking the lender to increase its paid-up capital to BDT 5.0 billion within two years. The new private commercial bank (PCB) has now been empowered to take preparations to start their business. Currently, there are 60 banks in Bangladesh, of which 42 are local private banks, nine are foreign, and nine are state-owned lenders.

<https://today.thefinancialexpress.com.bd/first-page/another-new-bank-gets-licence-1582479817>

Bangladesh still risks losing Generalized System of Preferences (GSP) benefits

- Bangladesh is still at risk of losing the European Union's GSP as the latter has again warned about its readiness to launch the procedure for withdrawal of preferences in case of failure to produce sufficient results. The European Union (EU) will decide on its next steps following the publication of the assessment report by the International Labor Organization (ILO) by the next month on Bangladesh in line with its (ILO's) previous recommendations. The EU's warning came in its latest report expressing its concerns over labor and human rights situation in Bangladesh. It suggested further improvements in these areas to avert any untoward situation such as withdrawal of trade preferences.

- Bangladesh, considering only preferential imports, has become the EU's number one GSP partner, closely followed by India, Indonesia, Vietnam and Pakistan. In 2019, Bangladesh was denoted as a serious case under ILO Convention 81 on labor inspection, the report said, adding that 575 posts for labor inspectorates are not being filled. In 2018, the number of inspectors even decreased from 345 to 320.

- In 2018, figures showed that EBA exports from Bangladesh to the EU amounted to EUR 17.4 billion and approximately EUR 2 billion in duties were saved in Bangladesh on an

annual basis. Bangladesh has been asked to remove legal obstacles in the right to establish and organize trade unions, elect officers and carry out freely activities of a trade union; tackling violence and anti-union discrimination and making urgent progress on the full elimination of forced and child labor. Bangladesh's ability to comply and implement these actions will determine the fate of its EU exports with regards to the GSP benefits.

<https://today.thefinancialexpress.com.bd/first-page/bangladesh-still-risks-losing-gsp-benefits-1582479268>

SoBs miss bad loan recovery targets

- All the state-owned commercial banks have failed again to achieve major targets, including recovery of bad loans in the first six months of the current fiscal until December.
- Sonali Bank achieved 42% of its recovery target of BDT 4.21 billion bad loans and the achievement of another scam-hit Janata Bank was 52% of its recovery target of BDT 119 billion bad loans. The achievement of Agrani Bank was 33% of its recovery target of BDT 1.31 billion bad loans, the achievement of Rupali Bank was 34% of its recovery target of 838.8 million bad loans.
- BASIC Bank, which turned sick due to huge shady loans provided by the previous bank's board led by its former chairman between 2009 and 2014, achieved 87% of its recovery target of BDT 1.34 billion bad loans until December.

<https://www.newagebd.net/article/100374/sobs-miss-bad-loan-recovery-targets>

5 banks face BDT 4.48 billion loans in default against their exposure through Offshore Banking Units (OBU)

- Five out of 35 scheduled banks, operating offshore banking unit, have suffered BDT 4.48 billion in defaulted loans against their exposure through OBUs at the end of 2019. The December-end volume of defaulted loans was BDT 705.3 million lower than BDT 5.18 billion three months ago.
- With the change in last quarter of the year, the rate of defaulted loans in OBUs of the five banks has dropped to 0.74% at the December-end quarter from 0.85% in September-end quarter. The banks are — AB Bank, Dhaka Bank, BRAC Bank, Prime Bank and Woori Bank.
- The scam-hit banking sector has stuffed with BDT 943.31 billion in defaulted loans while the 12 banks faced BDT 107.98 billion in provision shortfall against their overall defaulted loans at the end of December 2019. Overall provision requirement of the banks against their OBUs was BDT 10.17 billion against the defaulted loans while they kept BDT 8.43 billion as provision, leaving a shortfall of BDT 1.74 billion.

<https://www.newagebd.net/article/100180/5-banks-face-BDT-448cr-loans-in-default>

Import from China falls, apparel sector in a fix

- Both volume and value of import from China have declined by 20.87% and 8.29% respectively from January 1 to February 15 due to impact of Coronavirus outbreak there. Import of some 30 major products of manufacturing sector, especially of apparel, declined up to 76% in that period, according to data of the Customs Wing of National Board of Revenue (NBR). The major products, whose import declined, include clothing accessories, denim fabric, plain cotton woven fabric, woven fabrics of synthetic yarn, dyed woven cotton fabrics, and some chemicals used in apparel industries. According to official data, import of products from China declined by 249,311 tonnes, while value of import dropped by BDT 15.78 billion from January 1 to February 15 of the current fiscal year (FY), 2019-20. Some 944,827 tonnes of goods were imported from China in that period with a value of BDT 174.41 billion. In the same period of last FY, import volume from China was 1.1 million tonnes with a value of BDT 190 billion.
- The Customs Wing officials said import of goods from China consists of 27 to 29% of total import. They opined that if the slowdown in import from China persists, the wing might lose 7.0 to 8.0% of its targeted revenue. The apparel sector has found no alternative to China for importing raw materials at reasonable cost.

<https://today.thefinancialexpress.com.bd/public/first-page/import-from-china-falls-apparel-sector-in-a-fix-1582221274>

Japan Tobacco appoints new MD

- Japan Tobacco International (JTI) in Bangladesh has appointed a new managing director. Neil Coupland has nearly three decades' experience in the tobacco and related industries such as British American Tobacco, Imperial Tobacco and security solutions provider SICPA, says a press release. He joined JTI in 2008 as general manager of Romania, Moldova and Bulgaria before taking on the role for Poland and Middle Americas.

<https://www.thedailystar.net/business/news/japan-tobacco-appoints-new-md-1873405>

Important News: Capital Market

One Bank launches agent banking service

- One Bank Limited has launched its agent banking service to join the growing list of banks which are taking banking services to unbanked people in both urban and rural areas. ONE Bank aims to provide modern and enhanced banking services to customers through the agent banking service, said the release. The agent banking will cater to wide range of services including opening current and savings accounts, cash deposit and withdrawal, opening fixed deposit and DPS, utility bill payment, passport fees collection, fund transfer, collection of inward remittance, hotel booking, purchasing air and bus ticket, applying for retail and SME loans and OK wallet services, it said.

<https://www.newagebd.net/article/100623/one-bank-launches-agent-banking-service>

New Dhaka Bank MD sets sight on quality growth

- Emranul Huq has taken over the helm of Dhaka Bank with a goal to bring down bad loans, beef up corporate governance and widen the lender's footprint. Huq assumed the twin roles of managing director and chief executive officer of Dhaka Bank on February 22 on a two-year term. Prior to the new position, he was serving the bank as the additional managing director and chief business officer. Huq succeeds Syed Mahbubur Rahman, who decamped to Mutual Trust Bank in November last year. Before joining Dhaka Bank in 1998, Huq worked at Eastern Bank and Credit Africa Bank in Zambia. He obtained his Bachelor of Commerce with Honors in Management from the University of Dhaka.

- Dhaka Bank's default loan ratio is less than 5% of total outstanding loans, comfortably below than the banking sector's average of 10%. But Huq, who started his career with the Bank of Credit & Commerce International in Dhaka as management trainee in 1986, has set his sights on bringing it down to 3%. Dhaka Bank is largely known as a corporate lender. Huq has targeted to change the image: he wants to expand the bank's small- and medium-sized enterprises loan portfolio and retail banking operations. Set up in 1995, Dhaka Bank has 106 branches.

<https://www.thedailystar.net/business/news/new-dhaka-bank-md-sets-sight-quality-growth-1873429>

GSK Bangladesh ricochets to profits

- GlaxoSmithKline Bangladesh bounced back to profitability last year thanks to streamlining its business the previous year. The British multinational shuttered its 60-year-old pharmaceuticals business in Bangladesh in 2018. The pharmaceuticals unit, based in Chattogram, was incurring losses in the previous five years, much to the concern of the GSK Bangladesh board.

- The British company took another monumental decision in 2018: on December 3, 2018, Unilever announced purchase of 82% stakes of GSK's health food and drinks business in Bangladesh for BDT 16.4 billion, as part of the Anglo-Dutch company's push to cash in on Asia's fast-growing economies. It is also purchasing GSK's entire health food and drinks portfolio in India as well as in 20 other Asian countries for 3.3 billion euros (about USD 3.74 billion), after it fought off competition from rivals Nestle and Coca-Cola. The transaction is yet to be completed, the chairman of GSK Bangladesh said.

<https://www.thedailystar.net/business/news/gsk-bangladesh-ricochets-profits-1873084>

Quasem Industries to set up an artificial quartz factory for BDT 920 million

- Quasem Industries, a listed dry cell and food product producer, yesterday announced its plan to set up an artificial quartz product manufacturing factory at a cost of about BDT 920 million as part of its strategy to diversify its portfolio. It is made of 90 to 94% ground quartz and 6 to 10% resins and pigments that are combined into durable and nonporous slabs.

- The unit would be 100% export-oriented with provision for local sales of artificial quartz product. Quasem Industries is expecting the plant to churn out BDT 174.5 million in profit within the first year of its operation as it tries to offset the losses caused by the fire in its headquarters last year.

<https://www.thedailystar.net/business/news/quasem-industries-set-artificial-quartz-factory-BDT-92cr-1873081>

City Bank allowed to float BDT 3 billion bonds

- The Bangladesh Securities and Exchange Commission on Tuesday allowed City Bank to float non-convertible zero-coupon bonds worth BDT 3 billion on the market.

- The face value of each unit bond will be BDT 5,000 and the bond will be fully redeemable in three years' time. Only banks, financial institutions, corporate institutions and other eligible investors will be allowed to subscribe the bonds through private placement.

<https://www.newagebd.net/article/100504/city-bank-allowed-to-float-BDT-300cr-bonds>

Apex Pharma gets Congo's clearance to export medicines

- Apex Pharma has received the good manufacturing practices certificate from Congo, a development that will open the door for the local medicine-maker to export pharmaceutical products to 11 central African countries. Bangladesh has been exporting medicines to many countries for a long time, but the volume is relatively less in 11 central African countries. Apex Pharma will now move to have its six products registered for exports to Congo as well other central African countries, head of marketing of Apex Pharma said. The company is also in the process of registering its products for exports to Afghanistan, Guinea, Mali and Yemen, he said, adding that the company currently sells 135 products in the domestic market.

<https://www.thedailystar.net/business/news/apex-pharma-gets-congos-clearance-export-medicines-1873066>

<https://today.thefinancialexpress.com.bd/stock-corporate/apex-pharma-gets-congos-prestigious-gmp-certificate-1582659500>

Beximco Pharma to sell global drug maker Mylan's products

- Generic drug manufacturer Beximco Pharmaceuticals yesterday penned a deal to begin the sale of medication for cancer, rheumatoid arthritis and other diseases made by US-based Mylan, in what can be viewed as a stroke of good news for the country's healthcare sector. Under the agreement, Beximco Pharma will be allowed to launch Mylan's portfolio of key monoclonal antibodies for different types of cancer, rheumatoid arthritis, Crohn's disease, ulcerative colitis and other medical conditions, said the listed company in a press release.

- The first product, a breast cancer drug called Ogivri, will become available to the public in the first quarter of the current year. Cancer is now one of the leading causes of death in Bangladesh: more than 50,000 women have tested positive for breast cancer. Mylan has been accredited by leading global regulatory authorities, which include the FDA, Malta Medicines Authority (EU), TGA (Australia), Health Canada, GCC (Gulf) and TFDA (Taiwan), offering a growing portfolio with more than 7,500 of their products being marketed across 165 countries and territories. Ogivri, which is approved by the US Food and Drug Administration (FDA) and also received marketing authorization from the European

Medicines Agency, is biosimilar to Roche's blockbuster drug Herceptin. Its global sales in 2018 exceeded USD 7 billion.

<https://www.thedailystar.net/business/news/beximco-pharma-sell-global-drug-maker-mylans-products-1872646>

Grameenphone's mini victory against telecom watchdog

- The Supreme Court yesterday directed Grameenphone to pay another BDT 10 billion to the Bangladesh Telecommunication Regulatory Commission (BTRC) within the next three months, in a development that can be viewed as a mini-victory of the country's leading mobile operator.

- The carrier, which has 46% market share, got an injunction from the High Court on the BTRC's move to realize BDT 125.8 billion from them on October 17 last year. The BTRC later filed a petition with the SC challenging the HC's injunction order and following the petition the Appellate Division on November 24 last year directed Grameenphone to pay BDT 20 billion to the telecom regulator in three months. On January 26 this year, GP filed a review petition with the apex court seeking its permission to pay BDT 5.75 billion in 12 equal instalments.

- During the hearing yesterday, Grameenphone's lawyer placed documents proving the operator had paid BDT 10 billion to the telecom watchdog on Sunday before the apex court judges. Then, chief justice asked the lawyers when Grameenphone will pay the remaining BDT 10 billion to the BTRC. In reply, the Grameenphone's lawyers prayed to the court to give them six months more to furnish the sum. The lawyers also said a title suit regarding the dues of Grameenphone to the BTRC is pending with the trial court concerned. The SC granted them a three-month timeframe to pay next the instalment and said if the trial court finds in the final verdict that GP does not owe to the BTRC, then the BDT 20 billion will be adjusted.

<https://www.thedailystar.net/business/news/grameenphones-mini-victory-against-telecom-watchdog-1872640>

<https://www.newagebd.net/article/100447/grameenphone-must-pay-btrc-another-BDT-1000cr-in-3-months-ad>
<https://today.thefinancialexpress.com.bd/last-page/gp-asked-to-pay-btrc-BDT-10b-1582568575>

Court asks GP to pay BTRC remaining BDT 10 billion within 90 days

- On Sunday, Grameenphone paid BDT 10 billion to the BTRC as the Appellate Division, on November 24, last year, ordered Grameenphone to pay BDT 20 billion to BTRC out of its disputed claim of BDT 125.8 billion dues within the next three months. The Appellate Division today ordered mobile operator Grameenphone to pay remaining BDT 10 billion to the Bangladesh Telecommunication Regulatory Commission (BTRC) within three months over its disputed audit claim. In its observation, the court said that they want foreign companies to run businesses in Bangladesh and they should do their businesses according to the law. In the full verdict, the court will ask concerned authorities to let GP do their business peacefully.

- The Bangladesh Telecommunication Regulatory Commission (BTRC) has claimed BDT 125.8 billion from the operator in revenue shares, taxes and late fees -- a figure Grameenphone maintains is not correct. The deposit though should not be seen an admission of liability, Grameenphone said in a statement yesterday. With the view to cranking up the pressure on Grameenphone to get it to pay the sum, the telecom regulator has put a host of restrictions including declining no-objection certificates since July, issuing show-cause notice for license cancellation, and denying recycling of number series along with the threat of appointing an administrator for its day-to-day running.

- Grameenphone followed the lead of Robi, the country's second largest mobile operator, which was also locked in a similar tussle with the telecom watchdog over unpaid dues amounting to BDT 8.67 billion after audit. The matter was taken to court as well. The High Court on January 5 ordered Robi to pay BDT 1.38 billion in five instalments against the BTRC's claim. The operator has already paid the first of the five instalments of BDT 276 million on January 10, after which the restrictions on it were lifted by the telecom regulator.

<https://tbsnews.net/bangladesh/telecom/court-asks-gp-pay-btrc-rest-BDT1000cr-within-90-days-47309>

<https://today.thefinancialexpress.com.bd/last-page/gp-finally-pays-btrc-BDT-10b-1582480141>

<https://www.thedailystar.net/business/news/relief-gp-last-after-it-pays-BDT-1000cr-1872196>

<https://www.newagebd.net/article/100323/grameenphone-pays-btrc-BDT-1000cr-ad-may-make-next-move-today>

Supreme Court (SC) Order on BTRC's Audit Claim: GP to deposit BDT 10 billion to state coffers tomorrow

- Grameenphone has decided to deposit BDT 10 billion to the state coffers tomorrow as per the order of the Supreme Court on Thursday - a move that is likely to save it from BTRC's regulatory measures. The operator has taken the decision to get court protection from the pressure the Bangladesh Telecommunication Regulatory Commission (BTRC) has applied on it and its management, it said in a press release last evening that was signed off by its head of external communications. The BTRC actions include declining no-objection certificates since July, issuing show-cause notice for license cancellation, and denying recycling of number series, it said.

- Had Grameenphone decided against furnishing the sum, the BTRC would have proceeded as per the telecom act, which empowers it to appoint an administrator, said the chairman of the telecom watchdog. The telecom regulator has taken all preparations for appointing the administrator. The BTRC chairman even met with the Prime Minister at her office on Monday and discussed a few potential candidates for the panel of administrator. BTRC chairman said that the issuance of no objection of certificates to mobile operator Grameenphone would depend on the court order even if the operator paid BDT 10 billion. Apart from asking the operator to pay BDT 10 billion by Monday, the court also asked the mobile phone operator to appear before it after the payment when the court would outline the ways to resolve the audit issue, he said.

<https://www.thedailystar.net/frontpage/news/sc-order-btrcs-audit-claim-gp-deposit-BDT-1000cr-state-coffer-tomorrow-1871284>

<https://www.newagebd.net/article/100233/noc-issuance-to-gp-to-depend-on-ad-order>

Robi prepares to go public

- Robi plans to submit its application for listing in the country's twin bourses to the Bangladesh Securities and Exchange Commission in the middle of next month, as the long-awaited debut of the second largest mobile phone operator is finally taking shape. The operator, which got the approval from the Bangladesh Telecommunication Regulatory Commission last week for the initial public offering, though will make its debut on both the Dhaka and Chattogram stock exchanges in the second half of the year. The reason being, its parent company Axiata, which has 68.69% stakes, has put up two conditions for the listing and the operator is lobbying with the government for them.

- The first condition is Robi's corporate tax must be brought down by at least 10 percentage points. At present, the operator pays 45% corporate tax. Grameenphone got the corporate tax benefit when it got listed. But the government withdrew the facility a few years ago. The second condition is withdrawal of the 2% minimum income tax on overall revenue that the government imposed from this fiscal year. The operator wants the rate to be 0.75%. Whether the government agrees to the conditions or not would be reflected in the national budget for fiscal 2020-21.

- The operator intends to offload 10%, or about 523.8 million, shares to raise BDT 5.24 billion for network expansion in preparation for 5G. Of the shares, 387.8 million will be offered to the public and institutional investors in Bangladesh, while the remaining 136.1 million will be set aside for employees and directors of Robi under the employee share purchase plan. The face value of the shares would be BDT 10 and there will be no premium.

- Robi will become the second mobile operator to get listed after Grameenphone, which started trading from November 16, 2009. The operator, which is 25%-owned by Indian Bharti Airtel and 6.31% by Japanese NTT Docomo, has planned to invest USD 500 million in Bangladesh. But the three stakeholders have put off the investment plan for regulatory restrictions. In 2019, Robi logged in profits of BDT 169 million, down 92.12% from the previous year, despite seeing double-digit revenue growth to BDT 74.81 million. At the end of last year, Robi's active customer number stood at 49 million, which is 29.60% of the market.

<https://www.thedailystar.net/business/telecom/news/robis-listing-will-be-gift-investors-1871824>

<https://www.thedailystar.net/backpage/news/robi-prepares-go-public-1871266>

<https://www.dhakatribune.com/business/2020/02/22/robi-net-profit-drops-to-BDT17cr>

<https://www.newagebd.net/article/100224/robi-sets-2-tax-related-conditions-to-get-listed>

Walton rolls out red carpet to lure in customers

- Local electronics giant Walton yesterday introduced a huge sales campaign to give away cash vouchers worth BDT 3.5 million every day among the buyers of its refrigerators, televisions and air-conditioners. Walton now holds around 75% of the local refrigerator market in Bangladesh. The company's refrigerator sales increased 35.33% year-on-year to 2.03 million units in 2019 and it aims to sell 2.5 million units in 2020. In AC sales, the company posted a 216% growth in 2019. It plans to sell 0.25 million units of ACs in 2020, which is about 187% higher than their previous year's sales figure. Walton currently has around 7 million registered customers and it plans to register half of the country's

population in 10 years

<https://www.thedailystar.net/business/news/walton-rolls-out-red-carpet-lure-customers-1870906>